

AVT NATURAL PRODUCTS LIMITED

29th Annual Report
2014-2015

AVT NATURAL PRODUCTS LIMITED

BOARD OF DIRECTORS

Mr. Ajit Thomas, *Chairman*
Mr. M.A. Alagappan
Mr. P. Shankar. I.A.S (Retd.)
Mr. Habib Hussain
Mrs. Shanthi Thomas (w.e.f. 21.03.2015)
Mr. Shyam B. Ghia (upto 19.03.2015)
Mr. A.D. Bopana (w.e.f. 29.05.2015)
Mr. M.S.A. Kumar, *Managing Director* (upto 31.03.2015)

AUDIT COMMITTEE

Mr. M.A. Alagappan, *Chairman*
Mr. P. Shankar. I.A.S. (Retd.)
Mr. Habib Hussain
Mr. Shyam B. Ghia (upto 19.03.2015)

KEY MANAGERIAL PERSONNEL

Mr. M.N. Satheesh Kumar, President & COO
(appointed as 'Manager' – KMP w.e.f. 01.04.2015)
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 Ltd.,
State Bank of India Ltd.,
The South Indian Bank Ltd.,
Citibank N.A.

PLANT LOCATIONS

SF No. 234/1, Mysore Trunk Road,
Puduvadavalli, Sathyamangalam - 638 401,
Erode District, Tamil Nadu.
HL No. 1182, Harikura Village,
Honavally Hobli, Tiptur Taluk - 572 202,
Tumkur District, Karnataka.
Plot No. 225/1A, 5-7, Kaipoorikkara,
South Vazhakulam, Marampilly Post,
Aluva - 683 107, Ernakulam District, Kerala.
Tel : 0484-2848240 Fax: 0484-2677512

SUBSIDIARY COMPANIES

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

AVT Natural Pte. Ltd.,
17, Phillip Street, # 05-01,
Grand Building,
Singapore - 048695.

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

REGISTERED OFFICE

60, Rukmani Lakshmi pathy Salai
Egmore, Chennai – 600 008
Tel :044-28584147 Fax: 044-28584147
Email : avtnpl@avtnatural.com,
Website : www.avtnatural.com
CIN : L15142TN1986PLC012780

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held at 10.30 A.M. on Wednesday, the 26th August 2015 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 Balance Sheet as at and the Statement of Profit & Loss for the year ended 31.03.2015 and the Reports of the 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.
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 2016 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, 2016 as may be determined by the audit committee in consultation with the auditors”.

SPECIAL BUSINESS

5. **Appointment of Mrs. Shanthi Thomas as Director**
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED that Mrs. Shanthi Thomas (DIN: 00567935), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 21st March 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013('the Act') and in respect of whom the

Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, who is liable to retire by rotation.”

6. **Appointment of Mr. A.D. Bopana as an Independent Director**

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. A.D. Bopana (DIN: 00576066), a non-executive Director of the Company w.e.f. 29.05.2015, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years from conclusion of this Annual General Meeting”.

7. **Appointment of Mr. M.N. Satheesh Kumar, as 'Manager' of the Company**

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 Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Rules made there under, as amended from time to time, the consent of the shareholders of the Company be given for the appointment and terms of remuneration of Mr. Satheesh Kumar as “Manager” of the Company to hold the office for a period of two years w.e.f. 01.04.2015 to 31.03.2017 on a remuneration by way of salary, allowances, benefits and perquisites, as are applicable and as may be decided by the Board of Directors of the Company from time to time, without further reference, consent of members, within overall limits specified under section 197 of the Companies Act 2013 read with the schedule V of the Companies Act, 2013, as in force from time to time.

RESOLVED FURTHER THAT Mr. M.N. Satheesh Kumar, be paid the following managerial remuneration

within the overall limit specified under section 197, from the date of his appointment w.e.f. 1st April 2015 to 31st March 2017 until otherwise decided by the Board of Directors.

Remuneration:

Salary	Rs.2,75,000 per month in the scale of Rs. 2,50,000- 4,00,000 with annual increment as may be decided by the Board of Directors from time to time.
Special Allowance	Rs.75,000/- per month
Perquisites (including Leave Travel Allowance, Fuel & Maintenance, Electricity charges, Water charges, Gas, Medical etc.)	Subject to a maximum of Rs.40,000/- per month
Performance incentive	As may be decided by the Board of Directors subject to a maximum of 4 months basic salary and special allowance.

Other Benefits:

- a. Contribution to provident fund and super annuation fund on salary at the rate in accordance with the rules of the Company.
- b. Gratuity on salary in accordance with the rules of the Company
- c. Encashment of leave as per the rules of the Company
- d. Provision for telephone and other communication facilities at residence for official purpose.

RESOLVED FURTHER that where in any financial year, during the currency of his tenure, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances and perquisites not exceeding the limits specified in part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER that the duties of the “Manager” so appointed above shall be the overall supervision of the functioning and manage affairs of the Company under the superintendence and control of the Board of Directors and to perform all other duties that the Board may delegate to the “Manager” from time to time.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to

vary, alter or modify the different components of the aforesaid remuneration within the overall limit specified under Section 197 read with Schedule V of the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. M.N. Satheesh Kumar.”

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

Place : Chennai
Date : 22nd July 2015

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 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 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 19th August 2015 to 26th August 2015 (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 26th August 2015.
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. Pursuant to provisions of Section 124(5) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends up to the financial year 2006-07 from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25.07.2014 (date of last annual general meeting) on the website of the Company (www.avtnatural.com) as also in the website of the Ministry of Corporate Affairs.
11. Members are therefore, advised to claim the unclaimed dividend, if any, immediately.
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 29th Annual General Meeting and the Annual Report for 2014-15 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.
16. 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 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.
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, the Company is pleased to provide members facility to exercise their right to vote at the 29th 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 23rd August 2015, Sunday (9:00 a.m.) ends on 25th August 2015, Tuesday (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 19th August 2015, 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<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)	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.
	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).

- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) If Demat account holder has forgotten the same 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) 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.
- (xix) 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 or contact Mr. Wenceslaus Futardo, Deputy Manager, CDSL, Mumbai or call toll free No. 18002005533.

General instructions:

- i) Mr. V. Suresh, Practising Company Secretary (Membership No. FCS 2969) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- ii) The Scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on (it should not be earlier than 7 days from AGM date)

- iv) The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions. The AGM Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website **www.avtnatural.com** and on the website of CDSL within three(3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges

18. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a brief resume of the Directors, who are proposed to be re-appointed in this meeting, nature of their expertise in specific functional areas, their other Directorships, Committee memberships, shareholdings in the Company are given below:

a. Mr. Habib Hussain

Mr. Habib Hussain, aged 62 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 this Company in 1995. He is the Chief Executive of A.V. Thomas Leather & Allied Products Limited and has rich expertise in business administration. He is the Member of the Committee of Administration - Council for Leather Exports and also the Member of the National Committee - Confederation of Indian Industry.

His other Directorships are:

Sl. No.	Name of the Company	Nature of Office held
1	The Nelliampathy Tea & Produce Co Limited	Director
2	A.V. Thomas Investment Company Limited	Director
3	Ajit Thomas Holdings Private Limited	Director
4	AVT Holdings Private Limited	Director
5	Leather Sector Skill Council Limited	Chairman
6	Consortium of Shoe and Products Manufactures Private Limited	Director
7	Alina Private Limited	Director
8	National Skill Development Corporation	Director
9	National Institute of Design	Director

He is the member of the Audit Committee, Stake holders Relationship Committee, Corporate Social

Responsibility Committee and Nomination & Remuneration Committee of the Company.

Share holding in the Company: 2,00,080 (0.13%)

b. Mrs. Shanthi Thomas

Mrs. Shanthi Thomas, aged 61 years, holds a Bachelor's degree in Arts. She is an Industrialist and the Promoter of the Company. She has considerable expertise in business and management with AVT Group of Companies for long time.

Her other Directorships are:

Sl. No.	Name of the Company	Nature of Office held
1	A.V.Thomas Leather & Allied Products Private Limited	Director
2	Neelamalai Agro Industries Limited	Executive Director
3	Midland Corporate Advisory Services Private Limited	Director
4	Midland Rubber and Produce Company Limited	Director

Share holding in the Company : 1,24,000 (0.08%)

c. Mr. A.D. Bopana, Independent Director

Mr. A.D. Bopana, aged about 74 years is a Sr. Cambridge. He is equipped with vast experience and knowledge in managing

diverse businesses, plantation industry, administrative matter, Finance, Business Management etc.,

His other Directorships are:

Sl. No.	Name of the Company	Nature of Office held
1	A.V.Thomas & Company Limited	Director
2	Neelamalai Agro Industries Limited	Director
3	The Midland Rubber & Produce Company Limited	Director

Share holding in the Company : 6,78,000 (0.44%)

His other Committee Memberships are:

Sl. No.	Name of the Company	Name of the Committee
1	A.V.Thomas & Company Limited	Member, Audit Committee
2	The Midland Rubber & Produce Company Limited	Chairman, Nomination and Remuneration Committee
3	The Midland Rubber & Produce Company Limited	Chairman, Audit Committee

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 Nos. 5

Mrs. Shanthi Thomas has been appointed as an Additional Director of the Company with effect from 21st March 2015.

It is proposed to appoint her as Director under Section 152 of the Companies Act, 2013, who is liable to retire by rotation.

The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidatures of Mrs. Shanthi Thomas.

Mrs. Shanthi Thomas and Mr. Ajit Thomas, Chairman are interested in the resolution set out respective at item 5 of the above.

None of the other Directors / Manager or other Key managerial personnel or their relatives of the Company are in any way, concerned or interested, in this resolution.

The Board, therefore, recommends the passing of this Ordinary Resolution by the shareholders of the Company as set out above.

Item Nos. 6

Mr. A.D. Bopana is an additional (independent) director of the Company, who was appointed by the Board of Directors in its meeting held on 29.05.2015 under Section 149 of the Companies Act, 2013 and Clause 49 of the listing agreement to hold office for five (5) consecutive years, from conclusion of this Annual General Meeting of the Company.

The Company has received a notices in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature.

The Company has also received declaration from Mr. A.D. Bopana, that he meets with the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 and under Clause 49 of the listing agreement, and also his consent to act as Director.

None of the other Directors / Manager or other Key managerial personnel or their relatives of the Company are in any way, concerned or interested, in this resolution.

The Board, therefore, recommends the passing of the Ordinary Resolution by the shareholders of the Company as set out above.

Item Nos. 7

Mr. M.N. Satheesh Kumar is the President and COO of the Company. Consequent to the resignation of Mr. M S A Kumar, Managing Director, the Company has to appoint a Key Managerial Personnel in terms of Section 203 of the Companies Act, 2013. The Board of Directors at their meeting held on 29.05.2015 appointed Mr. M N Satheesh Kumar as Manager, Key Managerial Personnel under section 203 (1) (i) of the Companies Act 2013 for a period of 2 years from 01.04.2015 to 31.03.2017 on the terms of remuneration as mentioned in the resolution, subject to the approval of the members. Hence this resolution.

Mr. M.N. Satheesh Kumar, aged about 60 years is a post graduate in M.Sc (Hons.) Che. from BITS, Pilani with PGDBA. He has undergone an Accelerated Management Studies at ISB, Hyderabad. He has served as management executive in several premier organizations like Escorts Group of companies, Tamil Nadu Co – op Oil Seeds Growers Federation (TANCOF) under the aegis of National Dairy Development Board etc.. Prior to joining the Company he was working as Plant Manager (Div. Mgr. Cadre) GOETZE (INDIA) Ltd., Escorts Group Company. His field of expertise includes organizing Co-op

farming, Agriculture Produce procurement, Post-Harvest Process, Agriculture produce value additions, Operations, Project management, Manufacturing & Process Management etc., and he is with the Company since June 1996.

A copy of the draft Agreement to be entered into with the 'Manager' is available at the Registered Office of the Company and is open for inspection in physical or in electronic form by the members during the specified business hours on any working day, and the copies thereof shall also be made available for physical or electronic form at the Registered Office of the Company and also at the meeting venue.

The Board recommends the passing of this Ordinary resolution.

None of the directors or other Key Managerial Personnel or their relatives of the Company except Mr. M.N. Satheesh Kumar, is in any way, concerned or interested, in passing this resolution.

He holds 520 shares (0.0003%) of the Company.

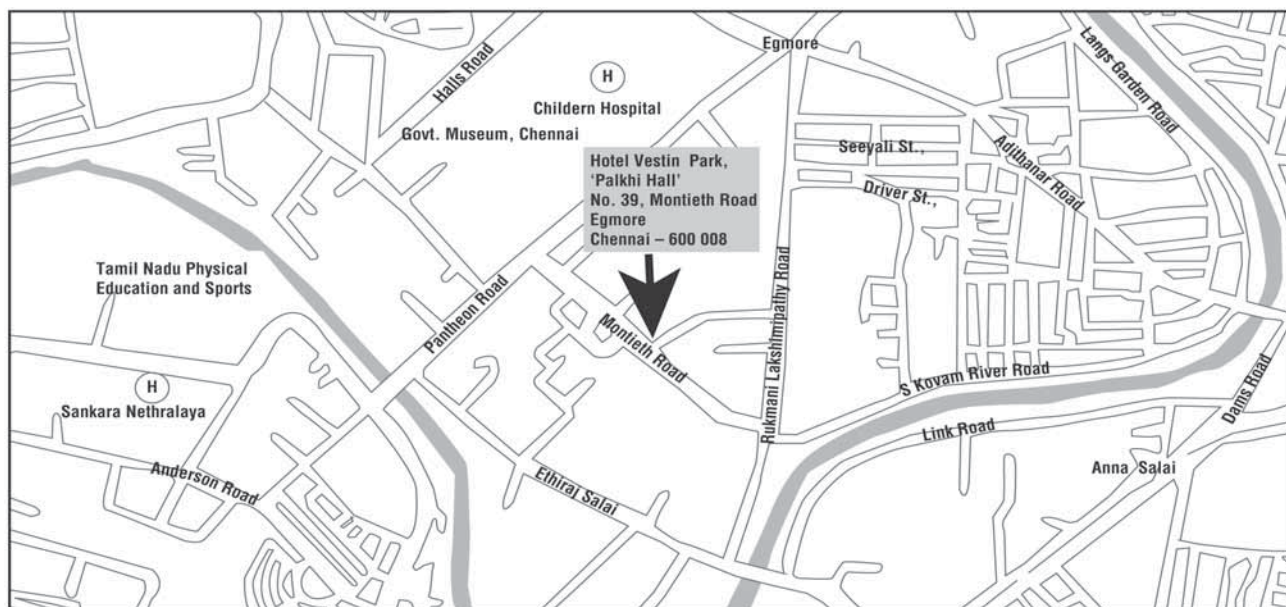
By order of the Board
For **AVT Natural Products Limited**

Place : Chennai
Date : 22nd July 2015

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 Twenty Ninth Annual Report of the Company together with the Audited Accounts for the financial year ended March 31, 2015.

FINANCIAL RESULTS:

	(Rs. In Crores)	
Particulars	2014-15	2013-14
Income from Operations	256.59	271.08
Other Income	3.29	3.60
Total Income	259.88	274.68
Profit before tax for the year	44.20	76.14
Less : Provision for taxation		
- Current Tax	14.20	25.10
- Deferred Tax	(0.08)	0.01
Profit after tax	30.08	51.03
Add: Surplus brought forward	30.52	22.36
Total Amount available for appropriation	60.60	73.39
LESS:		
Interim Dividend (20%) paid on equity shares	3.04	4.57
Tax on Interim Dividend	0.61	0.78
Transfer to General Reserve	30.00	30.00
Proposed Final Dividend on Equity Shares @ 30 % (Re. 0.30 per equity share on face value of Re.1/-)	4.57	6.85
Provision for tax on Dividends	0.93	0.67
Surplus carried Forward to balance sheet	21.45	30.52

OPERATIONS REVIEW:

Total income decreased from Rs.274.68 Crores in 2013-14 to Rs.259.88 Crores in 2014-15 - decrease of 5.39%. Profit after Tax was Rs.30.08 Crores (previous year : Rs.51.03 Crores).

With Fixed Assets of Rs.55 Crores, our Asset Turnover ratio is a healthy 4.67 with Return on Sales of 21.16%. Interest cost for the year is increased by Rs. 1.56 crore (0.98% of sales).

DIVIDEND:

Your Directors are pleased to recommend a final dividend of 30% on Equity Share Capital, for the year ended 31.03.2015, amounting to Rs 456.85 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 during the year was 50% amounting to Rs 761.42 Lakhs, excluding dividend tax.

TRANSFER TO GENERAL RESERVE

Your directors are pleased to transfer a sum of Rs.30 crore towards the General Reserve

SHARE CAPITAL

The paid up equity share capital as on 31st March 2015 was Rs.15.23 crore. During the year under review, the Company has neither issued share with differential voting rights nor granted stock options and sweat equity. The share holding of the Directors as on 31st March 2015 are given in the Corporate Governance report.

FINANCE

Cash and cash equivalents as at 31st March 2015 was 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.

WIND MILL

The wind mill of the Company located at Kokkampalayam village, Dharapuram Taluk, Erode District, Tamil Nadu generated 8,01,130 units of electricity in the year 2014-15 against 9,29,100 units generated in 2013-14. The Company had utilised the entire units generated as captive consumption during 2014-15.

BOARD MEETING

The Board consists of Mr. Ajit Thomas, Chairman, Mr. M.A. Alagappan, Independent Director, Mr. P. Shankar, Independent Director, Mr. Habib Hussain, Non-Executive Director, Mrs. Shanthi Thomas, Additional (Non-Executive Director), Mr. Shyam B.Ghia, Independent Director (up to 19.3.2015) and Mr. M.S.A. Kumar, Managing Director (up to 31.3.2015)

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 was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE MEETING

The Audit Committee consists of Mr. M.A. Alagappan, Chairman, Mr. P. Shankar, Member, Mr. Habib Hussain, Member, Mr. Shyam B. Ghia, Member (up to 19.3.2015).

The Audit Committee of the Company met five times during

this financial year. The details of the Audit Committee meetings are given in the Corporate Governance report.

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' & 'Stand by Letter of Credit' given on behalf of AVT Tea Services Ltd., London, which is given in the notes No. 28 to the financial statements.

The details of investments made by the Company are given in the notes No. 12 & 14 to the financial statements.

LISTING WITH STOCK EXCHANGES:

The equity shares of the Company are continued to be listed in Bombay Stock Exchange Ltd., (BSE) and the National Stock Exchange of India Ltd., (NSE). The Company confirms that it has paid the annual listing fees for the year 2014-15 to both the stock exchanges.

During the year, the equity shares of the Company were delisted from the Madras Stock Exchange (MSE) with effect from 25th September 2014 by complying with the provisions of SEBI (Delisting of equity shares) Regulations 2009.

FIXED DEPOSITS:

The Company stopped accepting / renewing deposits with effect from 30th July 2012. As per the Companies Act 2013, the deposits accepted prior to the commencement of the Act, was required to be repaid within one year from the commencement of the Act. Accordingly, the Company has repaid the entire outstanding fixed and cumulative deposits to the deposit holders and there are no unclaimed deposits in the books of accounts of the Company as on 31st March 2015.

DSIR APPROVAL FOR IN-HOUSE R&D FACILITY AT BANGALORE

Department of Scientific and Industrial Research (DSIR), New Delhi, has accorded its approval for the In-house research and development facility of the Company located at Bangalore. This is in addition to the earlier approval of In-house R&D facility of South Vazhukulam, Aluva, Kerala.

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 29th Annual General Meeting and being eligible, offers himself for re-appointment.

ii) Woman Director

Mrs. Shanthi Thomas was appointed as an Additional Director with effect from 21st March 2015. Her appointment requires the approval of the members

at the ensuing Annual General Meeting. A notice has been received from one of the shareholders pursuant to section 160 of Companies Act, 2013 proposing her candidature, along with the prescribed fees. The necessary resolution for her appointment is being placed before the share holders for approval.

iii) Resignation of Directors

Mr. M.S.A. Kumar, Managing Director of the Company Resigned due to personal reasons, with effect from 31st March 2015 and he was relieved from the service of the Company on the said date.

Further, Mr. Shyam B. Ghia, Independent Director resigned from the Board with effect from 19th March 2015 due to personal reasons.

iv) Declaration from Independent Directors on Annual Basis

The Company has received necessary declaration from the 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).

v) Key Managerial Personnel

The Board in its meeting held on 30.05.2014 appointed Mr. M.S.A. Kumar, Managing Director, Mr. A. Ramadas, Sr. Vice President & CFO and Mr. Dileepraj. P, Company Secretary as the Key Managerial personnel of the Company. Mr. M.S.A. Kumar resigned with effect from 31.03.2015. Mr. M.N. Satheesh Kumar, President & COO has been appointed as 'Manager' and is the Key Managerial Personnel from 01.04.2015

vi) Appointment of Independent Director

The Board in its meeting held on 29.05.2015 has appointed Mr. A.D. Bopana as the Independent Director of the Company for a period of 5 years. Necessary resolution is being placed before the members for their approval.

vii) Appointment of 'Manager'

The Board in its meeting held on 29.05.2015 has appointed Mr. M.N. Satheesh Kumar, President & COO as the 'Manager' under section 203 (1) of the Companies Act 2013 for a period of 2 years w.e.f. 01.04.2015. Necessary resolution is being placed before the members for their approval.

PERFORMANCE OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

a) AVT Tea Services Ltd., London, UK (AVT TSL):

The present authorized share capital of the Company is Pound Sterling (GBP) 1.00 million (Rs.10 Crores

approx.). The paid up capital of the Company as on 31st March 2015 is Pound Sterling (GBP) 6.19 million (Rs 6.20 Crores approx.). AVT TSL is the marketing arm of your Company for de-cafeinated tea and instant tea. The AVT TSL recorded sales of Rs.43.14 Crores and loss of Rs.2.35 crores for the year 2014-15

b) AVT Tea Services North America, LLC., step down subsidiary

During the year AVT Tea Services Ltd., United Kingdom incorporated AVT Tea Services North America, LLC, under the laws of the State of Florida as its wholly owned subsidiary Company.

c) AVT Natural Pte. Ltd., Singapore :

The subsidiary performance includes the liquidation loss of Rs. 1.26 crores of its chinese subsidiary Company from November 2013 to January 2014.

d) Closure of AVT Natural Pte. Ltd., Singapore:

During the year the Company had decided to close down its wholly owned subsidiary M/s AVT Natural Pte Ltd, Singapore as it had become non operational due to closing down of its Chinese Subsidiary in line with changed global market conditions.

Liquidation of the Company is in progress.

e) Accounts of Subsidiaries:

Pursuant to Section 136 (1) (b) of the Companies Act, 2013, a copy of the audited financial statements of AVT Tea Services Ltd., London for the period ended 31.03.2015 & AVT Natural Pte. Ltd., Singapore, for the period ended 15.12.2014, the overseas subsidiaries of your Company shall be furnished to any shareholder on demand. The Consolidated financial statements audited by the statutory auditors of the Company have been attached to this Report.

f) Joint Venture / Associate Company

The Company does not have any Joint Venture / Associate Company

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 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.

AUDITORS:

M/s. Suri & Co., Chartered Accountants, Chennai - 600017,

(Firm's Registration No. 004283S) are the Statutory Auditors of the Company.

As per Section 139 of the Companies Act 2013, their appointment needs to be ratified by the share holders in every Annual General Meeting. Yours directors recommends ratifying their appointment at the forthcoming AGM.

AUDITORS' REPORT

There are no qualifications or adverse remarks mentioned in the Auditors' report. The notes to accounts forming part of financial statements are self-explanatory and needs no further clarification.

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

- a. the policy on Corporate Social Responsibility (CSR) and
- b. 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.

Annual Report on CSR in the prescribed format is enclosed as Annexure - II. The CSR policy of the Company has been already uploaded in the web site: <http://avtnatural.com/policy.html>

Contents of CSR policy

The CSR policy of the Company was approved by the Board of Directors on 28.01.2015.

The Company's commitment to CSR projects and programs will be the focus on holistic development of host communities and create social, environmental and economic value to the society.

To Company's commitment to CSR projects and programs will be by investing resources into any of the following areas:

- a) Development of Skilling among various sections of society
- b) Development of Infrastructure
- c) Empowerment of Women
- d) Promotion of Health Care
- e) Old age homes / day care facilities for Senior Citizens
- f) Promotion of Education

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014,

the Company has appointed Mr. V. Suresh, Practising Company Secretary (C.P. No.6032), Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – III and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

INTERNAL AUDITORS

During the year under review, M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai carried out the internal audit exercise of the Company and submitted their reports.

COST AUDIT REPORT

Cost Audit is not applicable to the Company as per the Companies (Records & Audit) Rules 2014.

INSURANCE:

The Company continues to carry adequate insurance for all assets against unforeseeable perils.

RELATED PARTY TRANSACTIONS:

All transactions entered with related parties for the year under review were at arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. No Material Related Party transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party transactions to be provided under section 134 (3) (h) of the Companies Act 2013, in Form AOC -2 is not applicable

Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and also the Board. Prior omnibus approval of the Audit Committee is obtained on yearly / quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted has been placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transaction as approved by the Board of Directors has been uploaded on the website of the Company and the website link is <http://avtnatural.com/policy.html>

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS.

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is enclosed herewith as 'Annexure - IV'.

STATUTORY INFORMATION:

The information required under section 197 of Companies Act 2013 and pursuant to rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company have been given in the Annexure - V.

The information required under section 197 (12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the Company have been given in the Annexure - VI.

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels

NOMINATION & REMUNERATION POLICY

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Managerial Personnel, Key Managerial Personnel and their remuneration etc.

Contents of Nomination & Remuneration Policy

The details of the contents of Nomination & Remuneration policy of the Company is provided in the Corporate Governance Report, forming part of the Directors Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism / Whistle Blower Policy in place pursuant to Section 177 (9) of the Companies Act 2013 and as per clause 49 of the listing agreement. The said policy is available in the website of the Company which can be accessed from the link - <http://avtnatural.com/policy.html>

RISK MANAGEMENT:

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and the clause 49 of the listing agreement, the Company had laid down the procedures to inform Board members about the risk assessment and mitigation procedures.

Mr. A. Ramadas, Sr. Vice President & CFO has been assigned the task of informing the Board about the various risks and its mitigation by the Company from time to time.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

INTERNAL CONTROL SYSTEMS

The details of the internal control systems adopted by the Company are provided in the Management Discussion and Analysis Report, forming part of the Directors Report.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

BOARD EVALUATION

The performance of Board, its Committee and individual directors are evaluated by number of meetings held, time spent in each meeting deliberating the issues, statutory compliance, contribution of each director, the details of decision taken and measures adopted in implementing the decision and monitoring the continuous implementation of the decision and feed back to the Board.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis Report, Report on Corporate Governance with Auditors' Certificate on compliance with conditions of Corporate Governance have been annexed VII & VIII to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Act and that an Internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year the Company has not received any complaint under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

CAUTIONARY STATEMENT

Statements in this Directors' Report & Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the accounts for the financial year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the accounts for the financial year ended 31st March 2015 on a 'going concern' basis.
5. The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
6. The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT:

The Directors sincerely acknowledge the contribution and

support from customers, shareholders, farmers, Central and State governments, bankers, Securities Exchange Board of India, Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd., Cameo Corporate Services Ltd., National Securities Depository Ltd., Central Depository Services Ltd., Registrar of Companies, Tamil Nadu and other government authorities for the co-operation and assistance provided to the Company.

The Directors also place on record their gratitude to the employees for their continued support, commitment, dedication and co-operation.

For and On behalf of the Board

Place : Chennai
Date : 22nd July 2015

Ajit Thomas
Chairman

ANNEXURE - I

To the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under section 134 (3 (m)) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is given here below and forms part of the Directors Report.

A. CONSERVATION OF ENERGY

AVT Natural Products Ltd is committed to conserve energy in all our activities. We have been doing energy conservation projects for many years. This year also we have taken steps to conserve energy.

- To improve recovery of steam condensate, a separate condensate recovery unit was installed for decaffeinated tea drying plant.
- Provided variable frequency drive for all fans in boiler to save power and improved thermal efficiency of the boiler.
- Rainwater harvest system with a reservoir capacity of 12000 KL installed for water conservation.
- Introduced water ring vacuum pump in place of dry vacuum pump in solvent extraction plant for better recovery of solvents.
- Reduced usage of Diesel Generator (DG) for maintaining maximum demand with proper usage of automated Maximum Demand management system.
- Constructed new fuel storage shed of 5000 sq.ft floor area for maximizing usage of extraction waste.
- Installed 15 KWP solar power generation system for office lighting and other power requirement.
- Installed automatic power change over system with synchronised diesel generator system and auto transfer switch, which effectively help to reduce power change over delay and also helps to manage maximum demand control.
- Installed 2000 KVA transformer with On Load Tap Changer which give steady voltage and reduces usage of DG for low voltage.

B. TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific areas in which R & D is carried out by the Company

Presently the Company is focusing on two areas of R & D:

- (a) Marigold Seed Development
- (b) New Product Lines

2. Benefits derived as result of above R & D

- (a) Marigold Seed Development:

Marigold oleoresin (MGOR) has been the main product of the Company for more than 15 years. When the Company commenced marigold business in the mid 90's the Xanthophyll content in the flower petals was about 10 grams / kilo of meal. Today the Xanthophyll content in flowers are as high as 18 grams / kilo of meal and consistent, as a result of the continued seed breeding research program thrust undertaken by the Company. Superior hybrid seeds producing higher Yield and Xanthophylls in flowers are the key factors to remain competitive and sustain leadership in the marigold business. Apart from higher Xanthophyll concentrations leading to lower production costs, superior seeds benefit the farmers through increased yields and returns.

- b) New Product Lines:

New product lines boost the top line and minimise dependency on marigold. The thrust in new products opened substantial opportunities in spice oleoresins, decaffeinated teas and tea extracts for nutraceutical application and soluble teas and speciality products to cater to Ready to Drink (RTD) business, which are significant product lines today and constitute about 35% of the overall business of the Company. Thrust in new products is the key to develop a broad based growing Company.

3. Future Plan of action

The Company is strengthening the capabilities in seed development by moving from conventional breeding to modern techniques like Marker Assisted Molecular Breeding Program to fast track the in-house breeding program. Agro R&D team is also working on Mutation Breeding Techniques to get high Xanthophyll concentrations in parental lines for new Hybrid development.

Major thrust in new products will be in liquid seasonings, curry flavours and nutraceuticals. Technology development for improved flavor delivery and ease in consumer application are the other thrust areas.

We continue to support our customers in the

development of specialty spice flavours, value added teas and Nutraceuticals.

4. Expenditure on R&D (in Rupees)

		2014-15	2013-14
i	Capital	6,16,701	25,85,243
ii	Recurring	3,57,89,206	3,73,40,359
iii	Total	3,64,05,907	3,99,25,602

C. Foreign Exchange Earnings and Outgo :

During the year under review foreign exchange earnings were Rs. 221.86 crores (previous year Rs.259.22 crores) and foreign exchange outgo was Rs.72.55 crores (previous year Rs.62.24 crores).

ANNEXURE - II

To the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of the project or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR policy was approved by the Board of Directors at its meeting held on 28th January 2015 and has been uploaded on the Company's web site. A gist of the programs that the Company can undertake under the CSR policy is mentioned below;

Web link [http://www.avtnatural.com/investor/policy/CSR policy](http://www.avtnatural.com/investor/policy/CSR%20policy)

The Company has proposed to undertake activities relating to the following areas for the financial year 2014-15

- a. Development of Skilling among various sections of society
- b. Development of Infrastructure
- c. Empowerment of Women
- d. Promotion of Health Care
- e. Old age homes / day care facilities for Senior Citizens
- f. Promotion of Education

The activities and funding are monitored internally by the Company.

2. Composition of the CSR Committee

Name of the Member	Designation
Mr. P. Shankar	Chairman

Mr. Ajit Thomas	Member
Mr. M.S.A. Kumar @	Member
Mr. Habib Hussain #	Member

@upto 31.03.2015

inducted w.e.f. 01.04.2015

3. Average net profit of the Company for last three financial year
Average net profit : Rs.7468.43 Lakhs
4. Prescribed CSR expenditure (2% of the amount as in item 3 above)
The Company is required to spend Rs.149.37 Lakhs
5. Details of CSR spend for the financial year
 - i. Total amount spent for the financial year : Rs.15.01 Lakhs
 - ii. Amount unspent if any : Rs. 134.36 Lakhs
 - iii. Manner in which the amount spent during the financial is detailed hereunder:

In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules 2014, AVT Natural Products Limited have undertaken CSR projects directly by the Company. During the year under review the CSR Committee identified various projects like development of rural infrastructure, promotion of education, empowerment of women, donation to organization working towards reducing inequality in society, promotion of rural health care etc.,

DETAILS OF CSR EXPENDITURE INCURRED BY THE COMPANY DURING THE FINANCIAL YEAR 2014-15

(Amount in Rs.)

Sl No.	Project/activities	Sector	Location	Amount Outlay (Budget) project or programme wise	Amount spent on the project or programme	Cumulative expenditure upto reporting period	Amount spend: direct or through implementing agency
1	Cleaning, maintenance and improvements of the Public wells in Vazhakulam Panchayat	Development of rural Infrastructure	Vazhakulam	600000	354970	354970	Direct
2	Water canal cleaning	Development of rural Infrastructure	Vazhakulam	-	30000	30000	Direct
3	Building mini-water tanks in the villages	Development of rural Infrastructure	Tiptur	230000	144000	144000	Direct
4	Construction of High-mast light	Development of rural Infrastructure	Vazhakulam	550000	308854	308854	Direct
5	Providing embroidery unit to Kudumbhashree unit	Empowerment of women	Vazhakulam	100000	12250	12250	Direct
6	Augmenting computer lab in Government school	Development of rural education infrastructure	Vazhakulam	140000	74890	74890	Direct
7	Renovation of toilets in Government schools	Development of rural education infrastructure	Vazhakulam	530000	478039	478039	Direct
8	Renovation of Aganwadi block	Development of rural education infrastructure	Vazhakulam	-	45250	45250	Direct
9	Cash prize for SSLC topper in South Ezhipurram Government school	Promotion of education	Vazhakulam	-	9000	9000	Direct
10	Financial support to Pulse Polio programme	Promotion of rural healthcare	Vazhakulam	-	8800	8800	Direct
11	Donation of a laptop to Ernakulam Red Cross Society	Donation to organization working towards reducing inequality in society	Ernakulam	-	34459	34459	Direct

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company has been supporting the social causes in the field of education and Healthcare in the form of voluntary donations. The objectives of CSR has been intended to support programs on an on-going basis. The Company has been exploring the possibilities of participating in various CSR Projects in line with the policy approved by the Board. The CSR Committee is

in the process of identifying several such projects for implementation on an on-going basis.

7. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Habib Hussain
(Director)

P. Shankar
(Chairman CSR Committee)

Place : Chennai
Date : 29th May 2015

ANNEXURE - III

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2014-15

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s. AVT NATURAL PRODUCTS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. AVT NATURAL PRODUCTS LIMITED (hereinafter called the "Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. AVT NATURAL PRODUCTS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. AVT NATURAL PRODUCTS LIMITED** ("the Company") for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable for the period under report).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable for the period under report)
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Factories Act, 1948
- (vii) Food Safety and Standards Act, 2006
- (viii) Plants, Fruits and Seeds (Regulation of Imports into India) Order 1989
- (ix) Pollution Control Laws

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified and hence not applicable during the audit period)**
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

I further report that the Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Observations:

As one of the Independent Directors has resigned with effect from 19th March 2015, the Company has to appoint a new Independent Director in his place to comply with the provisions of Section 149 of the Companies Act, 2013 as well as the Listing Agreement with the Stock Exchanges

Adequate notice is given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no instances of:

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.

2. Redemption / buy-back of securities.
3. Merger / amalgamation / reconstruction etc.
4. Foreign technical collaborations.

Place: Chennai
Date : 25.5.2015

V Suresh
Practising Company Secretary
FCS No. 2969
C.P.No. 6032

ANNEXURE - IV

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L15142TN1986PLC012780
ii)	Registration Date	12.03.1986
iii)	Name of the Company	AVT NATURAL PRODUCTS LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details:	Regd. Office: #60,Rukmani Lakshmipathy Salai, Egmore, Chennai – 600008, India Telefax : +91 44 28584147
vi)	Whether listed Company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Cameo Corporate Services Limited, 'Subramaniam Building' No.1 Club House Road, Chennai – 600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main Products/Services	NIC Code of the product/Service	% to total turnover of the Company
1	MARIGOLD OLEO RESIN	21009	38.23
2	SPICE OLEO RESIN	10791	35.85
3	DE-CAFFEINATED TEA	10795	11.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	AVT Tea Services Ltd, 19, Heathmans Road, London, SW6 4TJ United Kingdom.	N.A	Subsidiary	100	2(87)
2	AVT Natural Pte.Ltd, 17, Philip Street, #05-01, Grand Building, Singapore - 048695	N.A	Subsidiary	100	2(87)
3	AVT Tea Services North America LLC, 8805, Tamiami Trail North Suite 160, Naples, FL 34108	N.A	Step down Subsidiary (100% shares held by AVT Tea Services ltd., U.K.)	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year - 01.4.2014				No. of shares held at the end of the year - 31.3.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	1646840		1646840	1.08	1646840	0	1646840	1.08	0.00
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	111546260	0	111546260	73.25	111546260	0	111546260	73.25	0.00
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	113193100	0	113193100	74.33	113193100	0	113193100	74.33	0.00
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	113193100	0	113193100	74.33	113193100	0	113193100	74.33	0.00
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	48000	0	48000	0.03	84556	0	84556	0.06	0.02
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	0	0	0	0	247000	0	247000	0.16	0.16
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Sub- Total (B)(1)	48000	0	48000	0.03	331556	0	331556	0.22	0.19
2. Non- Institutions									
(a) Bodies Corporate	3093554	66320	3159874	2.07	2726272	66320	2792592	1.83	-0.24
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Contd.)

Category of Shareholders	No. of shares held at the beginning of the year - 01.4.2014				No. of shares held at the end of the year - 31.3.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Individuals									
i Individual shareholders holding nominal shares capital up to Rs.1 lakh	19206483	9671042	28877525	18.96	20107237	8978281	29085518	19.10	0.14
ii Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	2538772	1448160	3986932	2.62	1870560	1648080	3518640	2.31	-0.31
(c) Others (specify)									
Directors and Relatives	490428	0	490428	0.32	228600	80	228680	0.15	-0.17
Non-Resident Indians	1271881	290000	1561881	1.03	1841432	290000	2131432	1.40	0.37
Hindu Undivided Family	835925	0	835925	0.55	927490	0	927490	0.61	0.06
Foreign National	4000	0	4000	0.00	4000	0	4000	0.00	0.00
Clearing Members	126335	0	126335	0.08	70992	0	70992	0.05	-0.04
Sub- Total (B)(2)	27567378	11475522	39042900	25.64	27776583	10982761	38759344	25.45	-0.19
Total Public Shareholding (B)= (B)(1)+(B)(2)	27615378	11475522	39090900	25.67	28108139	10982761	39090900	25.67	0.00
(C) Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	140808478	11475522	152284000	100	141301239	10982761	152284000	100	0.00

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(ii) Share holding of Promoters

Sl No	Share holder's name	Share holding at the beginning of the year			Shareholding at the end of the year			
		No of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	% of change in share holding during the year
1	Neelamalai Agro Industries Limited	60913600	40.00	Nil	60913600	40.00	Nil	NO CHANGE
2	The Midland Rubber & Produce Co Ltd	44541300	29.25	Nil	44541300	29.25	Nil	NO CHANGE
3	The Nelliampathy Tea and Produce Co. Ltd.	6091360	4.00	Nil	6091360	4.00	Nil	NO CHANGE
4	Ajit Thomas	1522840	1.00	Nil	1522840	1.00	Nil	NO CHANGE
5	Shanthi Thomas	124000	0.08	Nil	124000	0.08	Nil	NO CHANGE

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No	Name of the Share holder	Share holding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Neelamalai Agro Industries Limited				
	At the beginning of the year 1 st April 2014	60913600	40.00	60913600	40.00
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	60913600	40.00	60913600	40.00
2	The Midland Rubber & Produce Co Ltd				
	At the beginning of the year 1 st April 2014	44541300	29.25	44541300	29.25
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	44541300	29.25	44541300	29.25
3	The Nelliampathy Tea and Produce Co. Ltd.				
	At the beginning of the year 1 st April 2014	6091360	4.00	6091360	4.00
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	6091360	4.00	6091360	4.00
4	Ajit Thomas				
	At the beginning of the year 1 st April 2014	1522840	1.00	1522840	1.00
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	1522840	1.00	1522840	1.00
5	Shanthi Thomas				
	At the beginning of the year 1 st April 2014	124000	0.08	124000	0.08
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	124000	0.08	124000	0.08

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	Name of the Share holder	Share holding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	K Subba Reddy				
	At the beginning of the year 1 st April 2014	616160	0.4046	616160	0.4046
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	616160	0.4046	616160	0.4046
2	The Mannarghat Rubber Estates (P) Ltd				
	At the beginning of the year 1 st April 2014	536540	0.3523	536540	0.3523
	Sale 25-Apr-2014	-60725	0.0398	475815	0.3124
	Sale 02-May-2014	-175815	0.1154	300000	0.197
	Sale 09-May-2014	-1000	0.0006	299000	0.1963
	Sale 23-May-2014	-125525	0.0824	173475	0.1139
	Sale 30-May-2014	-13477	0.0088	159998	0.105
	Sale 06-Jun-2014	-2000	0.0013	157998	0.1037
	Sale 27-Jun-2014	-13000	0.0085	144998	0.0952
	Sale 04-Jul-2014	-44998	0.0295	100000	0.0656
	At the end of the Year 31 st March 2015	100000	0.0656	100000	0.0656
3	Apparanda Devaiah Bopana JT1 : Jyothe Bopanna				
	At the beginning of the year 1 st April 2014	339000	0.2226	339000	0.2226
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	339000	0.2226	339000	0.2226
	Having Same Pan				
	Apparanda Devaiah Bopana JT1 : Jyothe Bopanna				
	At the beginning of the year 31 st March 2014	339000	0.2226	339000	0.2226
	increase / decrease	NO CHANGE			
At the end of the Year 31 st March 2015	339000	0.2226	339000	0.2226	
4	Nilesh Hastimal Shah				
	At the beginning of the year 1 st April 2014	286200	0.1879	286200	0.1879
	At the end of the Year 31 st March 2015	286200	0.1879	286200	0.1879
5	K P Saunshimath				
	At the beginning of the year 1 st April 2014	244000	0.1602	244000	0.1602
	increase / decrease	NO CHANGE			
At the end of the Year 31 st March 2015	244000	0.1602	244000	0.1602	
6	Husain Sultan Ali Nensey				
	At the beginning of the year 1 st April 2014	243092	0.1596	243092	0.1596
	Sale 13-Jun-2014	-4675	0.0030	238417	0.1565
	Sale 27-Jun-2014	-2325	0.0015	236092	0.155
	Sale 04-Jul-2014	-13000	0.0085	223092	0.1464
At the end of the Year 31 st March 2015	223092	0.1464	223092	0.1464	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	Name of the Share holder	Share holding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
7	F S Mohan Eddy JT1 : Pamela Mohan				
	At the beginning of the year 1 st April 2014	200000	0.1313	200000	0.1313
	Sale 02-May-2014	-200000	0.1313	0	0
	At the end of the Year 31 st March 2015	0	0	0	0
	Having Same Pan				
	F S Mohan Eddy JT1 : Pamela Mohan				
	At the beginning of the year 1 st April 2014	0	0	0	0
	Purchase 02-May-2014	200000	0.1313	200000	0.1313
At the end of the Year 31 st March 2015	200000	0.1313	200000	0.1313	
8	Lukose Kunjukunju				
	At the beginning of the year 1 st April 2014	200000	0.1313	200000	0.1313
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	200000	0.1313	200000	0.1313
9	Kalvati Panchaxarayya Saunshimath				
	At the beginning of the year 1 st April 2014	156000	0.1024	156000	0.1024
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	156000	0.1024	156000	0.1024
10	Shiddramyya Panchaxarayya S				
	At the beginning of the year 1 st April 2014	156000	0.1024	156000	0.1024
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	156000	0.1024	156000	0.1024
11	Shobha Shiddramyya Saunshimath				
	At the beginning of the year 1 st April 2014	156000	0.1024	156000	0.1024
	increase / decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	156000	0.1024	156000	0.1024

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel

Sl No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Ajit Thomas, Chairman				
	At the beginning of the year 1 st April 2014	1522840	1.00	1522840	1.00
	Increase / Decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	1522840	1.00	1522840	1.00
2	M.A. Alagappan, Director				
	At the beginning of the year 1 st April 2014	28600	0.019	28600	0.019
	Increase / Decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	28600	0.019	28600	0.019
3	P. Shankar, Director				
	At the beginning of the year 1 st April 2014	0	0	0	0
	Increase / Decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	0	0	0	0
4	Habib Hussain, Director				
	At the beginning of the year 1 st April 2014	200080	0.131	200080	0.131
	Increase / Decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	200080	0.131	200080	0.131
5	Shanthi Thomas, Director				
	At the beginning of the year 1 st April 2014	124000	0.08	124000	0.08
	Increase / Decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	124000	0.08	124000	0.08
6	M.S.A. Kumar, Managing Director				
	At the beginning of the year 1 st April 2014	261748	0.1718	261748	0.1718
	Sale 08-Aug-2014	200000	0.1313	61748	0.0405
	Sale 22-Aug-2014	61748	0.0405	0	0
	At the end of the Year 31 st March 2015	0	0	0	0
7	A. Ramadas, CFO				
	At the beginning of the year 1 st April 2014	8000	0.005	8000	0.005
	Sale 05-May-2014	3000	0.0019	5000	0.003
	Sale 20-Aug-2014	3000	0.0019	2000	0.0013
	Sale 27-Aug-2014	1000	0.0007	1000	0.0007
	At the end of the Year 31 st March 2015	1000	0.001	1000	0.001
8	Dileepraj. P, Company Secretary				
	At the beginning of the year 1 st April 2014	0	0	0	0
	Increase / Decrease	NO CHANGE			
	At the end of the Year 31 st March 2015	0	0	0	0

V. INDEBTEDNESS (in Rs.)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	3765000	Nil	3765000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	586074	Nil	586074
Total (i+ii+iii)	Nil	4351074	Nil	4351074
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	4351074	Nil	4351074
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Director and/or Manager (in Rs.):

Sl No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	M.S.A. KUMAR	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	21979800	21979800
	(b) value of perquisites u/s 17(2)Income-tax Act,1961	Nil	Nil
	©Profits in lieu of salary under section 17(3) Income-tax Act,1961	Nil	Nil
2	Stock Option	NA	NA
3	Sweat Equity	NA	NA
4	Commission	Nil	Nil
	as % of profit	Nil	Nil
	others specify	Nil	Nil
5	Other, please specify	Nil	Nil
	Total (A)	21979800	21979800
	Ceiling as per the Act		23400000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

B. Remuneration to other directors (in Rs.):

Sl No	Particulars of Remuneration	Name Of Directors			Total Amount
		M.A. Alagappan	P. Shankar	Shyam B. Ghia	
1	Independent Directors Fee for attending board/ committee meetings	59000	49000	33000	141000
	Commission	Nil	Nil	Nil	Nil
	Others Please Specify	Nil	Nil	Nil	Nil
	Total (1)	59000	49000	33000	141000
2		Ajit Thomas	Habib Hussain	Shanthi Thomas	
	Other Non-Executive Directors Fee for attending board/committee meetings	38000	40000	Nil	78000
	Commission	4688800	Nil	Nil	4688800
	Others Please Specify	Nil	Nil	Nil	Nil
	Total (2)	4726800	40000	Nil	4766800
	Total (B) = (1+2)	4785800	89000	33000	4907800
	Total Managerial Remuneration				26887600
Overall Ceiling as per the Act				28100000	

C. Remuneration to key managerial personnel other than MD/Manager/WTD (in Rs.):

Sl No	Particulars of Remuneration	Key Managerial personnel		
		CFO	COMPANY SECRETARY	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	4655839	1597891	6253730
	(b) Value of perquisites u/s 17(2)Income-tax Act,1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	Nil	Nil	Nil
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission			
	as % of profit	Nil	Nil	Nil
	others specify	Nil	Nil	Nil
5	Other, please specify	Nil	Nil	Nil
	Total (C)	4655839	1597891	6253730

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

TYPE	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE - V

To the Directors' Report

Information pursuant to the Companies Act 2013 read with Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014. Employed throughout the year under review and were in receipt of remuneration in the aggregate of not less than Rs.60,00,000/- per annum.

Name	Age	Designation/ Nature of Duties	Remuneration (Rs.)	Qualification	Total Experience (years)	Date of commencement of Employment	Previous Employment
Mr. M.S.A Kumar *	62	Managing Director	2,19,79,800	B.Sc (Agri.) PGDBA (IIM-A)	39	27.09.1995	Vice President, Shaw and Wallace and Co Ltd.,
Mr. M.N. Satheesh Kumar	60	President and COO	64,35,775	M.SC (Hons.) Che., PGDBA	37	10.06.1996	Plant Manager (Sr. Mgr. Cadre) GOETZE (INDIA) LTD, Escorts Group Company
Mr. Sivakumar. K, §	49	President (New Business Development)	4,93,290	B.Sc (Agri.), PGDBM (IIM-A)	25	02.03.2015	Head Sales & Marketing – Indian Operations, Butterfly Gandhimathi Appliances Ltd.,

* The nature of Employment is contractual and resigned with effect from 31.3.2015

§ employed part of the year

Notes :

1. Remuneration includes salary, allowances and contribution to Provident Fund and other Fund
2. None of the above employees related to any Director or Manager or KMP of the Company.
3. Share holding as on 31.03.2015 - Mr. M.S.A. Kumar - NIL, Mr. M.N. Satheesh Kumar - 520 shares (0.0003%) and Mr. K. Sivakumar - NIL.

ANNEXURE - VI

COMPARATIVE ANALYSIS OF REMUNERATION PAID TO DIRECTORS AND EMPLOYEES WITH THE COMPANY'S PERFORMANCE

Name of the Director / KMP		Designation	Ratio to Median Remuneration	% Increase in Remuneration	
1	Mr. M.S.A. Kumar	Managing Director	1:32	20.76	
	Mr. A. Ramadas	Sr. VP & CFO	1:10	10.23	
	Mr. Dileepraj. P	Company Secretary	1:3	7.35	
2	The percentage increase in the median remuneration of employees in the financial year		38.62		
3	The number of permanent employees on the rolls of the Company		215		
4	The explanation on the relationship between average increase in remuneration and Company performance		Company Performance (Sales %)	- 5.35	
			Average increase in remuneration	21.38%	
5	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Designation	% of increase in remuneration	Company performance (Sales in Crores)	
	Mr. M.S.A. Kumar	Managing Director	20.76		
	Mr. A. Ramadas	Sr. VP & CFO	10.23		
	Mr. Dileepraj. P	Company Secretary	7.35		
	Total		12.78		
Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case listed companies	Details as on 31 st March		2014	2015	increase / decrease %
	No. of Shares		152284000	152284000	NIL
	Share price in Rs.				
	BSE		21.40	27.05	26.40
	NSE		21.20	26.85	26.65
	EPS		3.35	1.98	-40.89
	PE Ratio (based on audited results)		6.39	13.66	113.86
	Company's market cap (Rs. in crore)		325.89	411.93	
	The Company issued the right issue during 1992 with face value of Rs.10 each at a premium of Rs. 13 for share. During 2006 and 2013, the Company issued Bonus shares in the ratio of 1:1. In the year 2012, the equity share was split from Rs.10 face value to Re.1/- face value.				

		Details	Increase
6	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	average percentile increase already made in the salaries of employees	21.45%
		Percentile increase in the remuneration to MD	20.76%
7	The key parameters for any variable components of remuneration availed by the directors	There is no variable component of remuneration payable to the independent directors	
8	The ratio of the remuneration of the highest paid Director to that of the employee who are not directors but receive remuneration in excess of the highest paid Director during the year; and pay	not applicable	
9	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year 2014-15 is as per the remuneration policy of the Company	

Note: The calculation for median remuneration and average increase in remuneration is arrived at based on permanent employees of the Company in the regular rolls.

ANNEXURE - VII

Management Discussion and Analysis Report

Financial Performance and Operations Review :

The Discussion covers the financial results of AVT Natural Products Limited for the financial year 2014-15 and its business outlook for the future. This Outlook is based on our assessment of the current business environment and climatic factors affecting Indian Agriculture. The change in future economic and order developments are likely to cause variation in the outlook.

Economic Outlook

India's Economic status for the year has been stable. With Consumer price index and current account deficit under control, markets has rebounded. The Export market did not rise up to the expectations. Volatility of Indian Rupee was under control. The Economy has shown remarkable resilience to both external and domestic shocks. The country had good and timely rains which contributed to Country's growth.

Performance at a glance

Your Company recorded a turnover of Rs 259.88 crores for 2014-15 against Rs 274.68 crores of previous year. Sales has come down by 5.39%. Marigold prices as expected had come down to normal levels. We were experiencing higher prices in the last three years.

The Revival of Feed grade prices is a welcome change which had touched low levels.. On the Food grade, volumes were dropped to meet the Inventory requirements of the customer. To take the lower prices head on, the Company embarked on various improved productivity and Efficiency programmes aimed at cost reduction. The Company sustained steady focus on innovation at various levels of supply chain is yielding results. By consistent cost reduction, the Company aims to achieve larger market share.

In Spices, though the strategy of focusing on High value Niche products has paid off well, the Company has started catering to new customer base and markets.

Company made investments in Decaff process to increase thruputs and capacity which has started yielding results in the form of higher volumes and less costs.. The costs has become competitive and focus is now to get a larger share of global decaff market.

Instant tea markets still remains a challenge as far as market penetration is concerned. The Costs and efficiencies has been achieved and major customers are targeted. Major customers have approved your Company as a vendor and first supplies are expected soon which will evolve into big business in the near future. This business segment is expected to do well.

Future outlook

Stepping into 2015, the global economy has been rocked by a dramatic decline in oil prices, a dramatic increase in the value of the dollar, a slowdown in China, uncertainty in Europe, and anticipation of a shift in U.S. monetary policy. Indian Economy through Current account deficit and inflation are under control, the manufacturing and Export numbers are not encouraging. Volatility of Rupee is another concern.

Your company have a great learning culture in absorbing new technologies and bringing out efficiencies in the supply chain. The company is equipped to embrace challenges and changes in the global market and has ways of engaging and understanding customer needs, tapering new markets focusing on cost reduction initiatives.

On the Marigold growing areas, Company is going aggressive in getting more areas and reaching out to larger farmer base. Feed grade prices outlook is also promising. With timely summer and monsoon rains, Company is expected to do higher production. Company is also in the process of developing high yielding hybrid for Marigold which would be a major cost driver.

Spice Oleo business strategy would be to target customers who require not only value added products but also regular products to grow the volumes in new geographies. Decaff business is expected to do well with additional volumes. Instant tea has been recognized as a major thrust area to increase the sales by increasing customer base and offering different products.

Risk Mitigation

Risk assessment and mitigation process are the responsibility of management and are carried out through risk managers who are operationally integrated into each of our businesses. These risk managers have acquired deep domain expertise through their long careers and proximity to the business' operations and core processes. Both risk managers and the business leadership teams have specific,

risk-focused goals and objectives that are aligned with our overall risk framework

The Company takes care of Operational risk (Product life cycle and execution, Product safety and Performance, human resources and business disruption) and Financial risks (credit risk, liquidity risks and exposure to broad market risks including volatility in exchange rates) strategies.

Internal Controls :

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. The Internal audit team reviews the quality of planning and execution of all ongoing projects and activities involving significant expenditure to ensure that management controls are adequate to yield "value for money". Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Human resources:

The Company considers its employees to be the most valuable asset and is committed to provide a conducive work environment to enable each individual to fully realize his or her potential. The human resource programmes focus on strengthening key areas of (1) Enhancing individual and organization readiness for future challenges (2) Greater employee engagement programmes thereby maximizing human potential (3) Strengthening employee relations through proper practices in the shop floor. Management is investing in enhancing technical and managerial skills of employees for building competencies needed for growth plans.

ANNEXURE - VIII
Corporate Governance Report

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and the practices followed by the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages maintaining a high level of disclosure and transparency in all its operations. It aims at enhancing the shareholder value through adoption of sound business practices, prudent financial management and a high standard of ethics throughout the organisation.

2. BOARD OF DIRECTORS

The Board comprises of six directors with knowledge and experience in different fields like engineering, manufacturing, finance and business management.

The Board has an appropriate mix of executive and independent directors to ensure proper governance and management.

Composition and category of Directors is as follows:

Category	Name of the Directors
Promoter / Chairman	Mr. Ajit Thomas
Non-Executive Director	Mr. Habib Hussain
Non-Executive Director	Mrs. Shanthi Thomas #
Non-Executive and Independent Director	Mr. M.A. Alagappan
Non-Executive and Independent Director	Mr. P. Shankar
Non-Executive and Independent Director	Mr. A.D. Bopana *

Mr Shyam B Ghia, Director, resigned w.e.f 19.3.2015 and Mr M S A Kumar, Managing Director resigned w.e.f 31.3.2015.

appointed w.e.f. 21.03.2015

* appointed w.e.f. 29.05.2015

Shareholding of Non-Executive Directors as on 31.03.2015

Name of the Non-Executive Director	No. of Shares held
Mr. Ajit Thomas (Promoter/Chairman)	15,22,840
Mr. M.A. Alagappan	28,600
Mr. P. Shankar	Nil
Mr. Habib Hussain	2,00,080
Mrs. Shanthi Thomas	1,24,000

a) Board Meetings

Number of Board Meetings held and the dates on which they were held:

During the year 2014-15, the Board met five times. The dates on which the meetings were held are as follows 30.05.2014, 25.07.2014, 20.10.2014, 28.01.2015 and 21.03.2015.

The attendance of each Director at the Board Meetings, last Annual General Meeting and the Number of other Directorship and Chairmanship / Membership of Committee of each Director in various Companies are as under:

Name of the Directors	Attendance Particulars		No. of other Directorships and Committee Chairmanship / Membership (Excl. AVTNPL, Pvt. Ltd Companies & Foreign Companies)		
	Board Meetings	Last AGM	Other Directorship	Committee Chairmanship	Committee Membership
Mr. Ajit Thomas	5	Yes	9	-	1
Mr. M.A. Alagappan	5	Yes	-	-	-
Mr. P. Shankar	5	Yes	2	1	1
Mr. Habib Hussain	5	Yes	2	-	-
Mr. M.S.A. Kumar	5	Yes	-	-	-
Mrs. Shanthi Thomas	Nil	NA	2	-	-
Mr. Shyam B. Ghia	3	Yes	4	4	6

b) Board Procedure

The Board meets at least once in a quarter and the interval between two meetings is normally not more than four months. Apart from the statutory requirements the role of the board includes setting annual business plan, periodic review of operations and considering proposals for diversification, investments, and business re-organisation. The information periodically placed before the board includes status of statutory compliance, proceedings / minutes of all committees including the audit committee.

3. AUDIT COMMITTEE

The Company has a qualified independent Audit Committee consisting of four members all being non-executive directors and out of that three are independent director. All the members of the Committee have excellent financial and accounting knowledge. The terms of reference stipulated by Board to the audit committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements with the Stock Exchanges.

The Board of Directors of the Company has constituted an Audit Committee, in compliance with the provisions of Clause 49 of the Listing Agreement. Presently, the Committee consisted of four Non-Executive Directors and out of that three are independent viz., Mr. M.A. Alagappan, Mr. Shyam B.Ghia, (upto 19.03.2015) Mr. P. Shankar and Mr. Habib Hussain.

Mr. M. A. Alagappan is the Chairman of the Audit Committee.

Number of Audit Committee Meetings held and the dates on which they were held during the year 2014-15:

During the year 2014-15, the Audit Committee met five times and the dates on which the meetings were held are as follows 30.05.2014, 25.07.2014, 20.10.2014, 28.01.2015 and 21.03.2015. The attendance of the each member of the Audit Committee at its meetings is under:

Name of the Committee Member	No. of meetings attended
Mr. M.A. Alagappan	5
Mr. P. Shankar	4
Mr. Habib Hussain	4
Mr. Shyam B. Ghia	3

During the year, the Board has accepted all the recommendations of the Audit Committee.

Terms of reference :

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditors independence and performance, and effectiveness of audit process;

- c) Examination of the financial statement and the auditor's report thereon;
- d) Approval or any subsequent modification of transactions of the Company with related parties;
- e) Scrutiny of inter-corporate loans and investments;
- f) Valuation of undertakings or assets of the Company, wherever it is necessary;
- g) Evaluation of internal financial controls and risk management systems;
- h) Monitoring the end use of funds raise through public offers and related matters.

4. NOMINATION & REMUNERATION COMMITTEE

The Company has constituted the Remuneration Committee in the year 2002 as required by Schedule XIII to the Companies Act, 1956 to consider and approve the remuneration payable to the Executive Directors of the Company based on the performance of the Company. The Board re-constituted the same as Nomination & Remuneration Committee during the year under Companies Act 2013.

The Committee at present comprises of three Non-Executive independent Directors, viz., Mr. M.A. Alagappan, Mr. Shyam B.Ghia (upto 19.3.2015) and Mr. P. Shankar. The Board in its meeting held on 21.3.2015 has re-constituted it by inducting Mr. Habib Hussain as its Member. Mr. M.A. Alagappan is the Chairman of the Nomination & Remuneration Committee.

The Committee met twice during the year on 30.05.2014 and 28.01.2015 to recommend the remuneration payable to Mr. M.S.A. Kumar, Managing Director. The attendance of the each member of the Nomination & Remuneration Committee at its meetings is as under:

Name of the Committee Member	No. of meetings attended
Mr. M.A. Alagappan	2
Mr. P. Shankar	1
Mr. Shyam B. Ghia	1

Contents of Nomination & Remuneration Policy

Remuneration paid / to be paid to Managing Director / Whole-time Directors/ Manager etc., shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approvals obtained from the Members of the Company. The Nomination & Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regards to the remuneration to Managing Director/Whole time Director/ Manager.

Non-executive / Independent Directors may receive sittings fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The remuneration is paid based on the short and long term performance objectives appropriate to the working of the Company and its goals. The policy also ensures that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Directors, Manager, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) shall be paid such remuneration as recommended by the Committee and approved by the Board from time to time.

However, for all KMPs (except for the MD/WTD/ Manager) and/or SMP the Committee / Board may also authorize the person in charge of day-to-day affairs of the Company to decide their remuneration based on their qualification, experience, expertise and their performance.

The Committee shall also carry out the evaluation of performance of the Board / Committees as a whole, its Chairman, Independent Directors, Executive/Non-Executive Directors, Manager, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

The details of remuneration paid to all the Directors for the year:

a) Executive Director

Name of the Managing Director	Salary Rs.	PF & Other Funds Rs.	Total Rs.
Mr. M.S.A. Kumar	1,98,90,000	20,89,800	2,19,79,800

b) Non-Executive Directors

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs.7,000/- for each meeting of the Board and Rs.3,000/- for any Statutory Committee meeting attended by them. The sitting fees paid for the year ended 31st March 2015 to the Directors are as follows:

Name of the Director	Amount (Rs.)
Mr. Ajit Thomas	38,000
Mr. M.A. Alagappan	59,000
Mr. P. Shankar	49,000
Mr. Habib Hussain	40,000
Mrs. Shanthi Thomas	NIL
Mr. Shyam B. Ghia	33,000 (up to 19.3.2015)

The Company has also paid a sum of Rs.46,88,800 /-. towards commission of 1% on the net profit of the Company for year 2014-15 to Mr. Ajit Thomas, Non-executive Chairman, as per the approval of the Central Government bearing No. SRN B88980644/1/2013-CL-VII dated 27/12/2013.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Board in its meeting held on 22nd March 2014 had constituted the Corporate Social Responsibility Committee of the Company and the Committee comprises directors viz., of Mr. Ajit Thomas, Mr. P. Shankar and Mr. M.S.A. Kumar (up to 31.03.2015).

The Board in its meeting held on 21.03.2015 had reconstituted the committee by inducting Mr. Habib Hussain as its Member. Mr. P Shankar is the Chairman of the Corporate Social Responsibility Committee (CSR)

Terms of Reference

The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programmes is in compliance with the CSR Policy of the Company

The Committee met once during the year on 28.01.2015 to recommend the CSR policies and approve the CSR activities of the Company for the 2014-15. The attendance of the each member of the Corporate Social Responsibility Committee at its meetings is as under:

Name of the Committee Member	No. of meetings attended
Mr. P. Shankar	1
Mr. Ajit Thomas	1
Mr. M.S.A Kumar	1

6. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 21st March 2015, inter alia to discuss:

- Evaluation of performance of Non-independent Directors and the Board of Directors as a whole
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present for this Meeting.

7. STAKE HOLDERS RELATIONSHIP COMMITTEE

The Board had constituted “Share holders / Investors Grievance Committee” during the year 2002 comprising of Mr. Ajit Thomas and Mr. Habib Hussain. The Committee looks into redressing of shareholders’ complaints, if any, like transfer of shares, transmission of shares, non-receipt of balance sheets, non-receipt of dividend warrants etc.

The Board re-constituted the same as Stake holders Grievance Committee’ during the year, under the Companies Act 2013.

Mr. Ajit Thomas is the Chairman of the Stake Holders Relationship Committee

There was no request for dematerialisation pending for approval as on 31.03.2015.

Mr. Dileepraj. P, Company Secretary is the Compliance Officer.

The secretarial department of the Company and the Registrar and share transfer agent, M/s Cameo Corporate Services Ltd., attend to all grievance of the share holders received directly or through SEBI, Stock exchanges etc.

Continuous efforts are made to ensure that grievance are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt actions.

8. SUMMARY OF SHARE HOLDERS COMPLAINT AS ON 31.03.2015

Sl No.	Particulars	No. of Complaints
1.	Number of Share holders complaints pending as on 1.4.2014	Nil
2.	Number of share holders complaints received during the year 2014-15	1
3.	Number of share holders complaints resolved during the year 2014-15	1
4	Number of Share holders complaints pending as on 31.3.2015	Nil

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to section 177 (9) of the Companies Act, 2013, and Clause 49 of the Listing Agreement, the Company has formulated Vigil Mechanism /Whistle Blower Policy for Directors and Employees to report to the management about the unethical behavior, fraud or violation of Company’s code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

10. GENERAL BODY MEETINGS

a) Location and Time for last three Annual General Meetings were:

Year	Location	Date	Time
2011-12	Hotel Ambassador Pallava, Montieth Road, Egmore, Chennai - 600 008	30.07.2012	11.30 A.M.
2012-13	Hotel Ambassador Pallava, Montieth Road, Egmore, Chennai - 600 008	31.07.2013	11.00 A.M
2013-14	Hotel Vestin Park, No. 39, Montieth Road, Egmore, Chennai - 600 008	25.07.2014	10.30 A.M.

- b) In the last three years, four Special Resolutions was passed through annual general meeting:
 - i) During the 27th Annual General Meeting held on 31st July 2013, the Company had passed one special resolution as follows :-
 - a) Payment of Commission to Non-Executive Chairman.
 - ii) During the 28th Annual general Meeting held on 25th July 2014, the Company had passed three Special Resolution as follows :-
 - a) Appointment of Mr. M.A Alagappan as an Independent Director.
 - b) Appointment of Mr. Shyam B. Ghia as an Independent Director
 - c) Appointment of Mr. P Shankar as an Independent Director
- c) Through postal ballot on 19.09.2013, the Company had passed the following four resolutions:
 - i. Increase of authorized share capital - Ordinary Resolution
 - ii. Amendment of Memorandum of Association of the Company - Special Resolution
 - iii. Amendment of Articles of Association of the Company - Special Resolution
 - iv. Issue of bonus shares - Ordinary Resolution
- d) The special resolutions passed in the Annual General Meetings do not require postal ballot.

11. RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were at arm's length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 are not attracted. No Material Related Party transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party transactions to be provided under section 134 (3)(h) of the Companies Act 2013, in Form AOC -2 is not applicable

Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and also the Board. Prior omnibus approval of the Audit Committee is obtained on yearly / quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted has been placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transaction as approved by the Board of Directors has been uploaded on the website of the Company and the website link is <http://avtnatural.com/policy.html>

12. DISCLOSURES

There has been no instance of non-compliance by the Company, penalty or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

The Company has complied with all requirements of the listing agreement entered into with the stock exchanges as well as the regulations and guidelines of the SEBI.

13. UNCLAIMED BONUS SHARE CERTIFICATES 2006

The Company had issued bonus shares in the ratio of 1:1 to the share holders in October 2006. The postal authorities had returned the share certificates of some of the share holders, during the same period, for want of proper address / non-availability of the person in the given address.

As per the listing agreement, all those unclaimed shares were transferred to Unclaimed Suspense Account. The Company had opened a demat account with M/s Stock Holding Corporation of India Limited, Chennai, (SHCIL) and the said shares are kept dematerialized, purely on behalf of the allottees who are entitled for the shares.

The details of the Bonus shares held in Demat Account with SHCIL:

Particulars	No. of allottees entitled	No. of Shares
Total unclaimed shares as on 01.04.2014	273	8,96,480
No. of allottees & shares claimed during the year	2	12,120
Total unclaimed bonus shares as on 31.03.2015	271	8,84,360

The members, who have not yet claimed the bonus share certificate are again requested to approach immediately the Company's Share Transfer Agent, M/s Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 and claim the same either in demat form or as physical certificate, as desired by them

14. UNCLAIMED BONUS SHARE CERTIFICATES 2013

The Company had issued bonus shares in the ratio of 1:1 to the share holders in September 2013. The postal authorities had returned the share certificates of some of the share holders, during the same period, for want of proper address / non-availability of the person in the given address.

There are 8,31,470 shares pertains to 360 share holders were lying with the Company as unclaimed shares. The Company has transferred the same to Unclaimed Suspense Account. The Company had opened a demat account with M/s Stock Holding Corporation of India Limited, Chennai, (SHCIL) for dematting these shares.

The members, who have not yet claimed the bonus share certificate are again requested to approach immediately the Company's Share Transfer Agent, M/s Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 and claim the same.

15. MEANS OF COMMUNICATION

The quarterly, half-yearly unaudited financial results and the annual audited financial results are published in 'Business Line' in English and 'Makkal Kural' in Tamil as per the Clause 41 of the Listing Agreement. The results are also uploaded in the Company's website: www.avtnatural.com

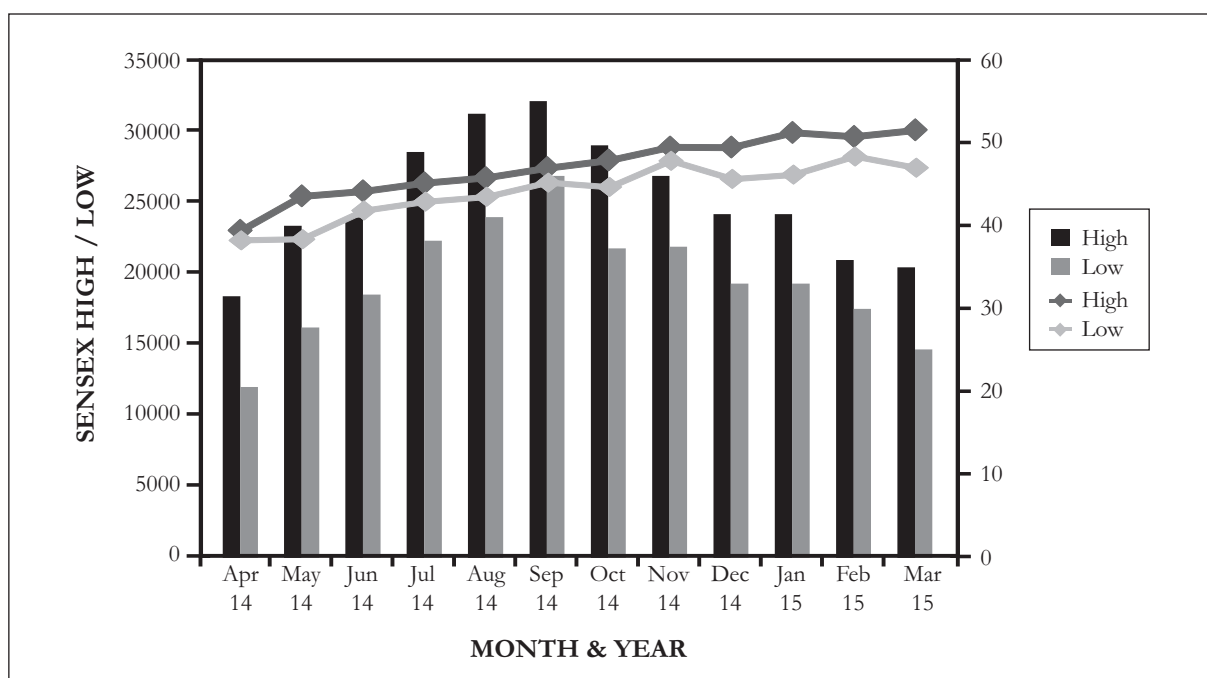
The Management Discussion and Analysis (MD & A) report forms part of this annual report.

16. GENERAL SHAREHOLDER INFORMATION

16.1.	Annual General Meeting	
	- Date and Time	26 th August 2015: 10.30 A.M.
	- Venue	Hotel Vestin Park, 'Palki Hall', Egmore, Chennai - 600 008.
16.2.	Financial calendar	
	Results for the quarter ended 30.06.15	22 nd July 2015
	Results for the quarter ending 30.09.14	Between 15 th October & 15 th of November 2015
	Results for the quarter ending 31.12.15	Between 15 th January & 15 th of February 2016.
	Results for the quarter ending 31.03.16	Between 15 th April & 30 th of May 2016
16.3.	Book Closure date	Register of Member and Book Closure date 19 th August 2015 to 26 th August 2015 (both days are inclusive)
16.4.	Dividend payment date	2 nd week of September 2015.
16.5.	Listing of Equity shares	Bombay stock exchange & The National Stock Exchange of India Ltd., Mumbai.
		The Annual Listing Fees as prescribed has been paid to the above stock exchanges.
16.6.	(a) Stock Code	BSE - 519105 NSE - AVTNPL - Eq
	(b) Demat ISIN Number in NSDL & CDSL for equity shares.	- INE488D01021

16.7. Stock market data (Bombay Stock Exchange)

Month	Share Price		Sensex		Month	Share Price		Sensex	
	High Rs.	Low Rs.	High	Low		High Rs.	Low Rs.	High	Low
Apr-14	31.50	20.60	22939.31	22197.51	Oct-14	49.70	37.30	27894.32	25910.77
May-14	40.00	27.75	25375.63	22277.04	Nov-14	46.00	37.50	28822.37	27739.56
Jun-14	41.00	31.70	25725.12	24270.20	Dec-14	41.40	33.05	28809.64	26469.42
Jul-14	48.90	38.20	26300.17	24892.00	Jan-15	41.40	33.05	29844.16	26776.12
Aug-14	53.50	41.05	26674.38	25232.82	Feb-15	35.90	30.00	29560.32	28044.49
Sep-14	55.00	46.00	27354.99	26220.49	Mar-15	35.00	25.10	30024.74	27248.45



16.8. Share Transfer Agent : Cameo Corporate Services Limited
'Subramaniam Building', No.1, Club House Road, Chennai - 600 002.
Tel: 044-28460390 - 94

Contact Person : Mr. Narasimhan. D
Email id : narasimhan@cameoindia.com, investor@cameoindia.com

Compliance Officer : Mr. Dileepraj. P, Company Secretary
Email id : dileepraj.p@avtnatural.com

16.9. Share Transfer System: The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the directive issued by the Securities and Exchange Board of India, the share transfers both physical and dematted, are now handled by our Transfer Agent, Cameo Corporate Services Limited, Chennai. Shares in physical mode, which are lodged for transfer either with the Company or with the Share Transfer Agent, are processed and the share certificates are returned to the transferees within 15 days of lodgment in case of transfer and within 21 days in case of transmission, as per the Listing Agreement.

16.10. Distribution of shareholding as on 31st March 2015

Shares	No. of share holders	%	No. of Shares	%
1 - 5000	10925	87.02	9546285	6.27
5001 - 10000	828	6.60	6242970	4.10
10001 - 20000	504	4.01	7285162	4.78
20001 - 30000	114	0.91	2754131	1.81
30001 - 40000	72	0.57	2650804	1.74
40001 - 50000	31	0.25	1420206	0.93
50001 - 100000	51	0.41	3691364	2.42
100001 - and above	29	0.23	118693078	77.95
Total	12554	100	152284000	100

16.11. Pattern of Shareholding as on 31st March 2015

Category	No. of Holders	No. of Shares	% of Holdings
Promoters	5	113193100	74.33
Banks / Financial Insitutions	3	84556	0.06
Foreign Institutional Investors	1	247000	0.16
Non-resident Indians	290	2135432	1.40
Bodies corporate	271	2792592	1.83
Public	11984	33831320	22.22
Total	12554	152284000	100

16.12. Dematerialisation
Shares & Liquidity:

92.90% of the equity shares have been dematerialised upto 31.03.2015.
The Company's shares are listed in two stock Exchanges viz., Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd., (NSE).

16.13. The Company has not issued any GDR / Warrants and Convertible Bonds.

16.14. Plant Locations :

1. Plot No. 225/1A, 5-7, Kaipoorikkara, South Vazhakulam, Marampilly Post, Aluva - 683 107, Ernakulam District, Kerala. Tel : 0484-2848240 Fax: 0484-2677512
2. SF No. 234/1, Mysore Trunk Road, Pudukavalli, Sathyamangalam - 638 401, Erode District, Tamil Nadu.
3. HL No. 1182, Harikura Village, Honavally Hobli, Tiptur Taluk - 572 202, Tumkur District, Karnataka.

Subsidiary Companies :

1. AVT Tea Services Limited, 19, Heathman's Road, London, SW6 4TJ.
2. AVT Natural Pte. Ltd., 17 Phillip Street, # 05-01, Grand Building, Singapore 048695
3. AVT Tea Services North America LLC (subsidiary of AVT Tea Services Ltd.,) 8805, Tamiami Trail North suite 160, Naples FL 34108

Address for Correspondence

No. 60, Rukmani Lakshmi pathy Salai, Egmore, Chennai - 600 008.
Tel.: 044-2858 4147, Fax: 2858 4147, E-mail: avtnpl@avtnatural.com
Website: www.avtnatural.com, CIN: L15142TN1986PLC012780

E-mail ID for Investors:

shareholder@avtnatural.com

17. NON-MANDATORY DISCLOSURE

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

ANNEXURE - IX

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2015.

For **AVT Natural Products Limited**

Place : Chennai
Date : 22nd July 2015

M.N. Satheesh Kumar
President & COO (Manager – KMP)

ANNEXURE - X

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
AVT Natural Products Limited, Chennai.

We have examined the compliance of conditions of corporate governance by AVT Natural Products Limited ('the Company') for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Suri & Co.,**
Chartered Accountants
Firm's Regn No. : 004283S

G. Rengarajan
Partner
Membership No. 219922

Place : Chennai
Date : 22nd July 2015

INDEPENDENT AUDITORS' REPORT

To the members of AVT Natural Products Limited, Chennai

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of AVT Natural Products Limited ("the Company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statement based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit;

- b. 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 those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 28(f) to the financial statements;
- ii) The Company did not have any long-term contracts for which there were any material foreseeable losses -Refer Note 29 to the financial statements;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SURI & CO.,**
Chartered Accountants
Firm Regn. No. 004283S

G. RENGARAJAN
Partner

Place : Chennai
Date : 29th May 2015

Membership No : 219922

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF AVT NATURAL PRODUCTS LIMITED, CHENNAI

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
(b) Physical verification of major items of these assets has been conducted by the Management during the financial year and no material discrepancies were noticed on such verification. In our opinion, procedures followed by the management is reasonable having regards to the size of the Company and the nature of its assets.
- ii) (a) Physical verification of inventory has been conducted by the Management at reasonable intervals.
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the

size of the Company and the nature of its business.

- (c) The Company has maintained proper records of inventory and no material discrepancies have been noticed on physical verification of inventory as compared to book records.
- iii) The Company has not granted any loans, secured or unsecured to the Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence the clauses (iii) (a) & (b) of the Order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major

weakness in the internal control system during the course of our audit.

- v) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or other provisions of the Companies Act 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to repayment of the deposits from public.
- vi) The Company is not subject to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under section 148 (1) (d) of the Companies Act, 2013 and hence the clause vi of the Order is not applicable.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Customs duty, Excise duty, Cess and other statutory dues applicable to it. No undisputed statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) The details of disputed statutory dues which have not been deposited are as under:

Name of the Statute	Nature of the dues	Amount (Rs.)	Forum where dispute is pending
Andhrapradesh General Sales Tax Act	APGST 1999/00 to 2004/05 Assessments	79,94,313	Sales Tax Appellate Tribunal
Karnataka Sales Tax Act	KST 2006/07 Assessment	27,516	Joint Commissioner (Appeals)
Service Tax	Service Tax for Business Auxiliary Services for the years the 2005-2009	5,41,49,000	CESTAT, Bangalore

	Service Tax for Foreign Testing Fees for the years 2008-09 to 2012-13	55,31,460	Commissioner (Appeals) Cochin
	Cenvat credit utilised on Exempted goods for the years 2007-08 to 2013-14	59,95,477	Commissioner (Appeals) Cochin
Customs Act	Cess on DTA Sales for 2007 - 2013	5,11,511	Commissioner (Appeals) Cochin

- c) The Company is regular in transferring the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash loss in the current financial year and in the immediately preceding financial year.
- ix) The Company has not defaulted in repayment of dues to banks.
- x) The Company has given a stand by letter of credit and corporate guarantee for loans taken by the subsidiary from banks.
- xi) The Company has applied the term loans for the purpose for which they were obtained.
- xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **SURI & CO.,**
Chartered Accountants
Firm Regn. No. 004283S

G. RENGARAJAN

Partner

Place : Chennai
Date : 29th May 2015

Membership No : 219922

BALANCE SHEET

	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. EQUITY & LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	2	15,22,84,000	15,22,84,000
(b) Reserves & Surplus	3	178,47,25,403	157,54,56,360
		193,70,09,403	172,77,40,360
2. NON CURRENT LIABILITIES:			
a) Long Term Borrowings	4	Nil	5,96,000
b) Deferred Tax Liability (Net)	5	4,35,62,000	4,43,62,000
c) Long Term Provisions	6	1,45,30,747	1,05,63,456
		5,80,92,747	5,55,21,456
3. CURRENT LIABILITIES:			
a) Short Term Borrowings	7	Nil	Nil
b) Trade Payables	8	10,47,61,193	20,08,63,250
c) Other current liabilities	9	1,16,30,602	1,36,27,658
d) Short Term Provisions	10	25,05,33,473	37,16,28,368
		36,69,25,268	58,61,19,276
TOTAL		236,20,27,418	236,93,81,092
II. ASSETS :			
1. NON CURRENT ASSETS:			
a) Fixed Assets :			
i) Tangible Assets	11	53,39,40,562	49,95,42,408
ii) Capital Work-in-progress		1,59,09,426	18,31,810
		54,98,49,988	50,13,74,218
b) Non-Current Investments	12	8,47,90,415	7,54,52,015
c) Long term Loans and Advance	13	1,36,88,345	1,01,97,639
2. CURRENT ASSETS:			
a) Current Investments	14	7,05,15,993	15,12,57,730
b) Inventories	15	86,96,84,871	80,30,91,925
c) Trade Receivables	16	42,67,06,424	39,21,33,308
d) Cash & Cash Equivalents	17	10,27,76,357	11,58,73,196
e) Short Term Loans & Advances	18	23,73,33,638	31,38,22,447
f) Other Current Assets	19	66,81,387	61,78,614
		171,36,98,670	178,23,57,220
Significant Accounting Policies	1		
TOTAL		236,20,27,418	236,93,81,092

Notes 1 to 19, Notes 28 to 43 and Cashflow statement form part of this Balance Sheet

Vide our Report of date attached

For and on behalf of the board

For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922

Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

STATEMENT OF PROFIT AND LOSS

	Note No.	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
REVENUE:			
I. Revenue from Operations			
Revenue from Operations - net of excise duty Rs.8,50,040/- (PY Rs.8,92,327/-)	20	256,59,44,764	271,08,51,757
II. Other Income			
Other Income	21	3,28,76,251	3,59,83,802
III. Total Revenue (I + II)		259,88,21,015	274,68,35,559
EXPENSES			
Increase (-) / Decrease (+) in stock	22	(-) 1,60,48,000	(-) 6,86,42,000
Cost of Materials Consumed		118,42,29,785	116,24,93,113
Purchases		47,64,983	23,44,975
Other Manufacturing Expense	23	36,41,86,682	37,47,02,618
Employee Benefits Expenses	24	28,44,69,338	21,44,64,949
Research and Development	25	3,57,89,206	3,73,40,359
Other Expenses	26	21,73,85,195	20,68,96,779
Finance costs	27	2,52,23,411	96,68,117
Depreciation (Refer Note # 30)		5,68,19,372	4,62,12,929
IV. TOTAL EXPENSES		215,68,19,972	198,54,81,839
V. Profit before Tax (PBT)		44,20,01,043	76,13,53,720
VI. Tax Expenses			
- Current Tax		14,20,00,000	25,10,00,000
- Deferred Tax		(8,00,000)	1,00,000
VII. Profit after Tax (PAT)		30,08,01,043	51,02,53,720
VIII. Earnings Per Share (Basic and Diluted)			
Earnings per share	35	1.98	3.35

Notes 1, Notes 20 to 43 and Cashflow statement form part of this Statement of Profit & Loss

Vide our Report of date attached

For and on behalf of the board

For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922

Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

NOTES ON ACCOUNTS

For the year ended 31st March 2015

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

1) ACCOUNTING CONVENTION:

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles Accounting Standards notified under section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

2) FIXED ASSETS :

- a) Fixed Assets are stated at historical cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on hire purchase are capitalised at principal value.
- b) Amount of provisional consideration paid on land acquired under registered lease-cum-sale agreement for twenty one years; with option to the Company to convert the lease into absolute sale at the expiry of the lease; subject to fulfilment of the terms and conditions specified and payment of additional consideration, if any, to be fixed at that time, is capitalised and included, without being amortised over the period of lease.
- c)
 - (i) Buildings and structures constructed on land acquired under lease-cum-sale agreement with option to convert the lease into absolute sale at the expiry of the lease are depreciated in the normal way and such assets on other lease-hold land are amortised over the period of lease.
 - (ii) Tangible Fixed Assets at Tiptur and Decaffeination / Instant Tea Plant at Vazhakulam are depreciated on Written Down Value Method by adopting the useful life specified in Schedule II of the Companies Act, 2013. Other Assets are depreciated on Straight Line Method by adopting the useful life specified in Schedule II of the Companies Act 2013 except for continuous process plant of marigold and spices which has been charged over 15 years based on technical evaluation. Assets costing individually less than Rs.5000/- are depreciated at 100% in the year of purchase. Depreciation for assets purchased / sold during a period is proportionately charged.
 - (iii) Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use. Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

3) IMPAIRMENT OF ASSETS:

The Company reviews the carrying amounts of its assets for any possible impairment at each balance sheet date.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount and the impairment loss, if any, is recognized in the Statement of Profit & Loss.

4) INVESTMENTS:

Long term Investments are stated at cost. Decline in value of long term investments, other than temporary, is provided for. Current Investments are stated at lower of cost and fair value.

5) INVENTORIES :

Inventories are valued at lower of cost on weighted average basis and net realisable value, after providing for obsolescence wherever considered necessary. Cost includes taxes and duties (other than duties and taxes for which CENVAT / VAT credit is available), freight and other direct expenses.

6) EMPLOYEE BENEFITS:

Gratuity liability, which is a defined benefit scheme and provision for leave encashment is accrued and provided for on the basis of independent actuarial valuation based on projected unit credit method made at the end of each financial year. Actuarial gains and losses are recognised in the Statement of profit and loss and are not deferred.

Retirement benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the Statement of profit and loss of the year when the contribution to the respective funds accrue.

7) REVENUE RECOGNITION:

Revenue is recognised on their accrual and when no significant uncertainty on measurability or collectability exists. Expenditure is accounted for on their accrual.

NOTES ON ACCOUNTS

For the year ended 31st March 2015 (Contd.)

Sale of Goods:

Revenue is recognised when all the significant risks and rewards of ownership of the goods have been passed on to the buyer, usually on delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Dividends:

Dividend income is recognized when the Company’s right to receive dividend is established by the reporting date.

8) FOREIGN CURRENCY TRANSACTION:

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year end exchange rates and the resultant loss or gain other than for acquisition of fixed assets, is dealt with in the Profit and Loss Account. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates and the resultant gain or loss is dealt with in the Profit and Loss Account. Premium or discount on forward contracts is amortised over the life of such contract and is recognized as income or expense in the Profit and Loss account. Exchange differences arising on settlement / translation of long term monetary items utilized for acquisition of Fixed Assets are adjusted to carrying cost of Fixed Assets.

9) BORROWING COSTS :

Borrowing costs attributable to the acquisition or construction of qualifying asset is capitalized as part of such assets. All other borrowing costs are charged to revenue. A qualifying assets is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

10) TAXES ON INCOME:

Provision for Income-tax is made for both current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference which arise during the year and reverse out in the subsequent periods. Deferred tax is calculated at the tax rates substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized.

11) GOVERNMENT GRANTS:

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Subsidies related to revenue are recognised in the profit and loss statement to match them with the related costs which they are intended to compensate.

12) RESEARCH & DEVELOPMENT:

Expenditure on research phase is recognised as an expense as and when it is incurred.

Expenditure on development phase is recognized as intangible assets if it is identifiable, capable of being controlled and from which future economic benefits are expected to flow to the enterprise. Intangible assets are stated at cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

13) EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting the preference dividends and attributable taxes) by the weighted average number of equity share holders outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

NOTES ON ACCOUNTS

For the year ended 31st March 2015 (Contd.)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14) PROVISIONS & CONTINGENT LIABILITY:

Provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise contingent liability but discloses its existence in financial statements.

Contingent Assets are neither recognised nor disclosed.

15) CASH FLOW STATEMENT:

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of

- a) Transactions of a non-cash nature.
- b) Any deferrals or accruals of past or future operating cash receipts or payments and
- c) Items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in Cash Flow Statement.

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.		
NOTE - 2:				
SHARE CAPITAL				
A) AUTHORISED SHARE CAPITAL				
15,99,00,000 - Equity Shares of Re.1/- each (Previous Year 15,99,00,000 - Equity Shares of Re 1/- each)	15,99,00,000	15,99,00,000		
1,000 - 12% Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 1,000 - 12% Redeemable Cumulative Preference Shares of Rs.100/- each)	1,00,000	1,00,000		
30,00,000 - 7% Redeemable Cumulative Preference Shares of Rs.10 each (Previous Year 30,00,000 - 7% Redeemable Cumulative Preference Shares of Rs.10 each)	3,00,00,000	3,00,00,000		
	<u>19,00,00,000</u>	<u>19,00,00,000</u>		
B) ISSUED, SUBSCRIBED AND PAID UP				
15,22,84,000 - Equity Shares of Re.1/- each (Previous Year 15,22,84,000 - Equity Shares of Re.1/- each)	<u>15,22,84,000</u>	<u>15,22,84,000</u>		
C) RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR				
Particulars	As at 31.03.2015	As at 31.03.2014		
Number of Equity Shares outstanding at the beginning of the year	15,22,84,000	7,61,42,000		
Add : Bonus Shares issued during the year	Nil	<u>7,61,42,000</u>		
Number of Equity Shares outstanding at the end of the year	<u>15,22,84,000</u>	<u>15,22,84,000</u>		
D) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES				
Name of the Shareholder	As at 31 st March 2015 Number of Shares in the Company	As at 31 st March 2014 Number of Shares in the Company	%	%
The Midland Rubber & Produce Co Ltd	4,45,41,300	4,45,41,300	29.25	29.25
Neelamalai Agro Industries Ltd	6,09,13,600	6,09,13,600	40.00	40.00
Total	<u>10,54,54,900</u>	<u>10,54,54,900</u>		
E) SHARES ALLOTTED AS FULLY PAID UP BY WAY OF BONUS SHARES (DURING 5 YEARS PRECEDING MARCH 31,2015)				
The Company allotted 7,61,42,000 Equity Shares as Fully Paid up Bonus Shares in the ratio of 1:1 by capitalisation of Capital Redemption Reserve and General Reserve on 28 th September 2013 pursuant to Share Holders Resolution passed by postal ballot on 19 th September 2013.				

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 3:		
RESERVES & SURPLUS:		
Capital Redemption Reserve	Nil	Nil
Capital Reserve	35,000	35,000
Investment Subsidy	99,01,670	99,01,670
General Reserve		
As per Last Balance Sheet	126,02,86,459	
Add: Transfer from Profit & Loss A/c	30,00,00,000	126,02,86,459
Surplus as per Statement of Profit & Loss		
As per Last Balance Sheet	30,52,33,231	22,36,10,355
Profit for the period after Tax	30,08,01,043	51,02,53,720
Less : Appropriations		
Transfer to General Reserve	30,00,00,000	30,00,00,000
Interim Dividend Paid @ Re.0.20 per share (PY-Re.0.30 per share)	3,04,56,800	4,56,85,200
Tax on Interim Dividend	60,89,568	77,64,200
Proposed Final Dividend		
Equity Shares @ Re. 0.30 per share (PY-Re.0.45 per share)	4,56,85,200	
Provision for Tax on Final Dividend	93,00,432	7,51,81,444
Net Surplus In the Statement of Profit and Loss	<u>21,45,02,274</u>	<u>30,52,33,231</u>
	<u>178,47,25,403</u>	<u>157,54,56,360</u>

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 4:		
LONG TERM BORROWINGS :		
SECURED		
Term Loan From Banks :	Nil	Nil
(Secured by hypothecation of all movable assets, present and future, save and except inventories and bookdebts, and subject to prior charges created in favour of Banks on specific assets for securing working capital facilities)		
The Loan from State Bank of India carries an Interest rate of 7.99 % Repayable in 20 Quarterly Installments starting from 31 st May 2009 and Last Installment falling due on 31 st March 2014		
UNSECURED		
Public Deposits	Nil	5,96,000
	Nil	5,96,000
NOTE - 5:		
DEFERRED TAX LIABILITIES (NET) :		
(Refer Note No.39)		
Deferred Tax Liabilities	5,57,84,000	5,51,90,000
Deferred Tax Assets	1,22,22,000	1,08,28,000
Deferred Tax Liabilities (Net)	4,35,62,000	4,43,62,000
NOTE - 6:		
LONG TERM PROVISION :		
For Leave Encashment (Refer Note # 41)	1,45,30,747	1,05,63,456
	1,45,30,747	1,05,63,456
NOTE - 7:		
SHORT TERM BORROWINGS :		
SECURED		
Cash Credit		
- from Banks	Nil	Nil
(Secured by hypothecation of inventories and book debts and second charge on present and future movable and immovable block of assets of the Company)		
	Nil	Nil

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 8:		
TRADE PAYABLE		
Sundry Creditors - Refer Note No : 36 for Details of dues to Micro & Small Enterprises	9,79,80,591	18,92,32,951
Due to Subsidiary Company	67,80,601	1,16,30,299
	10,47,61,192	20,08,63,250
NOTE - 9:		
OTHER CURRENT LIABILITIES:		
Current Maturities of Long Term Debts -(Refer No. 4)	Nil	31,69,000
Investor Education and Protection Fund *		
- Unclaimed Dividends	1,16,30,602	98,72,585
- Interest accrued but not due	Nil	5,86,073
- Interest on Matured Deposit Payable	Nil	Nil
Overdue Matured Deposits	Nil	Nil
	1,16,30,602	1,36,27,658
* Amount payable to Investor Education and Protection Fund - Nil		
NOTE - 10:		
SHORT TERM PROVISIONS:		
Provisions for Employee Benefit		
For Leave Encashment	28,80,459	34,28,988
For Gratuity	1,85,45,382	98,56,081
Other Provisions		
For Proposed Dividends	4,56,85,200	6,85,27,800
For Tax on Dividend	93,00,432	66,53,644
For Taxation	17,41,22,000	28,31,61,855
	25,05,33,473	37,16,28,368

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

NOTE 11:

Tangible Assets

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Upto 31.03.2014	For the Year	Withdrawn	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Freehold Land	2,29,70,071	-	-	2,29,70,071	-	-	-	-	2,29,70,071	2,29,70,071
Lease Hold Land #	18,94,995	-	-	18,94,995	-	-	-	-	18,94,995	18,94,995
Buildings	14,90,42,782	65,71,969	6,04,284	15,50,10,467	6,45,31,433	78,11,356	2,92,670	7,20,50,119	8,29,60,348	8,45,11,350
Plant and Machinery	61,32,71,666	8,42,52,731	56,751	69,74,67,646	24,48,01,478	4,55,32,468	56,751	29,02,77,195	40,71,90,451	36,84,70,188
Furniture and Fixtures	93,98,946	6,46,603	-	1,00,45,549	48,73,059	6,86,177	-	55,59,236	44,86,313	45,25,887
Vehicles	2,74,16,838	57,838	-	2,74,74,676	1,02,46,920	27,89,371	-	1,30,36,291	1,44,38,385	1,71,69,918
TOTAL	82,39,95,298	9,15,29,141	6,61,035	91,48,63,404	32,44,52,890	5,68,19,372*	3,49,421	38,09,22,841	53,39,40,563	49,95,42,408
Previous Year	75,17,97,795	11,53,47,024	4,31,49,521	82,39,95,298	31,00,79,423	4,62,12,929	3,18,39,462	32,44,52,890	49,95,42,408	49,95,42,408

The Company has a leasehold land at Tiptur for a period of 21 years commencing from 2000 to 2021.

* Refer Note No. 30

NOTE : 12

Non Current Investments - Value at Cost

Description	As at 01.04.2014		Additions		Deductions		As at 31.03.2015	
	No of Shares	Rs	No of Shares	Rs	No of Shares	Rs	No of Shares	Rs
	Investment in Equity Instruments							
In wholly owned Subsidiary Company (Unquoted)								
AVT Natural Pte. Limited, Singapore- US\$ 1 each fully paid-up	6,41,000	2,82,27,150	-	-	-	-	6,41,000	2,82,27,150
AVT Tea Services Limited, London -GBP 1 each fully paid-up	5,23,540	4,72,24,865	95,000	93,38,400	-	-	6,18,540	5,65,63,265
Total	11,64,540	7,54,52,015	95,000	93,38,400	-	-	12,59,540	8,47,90,415

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
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NOTE - 13:

LONG TERM LOANS AND ADVANCES:

Unsecured, Considered Good

Advances Recoverable in cash or in kind or for a value to be received	<u>1,36,88,345</u>	<u>1,01,97,639</u>
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NOTE : 14:

Current Investments (At Lower of Cost or Fair Value)

Description	As at 01.04.2014		Additions		Deductions		As at 31.03.2015		As at 31.03.2014	
	No of Units	Rs	No of Units	Rs	No of Units	Rs	No of Units	Rs	No of Units	Rs
In Mutual Funds:										
Franklin Templeton	1,50,69,565	15,12,57,730	2,17,31,871	21,83,40,853	3,27,72,519	32,91,13,273	40,28,917	4,04,85,310	1,50,69,565	15,12,57,730
Ultra Short Bond Fund										
ICICI Prudential	-	-	5,47,224	75,30,683	-	-	5,47,224	75,30,683	-	-
Equity Arbitrage Fund										
IDFC Mutual Fund	-	-	12,07,214	1,50,00,000	-	-	12,07,214	1,50,00,000	-	-
Equity Arbitrage Fund										
Kotak Mutual Fund	-	-	6,98,799	75,00,000	-	-	6,98,799	75,00,000	-	-
Total	1,50,69,565	15,12,57,730	2,41,85,108	24,83,71,536	3,27,72,519	32,91,13,273	64,82,154	7,05,15,993	1,50,69,565	15,12,57,730

Net Asset Value as on 31st March 2015 Rs.7,07,29,372.06 (PY Rs. 15,13,97,890/-)

NOTE - 15:

INVENTORIES:

(Valued at lower of cost and net realisable value)

(a) Stores, Spares and Packing Materials	5,39,26,255	2,43,97,008
(b) Raw Materials	10,92,78,616	8,82,62,917
(c) Finished Goods	69,79,90,000	66,96,92,000
(d) Stock in process	52,40,000	2,07,40,000
(e) Stock in Transit	32,50,000	Nil
	<u>86,96,84,871</u>	<u>80,30,91,925</u>

NOTE - 16:

TRADE RECEIVABLES:

Unsecured

(a) Debts outstanding for a period exceeding six months			
- Considered Good		Nil	Nil
- Considered Doubtful	15,78,054		82,16,740
Less : Provision	<u>(15,78,054)</u>	Nil	<u>(82,16,740)</u>
(b) Other debts - Considered Good		<u>42,67,06,424</u>	<u>39,21,33,308</u>
		<u>42,67,06,424</u>	<u>39,21,33,308</u>

NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 17:		
CASH AND CASH EQUIVALENTS :		
(a) Cash	3,68,651	1,28,884
(b) Balances with Scheduled Banks:		
- In Current Account	7,08,16,975	8,37,64,667
- In Deposit Account	<u>10,00,000</u>	<u>15,00,000</u>
	<u>7,21,85,626</u>	<u>8,53,93,551</u>
(c) Balances with Scheduled Banks:		
- In Dividend Account	1,16,30,602	98,72,585
- In Margin Money Deposit	<u>1,89,60,129</u>	<u>2,06,07,061</u>
	<u>10,27,76,357</u>	<u>11,58,73,197</u>
Bank Deposits with more than 12 Months Maturity	<u>Nil</u>	<u>Nil</u>
 NOTE - 18:		
SHORT TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
Advances Recoverable in cash or in kind or for a value to be received	8,44,22,914	5,99,02,180
Tax Payment Pending Adjustment	<u>15,29,10,724</u>	<u>25,39,20,267</u>
	<u>23,73,33,638</u>	<u>31,38,22,447</u>
 NOTE - 19:		
OTHER CURRENT ASSETS:		
Prepaid Expenses	56,34,133	51,51,223
Income Accrued	<u>10,47,254</u>	<u>10,27,391</u>
	<u>66,81,387</u>	<u>61,78,614</u>

NOTES TO THE ACCOUNTS

Forming part of Statement of Profit and Loss

	For year ended 31.03.2015 Rs.	For year ended 31.03.2014 Rs.
NOTE - 20:		
REVENUE FROM OPERATIONS:		
Sales of Products	229,47,03,368	262,30,07,135
Less: Excise Duty	8,50,040	8,92,327
	<u>229,38,53,328</u>	<u>262,21,14,808</u>
Other Operating Revenues :		
Exchange Difference	6,21,27,250	(3,23,54,057)
Processing Income	8,96,57,298	9,18,17,632
Sale / Captive Consumption of Wind power	48,52,305	54,60,292
Sale of Import Entitlement	11,54,54,583	2,38,13,082
	<u>256,59,44,764</u>	<u>271,08,51,757</u>
NOTE - 21:		
OTHER INCOME:		
Insurance Claim	8,62,332	1,59,104
Rent	Nil	15,000
Interest	21,49,452	18,47,506
Profit on Sale of Assets	20,167	17,96,290
Provision no longer required written back	82,16,740	10,57,750
Miscellaneous	23,69,296	4,73,219
Income from Current Investment	1,83,71,536	12,57,730
Profit on Sale of Investments	8,86,728	Nil
Dividend from Subsidiary	Nil	2,93,77,203
	<u>3,28,76,251</u>	<u>3,59,83,802</u>

NOTES TO THE ACCOUNTS

Forming part of Statement of Profit and Loss (Contd.)

	For year ended 31.03.2015 Rs.	For year ended 31.03.2014 Rs.
NOTE - 22:		
INCREASE (-) / DECREASE (+) IN STOCK:		
OPENING STOCK:		
Finished Goods		
- Processed	66,92,10,000	55,86,30,000
- Trade	4,82,000	Nil
Stock in Process	2,07,40,000	6,31,60,000
	69,04,32,000	62,17,90,000
CLOSING STOCK		
Finished Goods		
- Processed	69,73,10,000	66,92,10,000
- Trade	6,80,000	4,82,000
Stock in Process	52,40,000	2,07,40,000
Stock in Transit	32,50,000	Nil
	70,64,80,000	69,04,32,000
Increase(-)/Decrease (+) in Stock	(-) 1,60,48,000	(-) 6,86,42,000
NOTE - 23:		
OTHER MANUFACTURING EXPENSES :		
Consumption of Stores, Spares & Packing Materials	14,54,14,507	14,66,10,889
Power and Fuel	16,06,06,998	15,11,39,148
Crop Promotional and Agro Meeting Expense	23,47,720	37,58,988
Expenditure on Waste Processing and Treatment	28,07,802	20,93,126
Skim Collection Charges	1,73,218	4,98,341
Repairs - Building	50,24,929	89,38,590
Repairs - Plant & Machinery	4,78,11,508	6,16,63,536
	36,41,86,682	37,47,02,618
NOTE - 24:		
EMPLOYEE BENEFIT EXPENSES:		
Salaries, Wages and Bonus	22,28,75,346	16,93,82,865
Contribution to Provident and other Funds	2,64,16,566	1,96,70,460
Provision for Gratuity (Refer Note No. 41)	86,89,301	19,15,473
Provision for Leave Encashment (Refer Note No. 41)	34,18,762	27,18,925
Welfare Expenses	2,30,69,363	2,07,77,226
	28,44,69,338	21,44,64,949
NOTE - 25:		
RESEARCH AND DEVELOPMENT EXPENSES (Ref Note No.40a)		
Salaries, Wages and Bonus	2,55,29,376	3,09,23,150
Consumption of Stores, Spares & Packing Materials	35,16,013	30,47,824
Product Development Expense	48,34,669	17,58,253
Others	19,09,148	16,11,132
	3,57,89,206	3,73,40,359

NOTES TO THE ACCOUNTS

Forming part of Statement of Profit and Loss (Contd.)

	For year ended 31.03.2015 Rs.	For year ended 31.03.2014 Rs.
NOTE - 26:		
OTHER EXPENSES:		
Processing Charges	17,44,425	43,67,747
Repairs :		
Vehicles	80,88,790	84,14,807
Others	1,43,10,576	2,29,33,934
Postage and Telephones	60,14,900	48,38,159
Printing & Stationery	23,37,346	25,39,846
Travelling Expenses	2,13,55,799	2,60,09,935
Auditors Remuneration		
- For Audit	12,50,000	12,50,000
- For Tax Audit/Certification	5,88,000	3,60,000
- For Tax Representation	2,55,000	1,50,000
- For Expenses	2,45,000	80,000
- For Service Tax	2,88,977	2,27,424
Directors' Sitting Fees	2,19,000	2,27,000
Commission to Chairman	46,88,800	78,18,600
Bank Charges	96,40,834	84,19,822
Rent	2,29,32,699	1,34,99,267
Rates and Taxes	86,52,671	82,23,778
Insurance	58,74,011	56,96,050
Product Testing Charges	1,33,17,310	1,18,73,428
Freight and Transport	4,49,33,578	3,80,53,208
Commission	1,34,22,356	25,19,803
Provision for Bad and Doubtful Debts	15,78,054	82,16,740
Bad Debts Written off	Nil	5,07,750
Professional Fees	63,89,630	36,28,444
Security Service Charges	50,65,030	45,82,279
Advertisement	83,90,889	68,05,016
CSR Expenditure (Refer Note # 31)	15,00,512	Nil
Miscellaneous Expenses	1,43,01,008	1,56,53,743
	21,73,85,195	20,68,96,779
SCHEDULE - 27:		
FINANCE COST :		
Interest Expense	2,52,23,411	96,68,117
	2,52,23,411	96,68,117

NOTES TO THE ACCOUNTS

Forming part of Accounts

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.
28 CONTINGENT LIABILITIES IN RESPECT OF		
a) Salestax demand disputed in appeals, against which Rs.71,23,260 paid and included under Advances	1,51,46,028	1,51,46,028
b) Service Tax demand disputed in appeal	6,56,75,937	5,41,50,000
c) Customs Act	5,11,511	Nil
d) The Company through its banker Bank of Baroda, Ernakulam North Branch has arranged a Stand by Letter of Comfort to HSBC, London, UK for Working Capital Facility for US\$ 1 Million to its wholly owned Subsidiary AVT Tea Services Ltd., London	6,21,80,000	6,06,10,000
e) The Company has given a corporate guarantee to HSBC for its subsidiary, AVT Tea Services Ltd. for the working capital facility of US\$ 1 Million	6,21,80,000	Nil
f) The future cash outflow on the above items are determinable only on receipt of decision/judgement that is pending at various forms/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
g) Estimated amount of contracts remaining to be executed on Capital account and not provided for	47,56,725	1,09,45,000

29 The Company uses forward exchange contracts to hedge its exposure in foreign currency

The Forward exchange contracts outstanding as at 31st March 2015 is as under

Particulars	Currency	Amount in foreign currency		Amount in Rs.	
		31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Forward exchange contracts	US\$ / INR	10,095,000	23,300,000	66,49,82,575	1,33,11,21,750
	Euro / INR	519,000	Nil	3,79,03,840	Nil

The Company has a process where by periodically all foreign exchange forward contracts are assessed. At the year end, the Company has reviewed the forward exchange contracts and there are no material foreseeable losses on such contracts.

- 30** The Company has adopted the useful life of fixed assets prescribed under Part C of Schedule II of the Companies Act 2013 for providing depreciation from 1st April 2014 except in the case of Plant and Machinery relating to Continuous Processing Plant of Marigold and Spices Processing for which the useful life has been taken as per the technical evaluation. As a result the standalone depreciation for the year ended 31.03.2015 is higher by Rs.47,72,830/- with consequential effect on statement of profit and loss before tax by this amount. For the tangible Fixed Assets that had completed useful life as at 01.04.2014, the carrying amount of Rs. 43,86,007/- has been charged to Statement of Profit & Loss as per Note 7 of Part C of Schedule II to the Companies Act 2013.
- 31** As per Section 135 of the Companies Act 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, health care, sanitation, women empowerment and rural development projects. The total amount spent during the year on such activities which are specified in Schedule VII of the Companies Act 2013 amounts to Rs.15,00,512/-

NOTES TO THE ACCOUNTS

Forming part of Accounts (Contd.)

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.		
32 Expenditure in Foreign Currency:				
Travelling Expenses	25,31,544	58,30,070		
Commission	55,14,254	21,87,269		
Professional Fees	26,09,276	6,06,803		
Interest	Nil	12,49,119		
Sample Analysis Charges	65,48,099	88,14,794		
Freight	3,84,000	3,01,975		
Salary	71,86,888	57,63,041		
Others	9,17,794	24,44,960		
33 Particulars of Consumption:				
Raw Materials	%	Rs.	%	Rs.
- Indigenous	43.38	51,36,92,483	57.81	67,20,82,602
- Imported	56.62	67,05,37,302	42.19	49,04,10,511
	100.00	118,42,29,786	100.00	116,24,93,113
Stores, Spares and Packing Materials	%	Rs.	%	Rs.
- Indigenous	89.74	13,04,98,259	89.00	13,04,84,765
- Imported	10.26	1,49,16,248	11.00	161,26,124
	100.00	14,54,14,507	100.00	14,66,10,889
34 Value of Imports on CIF basis:				
Raw Materials	67,95,94,462	57,78,83,986		
Stores, Spares and Packing Materials	1,97,22,561	1,21,39,849		
Capital Items	5,33,024	52,09,911		
35 Earnings in Foreign Exchange (On FOB Basis):				
On Export of goods	220,12,14,226	256,29,66,551		
Processing Income	1,73,70,014	2,92,79,773		
	221,85,84,240	259,22,46,324		
36 Due to Micro & Small Enterprises:				

Based on the information available with the Company, the principal amount due to Micro, Small & Medium Enterprises as on 31.03.2015 is Rs. Nil (Previous Year Nil). There are no overdue principal amounts and therefore no interest was paid or payable.

NOTES TO THE ACCOUNTS

Forming part of Accounts (Contd.)

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.
37 Earnings per Share :		
Profit after Taxation	30,08,01,043	51,02,53,720
Weighted average number of Equity Shares outstanding at the end of the year	15,22,84,000	15,22,84,000
Earnings per share (Basic and Diluted)	1.98	3.35
38 Segment Reporting :		
The Company operates in solvent extracted products which is the primary reportable segment. Therefore, segment reporting is not applicable.		
39 Computation of Deferred Tax Asset / Liability:		
a) Deferred Tax Liability:		
Tax Impact of difference between carrying amount of Fixed Assets in the Financial Statements and the income tax returns	5,57,84,000	5,51,90,000
b) Deferred Tax Asset:		
Tax impact of expenses charged in the financial statements but allowable as deduction in future years under Income Tax.	1,22,22,000	1,08,28,000
Net Deferred Tax Liability [(a) - (b)]	4,35,62,000	4,43,62,000
40 Research and Development Expenditure :		
Expenditure incurred at R&D Centres approved by Department of Scientific and Industrial Research (DSIR) eligible for Weighted deduction under the Income Tax Act		
a) Revenue Expenditure	<u>2014-15</u>	<u>2013-14</u>
	<u>Vazhakulam</u>	<u>Bangalore</u>
	<u>Rs.</u>	<u>Rs.</u>
Salaries, Wages and Bonus	98,63,691	89,89,045
Consumption of Stores, Spares & Packing Materials	35,16,013	Nil
Product Development Expense	Nil	48,34,669
Others	6,65,076	Nil
(A)	1,40,44,780	1,38,23,714
b) Capital Expenditure		
Plant and Machinery	5,20,560	Nil
Office Equipment	Nil	61,641
Furniture & Fixtures	Nil	34,500
(B)	5,20,560	96,141
Total	1,45,65,340	1,39,19,855
	1,48,97,548	1,73,81,982

NOTES TO THE ACCOUNTS

Forming part of Accounts (Contd.)

41 Employee Benefits:

i) Defined Benefit Plans:

a) Description of the Company's defined benefit plan:

i) Gratuity Scheme:

This is a funded defined benefit plan for qualifying employees for which, the Company makes contribution to the Gratuity Fund managed by the Life Insurance Corporation of India. The scheme provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

ii) Leave Encashment:

The Company also operates a non funded leave encashment scheme for its employees.

b) Reconciliation of changes in the Present Value of Obligation:

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2014	4,84,45,499	1,39,92,444	4,09,61,093	1,12,73,519
Current Service Cost	35,92,306	52,41,700	32,55,691	29,85,300
Interest Cost	38,68,632	12,66,320	32,62,118	8,97,408
Benefits Paid	(1,18,66,129)	(1,53,680)	(10,35,444)	(2,51,197)
Actuarial loss / (gain)	1,10,93,968	(29,35,578)	20,02,041	(9,12,586)
Present Value of the Obligation as on 31.03.2015	<u>5,51,34,276</u>	<u>1,74,11,206</u>	<u>4,84,45,499</u>	<u>1,39,92,444</u>
c) Reconciliation of changes in the fair value of Plan Assets:				
Fair Value of Plan Assets as on 01.04.2014	3,85,89,418	Nil	3,30,20,485	Nil
Expected return on plan assets	31,31,100	Nil	29,96,600	Nil
Contribution by the Company	62,56,179	1,53,680	34,88,166	2,51,197
Benefits Paid	(1,18,66,129)	(1,53,680)	(10,35,444)	(2,51,197)
Actuarial gain / (loss)	4,78,326	Nil	1,19,611	Nil
Fair Value of Plan Assets as on 31.03.2015	<u>3,65,88,894</u>	<u>Nil</u>	<u>3,85,89,418</u>	<u>Nil</u>
d) The total expense recognised in the profit and loss account is as follows:				
Current Service Cost	35,92,306	52,41,700	32,55,691	29,85,300
Interest Cost	38,68,632	12,66,320	32,62,118	8,97,408
Expected return on plan assets	(31,31,100)	NA	(29,96,600)	NA
Net Actuarial (gain) / loss recognised in the year	1,06,15,642	(29,35,578)	18,82,430	(9,12,586)
	<u>1,49,45,480</u>	<u>35,72,442</u>	<u>54,03,639</u>	<u>29,70,122</u>
e) Reconciliation of Net Liability recognised in the balance sheet				
Net Liability as at the beginning of the year	98,56,081	1,39,92,444	79,40,608	1,12,73,519
Add : Expense as (d) above	1,49,45,480	35,72,442	54,03,639	29,70,122
Less: Employers Contribution / Payment	62,56,179	1,53,680	34,88,166	2,51,197
Net Liability as at the end of the year	<u>1,85,45,382</u>	<u>1,74,11,206</u>	<u>98,56,081</u>	<u>1,39,92,444</u>

NOTES TO THE ACCOUNTS

Forming part of Accounts (Contd.)

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	3,65,88,894	Not Applicable	3,85,89,418	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	7.80%	7.80%	9.10%	9.10%
Salary Escalation Rate	10%	10%	10%	10%
Attrition Rate	5%	5%	5%	5%
Expected rate of return on plan assets	8.75%	NA	8.75%	NA

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

h) The amounts pertaining to defined benefit plans are as follows:

	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Gratuity - Funded Plan					
Defined Benefit obligation	5,51,34,276	4,84,45,499	4,09,61,093	3,45,06,998	2,63,65,207
Plan Assets	3,65,88,894	3,85,89,418	3,30,20,485	2,79,96,481	2,14,71,977
Surplus / (Deficit)	1,85,45,382	98,56,081	79,40,608	65,10,517	48,93,230
Experience adjustment plan liabilities	1,10,93,968	20,02,041	21,21,096	44,42,365	67,63,038
Experience adjustment plan assets	(4,78,326)	(1,19,611)	(1,00,928)	(1,53,281)	(1,31,542)

The Company expects to fund Rs.80 Lakhs towards its gratuity plan during 2015/16.

ii) Defined Contribution Plans:

The Company makes contribution towards employees' provident fund, family pension fund, super annuation fund and employees' state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised Rs. 2,26,03,725/- as expense towards contributions to these plans.

NOTES TO THE ACCOUNTS

Forming part of Accounts (Contd.)

42 Related Party Transactions :

Following companies are related to the Company on account of Common Control through Constitution of Board/ Shareholdings:

- A V Thomas & Company Ltd	- A V Thomas Leather & Allied Products Pvt. Ltd
- LJ International Ltd	- AVT Tea Services North America, LLC
- A V Thomas Investments Company Ltd	- A V Thomas Exports Ltd
- The Nelliampathy Tea & Produce Co. Ltd	- Midland Latex Products Ltd
- Neelamalai Agro Industries Ltd	- Sermatech Private Ltd
- The Midland Rubber and Produce Company Ltd	- Ajit Thomas Holdings Private Limited
- AVT McCormick Ingredients Private Ltd	- Midland Corporate Advisory Services P Ltd
- AVT Natural Pte Ltd.	- AVT Gavia Foods Pvt Ltd
- AVT Tea Services Ltd	- Midland Charitable Trust
- Teleflex Medical Private Ltd	- Midland Natural Pte. Ltd
- AVT Holdings Private Ltd	- AVT International Ltd.

Key Management Personnel:	Mr. Ajit Thomas, Chairman	Mr. Dileepraj. P, Company Secretary
	Mr. M.S.A. Kumar (till 31 st March 2015)	Mr. A. Ramadas, Sr. Vice President & CFO (from 1 st April 2014)

Details of Transaction	Year Ended 31.03.2015 Rs.		Year Ended 31.03.2014 Rs.	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
	INCOME			
Sales	32,23,49,048		13,87,66,096	
Rent Received	Nil		15,000	
Dividend Received	Nil		2,93,77,203	
EXPENDITURE				
Purchases	9,54,05,280		8,22,00,673	
Assets Purchases	Nil		2,62,499	
C & F Charges	1,85,47,772		1,34,38,231	
Commission	30,70,868		Nil	
Fees for technical services	56,75,182		Nil	
Remuneration		2,85,06,263		1,27,09,433
Commission to Chairman		46,88,800		78,18,600
Sitting Fees		38,000		38,000
Dividend Paid	7,25,05,069	11,82,946	7,52,93,726	13,02,641
Donation	25,00,000		50,00,000	
BALANCE AS ON 31.03.2015				
Debit Balances	9,78,92,981	Nil	2,52,82,809	Nil
Credit Balances	4,13,702	46,88,800	45,17,032	78,18,600

NOTES TO THE ACCOUNTS

Forming part of Accounts (Contd.)

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.
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43 Previous year's figures have been regrouped wherever necessary to conform to Current year's classification

Vide our Report of date attached

For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922

Place : Chennai
Date : 29th May 2015

For and on behalf of the board

Ajit Thomas
Chairman

Dilepraj. P
Company Secretary

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

CASH FLOW STATEMENT

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
A CASH FLOW FOR OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	44,20,01,043	76,13,53,720
Adjustment for:		
Depreciation	5,68,19,372	4,62,12,929
Provision for Leave Encashment	34,18,762	27,18,925
Provision for Gratuity	86,89,301	19,15,473
(Profit)/Loss On Sale of Assets	(20,167)	(17,96,290)
Interest received	(21,49,452)	(18,47,506)
Dividend Income from Mutual Funds	(1,83,71,536)	(12,57,730)
Dividend Income	Nil	(2,93,77,203)
Interest	2,52,23,411	96,68,117
Operating Profit before working capital changes:	<u>51,56,10,734</u>	<u>78,75,90,434</u>
Adjustment for:		
Trade Receivables	(3,45,73,116)	(72,87,299)
Inventories	(6,65,92,945)	5,56,92,820
Trade and Other Payables	(9,80,99,113)	7,00,37,360
Loans & Advances and Other Current assets	(2,86,05,435)	(24,02,036)
Cash generated from operations	<u>28,77,40,125</u>	<u>90,36,31,278</u>
Taxes paid	(15,00,30,312)	(24,14,37,242)
Cash flow before extra ordinary items	<u>13,77,09,813</u>	<u>66,21,94,036</u>
Extra-ordinary Items	Nil	Nil
Net cash from operating activities	<u>(A) 13,77,09,813</u>	<u>66,21,94,036</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10,56,06,758)	(9,13,17,619)
Sale of Fixed Assets	3,31,781	1,31,06,349
Investment in Mutual Fund	9,91,13,273	(15,00,00,000)
Investment in Subsidiary Company	(93,38,400)	(2,73,29,867)
Interest Received	21,29,589	25,70,446
Dividend Income	Nil	2,93,77,203
Net Cash used in Investing Activities	<u>(B) (1,33,70,515)</u>	<u>(22,35,93,487)</u>

CASH FLOW STATEMENT

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings including Public Deposits	(5,96,000)	(31,69,000)
Short Term Borrowings	Nil	(23,48,68,563)
Interest paid	(2,52,23,411)	(96,68,117)
Dividend Paid including Dividend Tax	(11,17,27,812)	(12,02,61,150)
Net Cash used in Financing Activities	(C) (13,75,47,223)	(36,79,66,830)
Net Increase in cash and cash equivalents (A+B+C)	(1,32,07,925)	7,06,33,720
Cash and cash equivalent at the beginning of the year	8,53,93,551	1,47,59,831
Cash and cash equivalent at the end of the year	7,21,85,626	8,53,93,551
	(1,32,07,925)	7,06,33,720

Vide our Report of date attached
For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922
Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

For and on behalf of the board

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No.	01	
2. Name of subsidiary	AVT TEA SERVICES LIMITED	
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st April 2014 to 31 st March 2015	
4. Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	£ - Reporting Currency 1£ = 91.56	in Rs.
5. Share Capital	£ 618,540	5,66,33,522
6. Reserves & Surplus	£ (806,685)	(7,38,60,079)
7. Total Assets	£ 1,957,519	17,92,30,440
8. Total Liabilities	£ 2,145,664	19,64,56,996
9. Investments	£ 602	55,119
10. Turnover	£ 4,566,111	43,53,78,684
11. Profit before taxation	£ (237,393)	(2,34,77,489)
12. Provision for taxation	0	0
13. Profit after taxation	£ (237,393)	(2,34,77,489)
14. Proposed Dividend	0	0
15. % of shareholding	100%	

Notes

1. AVT Tea Services North America LLC was commenced on 8th August 2014
2. AVT Natural Pte Ltd is in the process of liquidation from 15th December 2014
3. The liquidation process of Heilongjiang AVT Bio Products Limited was completed on 24th February 2014.

For and on behalf of the board

Ajit Thomas
Chairman

M.A. Alagappan
Director

Place : Chennai
Date : 29th May 2015

Dileepraj. P
Company Secretary

A. Ramadas
Sr. Vice President & CFO

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No.	02	
2. Name of subsidiary	AVT NATURAL PTE. LTD.	
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 st January 2014 to 15 th December 2014	
4. Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	\$ - Reporting Currency 1\$ = 62.15	
		in Rs.
5. Share Capital	\$641,000	3,98,38,150
6. Reserves & Surplus	(\$194,818)	(1,21,07,939)
7. Total Assets	\$457,378	2,84,26,043
8. Total Liabilities	\$11,196	6,95,831
9. Investments	0	0
10. Turnover	0	0
11. Profit before taxation	(\$217,493)	(1,34,51,942)
12. Provision for taxation	0	0
13. Profit after taxation	(\$217,493)	(1,34,51,942)
14. Proposed Dividend	0	0
15. % of shareholding	100%	

Notes

1. AVT Tea Services North America LLC was commenced on 8th August 2014
2. AVT Natural Pte Ltd is in the process of liquidation from 15th December 2014
3. The liquidation process of Heilongjiang AVT Bio Products Limited was completed on 24th February 2014.

For and on behalf of the board

Ajit Thomas
Chairman

M.A. Alagappan
Director

Place : Chennai
Date : 29th May 2015

Dileepraj. P
Company Secretary

A. Ramadas
Sr. Vice President & CFO

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No.	03	
2. Name of subsidiary	AVT Tea Services North America LLC	
3. Reporting period for the subsidiary	8 th August 2014 to 31 st March 2015	
4. Reporting currency and Exchange rate as	\$ - Reporting Currency 1\$ = 62.15	
		in Rs.
5. Share Capital	\$ 1,000	62,150
6. Reserves & Surplus	(\$ 1,000)	(62,150)
7. Total Assets	\$0	0
8. Total Liabilities	\$0	0
9. Investments	0	0
10. Turnover	0	0
11. Profit before taxation	(\$1,000)	(61,850)
12. Provision for taxation	0	0
13. Profit after taxation	(\$1,000)	(61,850)
14. Proposed Dividend	0	0
15. % of shareholding	100%	

Notes

1. AVT Tea Services North America LLC was commenced on 8th August 2014
2. AVT Natural Pte Ltd is in the process of liquidation from 15th December 2014
3. The liquidation process of Heilongjiang AVT Bio Products Limited was completed on 24th February 2014.

For and on behalf of the board

Ajit Thomas
Chairman

M.A. Alagappan
Director

Place : Chennai
Date : 29th May 2015

Dileepraj. P
Company Secretary

A. Ramadas
Sr. Vice President & CFO

FINANCIAL HIGHLIGHTS FOR THE LAST FIVE YEARS

Particulars	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Sales and Services (Rs. in Lakhs)	13890.37	21834.78	25595.42	27108.52	25659.45
Net Profit (Rs. in Lakhs)	1081.48	5041.52	5056.76	5102.54	3008.01
Net Worth (Rs. in Lakhs)	5579.66	9515.00	13461.17	17277.40	19370.09
Fixed Assets (Rs. in Lakhs)	3568.06	3760.56	4675.80	5013.74	5498.50
Special Silver Jubilee Dividend %	–	25	–	–	–
Interim Dividend %	–	50	50	30	20
Final Dividend %	50	50	75	45	30*
Special Silver Jubilee Dividend Amount (Rs. in Lakhs)	–	190.36	–	–	–
Interim Dividend Amount (Rs. in Lakhs)	–	380.71	380.71	456.85	304.57
Final Dividend Amount (Rs. in Lakhs)	380.71	380.71	571.07	685.28	456.85
Earnings per share (Rs.)	14.20	66.21	6.64 [#]	3.35	1.98*
Special Silver Jubilee Dividend per share (Rs.)	–	2.50	–	–	–
Interim Dividend per share (Rs.)	–	5.00	0.50	0.30	0.20
Final Dividend per share (Rs.)	5.00	5.00	0.75	0.45	0.30
Book value per share (Rs.)	73.28	124.96	17.68	11.35	12.72
Return on Networth (%)	19.38	52.98	37.57	29.53	15.53
PAT/Sales (%)	7.79	23.09	19.76	18.82	11.72
Fixed Assets Turnover (times)	3.89	5.81	5.47	5.41	4.67

* On Enhanced capital (after bonus shares allotment). Final dividend of 30% subject to approval of the shareholders at the ensuing Annual General Meeting.

Stock split from face value of Rs.10 to Re.1 w.e.f. 08.06.2012.

CONSOLIDATED STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AVT Natural Products Limited, Chennai

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of AVT Natural Products Limited, Chennai ("the Company") and its subsidiaries (Collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements and other financial information of certain subsidiaries, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial statements include assets of Rs 20.76 Crores as at 31st March 2015, and revenues of Rs 43.55 Crores in respect of the aforementioned subsidiaries for the year then ended.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2015;
- (b) in the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date and;
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **SURI & CO.,**
Chartered Accountants
Firm Regn. No. 004283S

G. RENGARAJAN

Place : Chennai
Date : 29th May 2015

Partner
Membership No : 219922

CONSOLIDATED BALANCE SHEET

	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. EQUITY & LIABILITIES :			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	2	15,22,84,000	15,22,84,000
(b) Reserves & Surplus	3	171,03,25,529	152,45,01,166
		<u>186,26,09,529</u>	<u>167,67,85,166</u>
2. NON CURRENT LIABILITIES:			
a) Long Term Borrowings	4	Nil	5,96,000
b) Deferred Tax Liability (Net)	5	4,35,62,000	4,43,62,000
c) Long Term Provisions	6	1,45,30,747	1,05,63,456
		<u>5,80,92,747</u>	<u>5,55,21,456</u>
3. CURRENT LIABILITIES:			
a) Short Term Borrowings	7	6,80,38,785	5,08,27,194
b) Trade Payables	8	11,92,40,179	20,07,15,733
c) Other current liabilities	9	1,16,30,603	1,36,27,658
d) Short Term Provisions	10	25,05,33,473	37,16,28,369
		<u>44,94,43,040</u>	<u>63,67,98,954</u>
TOTAL		<u>237,01,45,316</u>	<u>236,91,05,576</u>
II. ASSETS :			
1. NON CURRENT ASSETS:			
a) Fixed Assets :			
i) Tangible Assets	11	53,43,56,757	50,56,33,973
ii) Capital Work-in-progress		1,59,09,426	18,31,811
		<u>55,02,66,183</u>	<u>50,74,65,784</u>
b) Long term Loans and Advance :	12	1,36,88,345	1,05,32,237
2. CURRENT ASSETS:			
a) Current Investments :	13	7,05,15,993	15,12,57,730
b) Inventories :	14	90,02,06,489	84,89,21,206
c) Trade Receivables :	15	41,61,46,246	37,19,30,886
d) Cash & Cash Equivalents :	16	15,06,45,258	15,58,77,057
e) Short Term Loans & Advances :	17	26,11,75,770	31,69,42,062
f) Other Current Assets :	18	75,01,032	61,78,614
		<u>180,61,90,788</u>	<u>185,11,07,555</u>
Significant Accounting Policies	1		
TOTAL		<u>237,01,45,316</u>	<u>236,91,05,576</u>

Notes Nos 1 to 18, Notes 27 to 39 and Cashflow statement form part of this Balance Sheet

Vide our Report of date attached

For and on behalf of the board

For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922
Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note No.	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
INCOME:			
I. Revenue from Operations			
Revenue from Operations - net of excise duty Rs.8,50,040/- (PY Rs.8,92,327/-)	19	261,33,53,823	289,49,82,737
II. Other Income			
Other Income	20	3,68,13,443	94,33,185
III. TOTAL REVENUE (I + II)		265,01,67,266	290,44,15,922
EXPENSES			
Increase (-) / Decrease (+) in stock	21	(-) 3,53,80,254	(-) 8,07,57,701
Cost of Materials Consumed		118,42,29,786	120,78,13,774
Purchases		3,10,79,379	12,09,46,567
Other Manufacturing Expense	22	36,41,86,682	37,57,66,628
Employee Benefit Expenses	23	33,34,45,530	26,61,33,411
Research and Development	24	3,01,14,024	3,73,40,359
Other Expenses	25	25,29,24,871	24,16,03,845
Finance costs	26	2,72,97,846	1,40,62,698
Depreciation (Refer Note # 30)		5,71,97,790	4,96,01,115
IV. TOTAL EXPENSES		224,50,95,654	223,25,10,696
V. Profit before Tax (PBT)		40,50,71,612	67,19,05,226
VI. Tax Expenses			
- Current Tax		14,20,00,000	25,10,00,000
- Deferred Tax		(8,00,000)	1,00,000
VII. Profit after Tax (PAT)		26,38,71,612	42,08,05,226
VIII. Earnings Per Share (Basic and Diluted)			
Earnings per share	30	1.73	2.76

Notes 1, Notes 19 to 39 and Cashflow statement form part of this Statement of Profit & Loss

Vide our Report of date attached

For and on behalf of the board

For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922
Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

CONSOLIDATED NOTES ON ACCOUNTS

For the year ended 31st March 2015

Note 1. SIGNIFICANT ACCOUNTING POLICIES

1) ACCOUNTING CONVENTION:

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles Accounting Standards notified under Section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

2) FIXED ASSETS :

- a) Fixed Assets are stated at historical cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on hire purchase are capitalised at principal value.
- b) Amount of provisional consideration paid on land acquired under registered lease-cum-sale agreement for twenty one years; with option to the Company to convert the lease into absolute sale at the expiry of the lease; subject to fulfilment of the terms and conditions specified and payment of additional consideration, if any, to be fixed at that time, is capitalised and included, without being amortised over the period of lease.
- c)
 - (i) Buildings and structures constructed on land acquired under lease-cum-sale agreement with option to convert the lease into absolute sale at the expiry of the lease are depreciated in the normal way and such assets on other lease-hold land are amortised over the period of lease.
 - (ii) Tangible Fixed Assets at Tiptur and Decaffeination / Instant Tea Plant at Vazhakulam are depreciated on Written Down Value Method by adopting the useful life specified in Schedule II of the Companies Act 2013. Other Assets are depreciated on Straight Line Method by adopting the useful life specified in Schedule II of the Companies Act 2013 except for continuous process plant of marigold and spices which has been charged over 15 years based on technical evaluation. Assets costing individually less than Rs.5000/- are depreciated at 100% in the year of purchase. Depreciation for assets purchased / sold during a period is proportionately charged.
 - (iii) Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use. Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

3) IMPAIRMENT OF ASSETS:

The Company reviews the carrying amounts of its assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount and the impairment loss, if any, is recognized in the Statement of Profit & Loss.

4) INVESTMENTS:

Long term Investments are stated at cost. Decline in value of long term investments, other than temporary, is provided for. Current Investments are stated at lower of cost and fair value.

5) INVENTORIES:

Inventories are valued at lower of cost on weighted average basis and net realisable value, after providing for obsolescence wherever considered necessary. Cost includes taxes and duties (other than duties and taxes for which CENVAT / VAT credit is available), freight and other direct expenses.

6) EMPLOYEE BENEFITS:

Gratuity liability, which is a defined benefit scheme and provision for leave encashment is accrued and provided for on the basis of independent actuarial valuation based on projected unit credit method made at the end of each financial year. Actuarial gains and losses are recognised in the Statement of profit and loss and are not deferred.

Retirement benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the Statement of profit and loss of the year when the contribution to the respective funds accrue.

CONSOLIDATED NOTES ON ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

7) REVENUE RECOGNITION:

Revenue is recognised on their accrual and when no significant uncertainty on measurability or collectability exists. Expenditure is accounted for on their accrual.

Sale of Goods:

Revenue is recognised when all the significant risks and rewards of ownership of the goods have been passed on to the buyer, usually on delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends:

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

8) FOREIGN CURRENCY TRANSACTION:

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year end exchange rates and the resultant loss or gain other than for acquisition of fixed assets, is dealt with in the Profit and Loss Account. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates and the resultant gain or loss is dealt with in the Profit and Loss Account. Premium or discount on forward contracts is amortised over the life of such contract and is recognized as income or expense in the Profit and Loss account. Exchange differences arising on settlement / translation of long term monetary items utilized for acquisition of Fixed Assets are adjusted to carrying cost of Fixed Assets.

9) BORROWING COSTS :

Borrowing costs attributable to the acquisition or construction of qualifying asset is capitalized as part of such assets. All other borrowing costs are charged to revenue. A qualifying assets is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

10) TAXES ON INCOME:

Provision for Income-tax is made for both current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference which arise during the year and reverse out in the subsequent periods. Deferred tax is calculated at the tax rates substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized.

11) GOVERNMENT GRANTS:

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Subsidies related to revenue are recognised in the profit and loss statement to match them with the related costs which they are intended to compensate.

12) RESEARCH & DEVELOPMENT:

Expenditure on research phase is recognised as an expense as and when it is incurred.

Expenditure on development phase is recognized as intangible assets if it is identifiable, capable of being controlled and from which future economic benefits are expected to flow to the enterprise. Intangible assets are stated at cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

13) EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting the preference dividends and attributable taxes) by the weighted average number of equity share holders outstanding

CONSOLIDATED NOTES ON ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14) PROVISIONS & CONTINGENT LIABILITY:

Provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise contingent liability but discloses its existence in financial statements.

Contingent Assets are neither recognised nor disclosed.

15) CASH FLOW STATEMENT:

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of

- a) Transactions of a non-cash nature.
- b) Any deferrals or accruals of past or future operating cash receipts or payments and
- c) Items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in Cash Flow Statement.

CONSOLIDATED NOTES ON ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.		
NOTE - 2:				
SHARE CAPITAL				
A) AUTHORISED SHARE CAPITAL				
15,99,00,000 - Equity Shares of Re.1/- each (Previous Year 15,99,00,000 - Equity Shares of Re 1/- each)	15,99,00,000	15,99,00,000		
1,000 - 12% Redeemable Cumulative Preference Shares of Rs.100/- each (Previous Year 1,000 - 12% Redeemable Cumulative Preference Shares of Rs.100/- each)	1,00,000	1,00,000		
30,00,000 - 7% Redeemable Cumulative Preference Shares of Rs.10 each (Previous Year 30,00,000 - 7% Redeemable Cumulative Preference Shares of Rs.10 each)	3,00,00,000	3,00,00,000		
	19,00,00,000	19,00,00,000		
B) ISSUED, SUBSCRIBED AND PAID UP				
15,22,84,000 - Equity Shares of Re.1/- each (Previous Year 15,22,84,000 - Equity Shares of Re.1/- each)	15,22,84,000	15,22,84,000		
C) RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR				
Particulars	As at 31.03.2015	As at 31.03.2014		
Number of Equity Shares outstanding at the beginning of the year	15,22,84,000	7,61,42,000		
Add : Bonus Shares issued during the year	Nil	7,61,42,000		
Number of Equity Shares outstanding at the end of the year	15,22,84,000	15,22,84,000		
D) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES				
Name of the Shareholder	As at 31 st Mar 2015 Number of Shares in the Company	%	As at 31 st Mar 2014 Number of Shares in the Company	%
The Midland Rubber & Produce Co Ltd	4,45,41,300	29.25	4,45,41,300	29.25
Neelamalai Agro Industries Ltd	6,09,13,600	40.00	6,09,13,600	40.00
Total	10,54,54,900		10,54,54,900	
E) SHARES ALLOTTED AS FULLY PAID UP BY WAY OF BONUS SHARES (DURING 5 YEARS PRECEDING MARCH 31, 2015)				
The Company allotted 7,61,42,000 Equity Shares as Fully Paid up Bonus Shares in the ratio of 1:1 by capitalisation of Capital Redemption Reserve and General Reserve on 28 th September 2013 pursuant to Share Holders Resolution passed by postal ballot on 19 th September 2013.				

CONSOLIDATED NOTES ON ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 3:		
RESERVES & SURPLUS:		
Capital Redemption Reserve	Nil	Nil
Capital Reserve	35,000	35,000
Investment Subsidy	99,01,670	99,01,670
Foreign Currency Translation Reserve	3,16,56,345	1,81,71,594
General Reserve		
As per Last Balance Sheet	126,02,86,459	
Add: Transfer from Profit & Loss A/c	<u>30,00,00,000</u>	126,02,86,459
Surplus as per Statement of Profit & Loss		
As per Last Balance Sheet	23,61,06,443	24,39,32,061
Profit for the period after Tax	26,38,71,612	42,08,05,226
Less : Appropriations		
Transfer to General Reserve	30,00,00,000	30,00,00,000
Interim Dividend Paid @ Re.0.20 per share (PY-Re.0.30 per share)	3,04,56,800	4,56,85,200
Tax on Interim Dividend	60,89,568	77,64,200
Proposed Final Dividend		
Equity Shares @ Re. 0.30 per share (PY-Re.0.45 per share)	4,56,85,200	
Provision for Tax on Final Dividends	<u>93,00,432</u>	7,51,81,444
Net Surplus In the Statement of Profit and Loss	<u>10,84,46,055</u>	<u>23,61,06,443</u>
	<u>171,03,25,529</u>	<u>152,45,01,166</u>

CONSOLIDATED NOTES ON ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 4:		
LONG TERM BORROWINGS :		
SECURED		
Term Loan From Banks :	Nil	Nil
<p>(Secured by hypothecation of all movable assets, present and future, save and except inventories and book debts and subject to prior charges created in favour of Banks on specific assets for securing working capital facilities)</p> <p>The Loan from State Bank of India carries a Interest rate of 7.99 % Repayable in 20 Quarterly Installments starting from 31st May 2009 and Last Installment falling due on 31st March 2014</p>		
UNSECURED		
Public Deposits	<u>Nil</u>	<u>5,96,000</u>
	<u>Nil</u>	<u>5,96,000</u>
NOTE - 5:		
DEFERRED TAX LIABILITIES (NET) :		
(Refer Note No.34)		
Deferred Tax Liabilities	<u>5,57,84,000</u>	<u>5,51,90,000</u>
Deferred Tax Assets	<u>1,22,22,000</u>	<u>1,08,28,000</u>
Deferred Tax Liabilities (Net)	<u>4,35,62,000</u>	<u>4,43,62,000</u>
NOTE - 6:		
LONG TERM PROVISION :		
For Leave Encashment (Refer Note # 37)	<u>1,45,30,747</u>	<u>1,05,63,456</u>
	<u>1,45,30,747</u>	<u>1,05,63,456</u>
NOTE - 7:		
SHORT TERM BORROWINGS :		
SECURED		
Cash Credit	<u>6,80,38,785</u>	<u>5,08,27,194</u>
- from Banks		
<p>(Secured by hypothecation of inventories and book debts and second charge on present and future movable and immovable block of assets of the Company)</p>		
	<u>6,80,38,785</u>	<u>5,08,27,194</u>

CONSOLIDATED NOTES ON ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 8:		
TRADE PAYABLE		
Sundry Creditors - Refer Note No.36 for Details of dues to Micro & Small Enterprises	11,92,40,179	20,07,15,733
	<u>11,92,40,179</u>	<u>20,07,15,733</u>
NOTE - 9:		
OTHER CURRENT LIABILITIES:		
Current Maturities of Long Term Debts -(Refer No. 4)	Nil	31,69,000
Investor Education and Protection Fund *		
- Unclaimed Dividends	1,16,30,603	98,72,585
- Interest accrued but not due	Nil	5,86,073
- Interest on Matured Deposit Payable	Nil	Nil
Overdue Matured Deposits	Nil	Nil
	<u>1,16,30,603</u>	<u>1,36,27,658</u>
* Amount payable to Investor Education and Protection Fund - Nil		
NOTE - 10:		
SHORT TERM PROVISIONS:		
Provisions for Employee Benefit		
For Leave Encashment	28,80,459	34,28,988
For Gratuity	1,85,45,382	98,56,081
Other Provisions		
For Proposed Dividends	4,56,85,200	6,85,27,800
For Tax on Dividend	93,00,432	66,53,644
For Taxation	17,41,22,000	28,31,61,855
	<u>25,05,33,473</u>	<u>37,16,28,368</u>

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

**NOTE 11:
Tangible Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Upto 31.03.2014	For the Year	Withdrawn	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Freehold Land	2,29,70,071	-	-	2,29,70,071	-	-	-	-	2,29,70,071	2,29,70,071
Lease Hold Land #	18,94,995	-	-	18,94,995	-	-	-	-	18,94,995	18,94,995
Buildings	15,88,89,392	65,71,969	1,01,59,691	15,53,01,670	7,12,94,173	79,12,347	69,07,526	7,22,98,993	8,30,02,677	8,75,95,219
Plant and Machinery	62,50,16,079	8,43,37,973	1,12,95,655	69,80,58,397	25,35,17,444	4,57,20,807	85,43,316	29,06,94,935	40,73,63,462	37,14,98,635
Furniture and Fixtures	99,68,666	6,46,603	1,41,630	1,04,73,639	51,61,793	7,75,265	1,50,586	57,86,472	46,87,167	48,06,873
Vehicles	2,82,14,864	57,838	7,98,026	2,74,74,676	1,13,46,685	27,89,371	10,99,765	1,30,36,291	1,44,38,385	1,68,68,179
TOTAL	84,69,54,067	9,16,14,383	2,23,95,002	91,61,73,448	34,13,20,095	5,71,97,790*	1,67,01,193	38,18,16,691	53,43,56,756	50,56,33,972
Previous Year	77,50,20,796	11,64,77,966	4,45,44,695	84,69,54,067	32,45,03,819	4,96,01,115	3,27,84,840	34,13,20,095	50,56,33,972	

The Company has a leasehold land at Tiptur for a period of 21 years commencing from 2000 to 2021.

* Refer Note No. 30

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
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NOTE - 12:

LONG TERM LOANS AND ADVANCES:

Unsecured, Considered Good

Advances Recoverable in cash or in kind or for a value to be received	<u>1,36,88,345</u>	<u>1,05,32,237</u>
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NOTE : 13

CURRENT INVESTMENTS (At Lower of Cost or Fair Value)

Description	As at 01.04.2014		Additions		Deductions		As at 31.03.2015		As at 31.03.2014	
	No of Units	Rs	No of Units	Rs	No of Units	Rs	No of Units	Rs	No of Units	Rs
In Mutual Funds:										
Franklin Templeton	1,50,69,565	15,12,57,730	2,17,31,871	21,83,40,853	3,27,72,519	32,91,13,273	40,28,917	4,04,85,310	1,50,69,565	15,12,57,730
Ultra Short Bond Fund										
ICICI Prudential	-	-	5,47,224	75,30,683	-	-	5,47,224	75,30,683	-	-
Equity Arbitrage Fund										
IDFC Mutual Fund	-	-	12,07,214	1,50,00,000	-	-	12,07,214	1,50,00,000	-	-
Equity Arbitrage Fund										
Kotak Mutual Fund	-	-	6,98,799	75,00,000	-	-	6,98,799	75,00,000	-	-
Total	1,50,69,565	15,12,57,730	2,41,85,108	24,83,71,536	3,27,72,519	32,91,13,273	64,82,154	7,05,15,993	1,50,69,565	15,12,57,730

Net Asset Value as on 31st March 2015 Rs.7,07,29,372.06 (PY Rs. 15,13,97,890/-)

NOTE - 14:

INVENTORIES:

(Valued at lower of cost and net realisable value)

(a) Stores, Spares and Packing Materials	5,39,26,255	2,59,40,308
(b) Raw Materials	10,92,78,616	8,82,62,917
(c) Finished Goods	72,85,11,618	71,39,77,981
(d) Stock in process	52,40,000	2,07,40,000
(e) Stock in transit	32,50,000	Nil
	<u>90,02,06,489</u>	<u>84,89,21,206</u>

NOTE -15:

TRADE RECEIVABLES:

Unsecured

(a) Debts outstanding for a period exceeding six months		Nil	Nil
- Considered Doubtful	15,78,054		82,16,740
Less : Provision	<u>(15,78,054)</u>	Nil	(82,16,740)
(b) Other debts - Considered Good		<u>41,61,46,246</u>	<u>37,19,30,886</u>
		<u>41,61,46,246</u>	<u>37,19,30,886</u>

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Balance Sheet as at 31st March 2015 (Contd.)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
NOTE - 16:		
CASH AND CASH EQUIVALENTS :		
(a) Cash	3,68,652	5,20,033
(b) Balances with Scheduled Banks:		
- In Current Account	11,86,85,875	12,33,77,379
- In Deposit Account *	<u>10,00,000</u>	<u>15,00,000</u>
	<u>12,00,54,527</u>	<u>12,53,97,412</u>
(c) Balances with Scheduled Banks:		
- In Dividend Account	1,16,30,602	98,72,585
- In Margin Money Deposit	<u>1,89,60,129</u>	<u>2,06,07,061</u>
	<u>15,06,45,258</u>	<u>15,58,77,058</u>
Bank Deposits with more than 12 Months Maturity	<u>Nil</u>	<u>Nil</u>

NOTE - 17:

SHORT TERM LOANS AND ADVANCES

Unsecured - Considered Good		
Advances Recoverable in cash or in kind or for a value to be received	10,82,65,046	6,30,21,795
Tax Payment Pending Adjustment	<u>15,29,10,724</u>	<u>25,39,20,267</u>
	<u>26,11,75,770</u>	<u>31,69,42,062</u>

NOTE - 18:

OTHER CURRENT ASSETS:

Prepaid Expenses	64,53,778	51,51,223
Income Accrued	<u>10,47,254</u>	<u>10,27,391</u>
	<u>75,01,032</u>	<u>61,78,614</u>

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Statement of Profit and Loss

	For year ended 31.03.2015 Rs.	For year ended 31.03.2014 Rs.
NOTE - 19:		
REVENUE FROM OPERATIONS:		
Sales of Products	234,21,12,427	280,71,38,115
Less: Excise Duty	8,50,040	8,92,327
	<u>234,12,62,387</u>	<u>280,62,45,788</u>
Other Operating Revenues :		
Exchange Difference	6,21,27,250	(3,23,54,057)
Processing Income	8,96,57,298	9,18,17,632
Sale / Captive Consumption of Windpower	48,52,305	54,60,292
Sale of Import Entitlement	11,54,54,583	2,38,13,082
	<u>261,33,53,823</u>	<u>289,49,82,737</u>
NOTE - 20:		
OTHER INCOME:		
Insurance	8,62,332	1,59,104
Rent	Nil	15,000
Interest	21,49,452	18,47,506
Profit on Sale of Assets	20,167	17,96,290
Provision no longer required written back	82,16,740	10,57,750
Miscellaneous	63,06,488	32,99,805
Income from Current Investment	1,83,71,536	12,57,730
Profit on Sale of Investments	8,86,728	Nil
Dividend from Subsidiary	Nil	Nil
	<u>3,68,13,443</u>	<u>94,33,185</u>

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Statement of Profit and Loss (Contd.)

	For year ended 31.03.2015 Rs.	For year ended 31.03.2014 Rs.
NOTE - 21:		
INCREASE (-) / DECREASE (+) IN STOCK:		
OPENING STOCK:		
Finished Goods		
- Processed	66,92,10,000	55,86,30,000
Finished Goods-Trading	1,16,71,364	Nil
Stock in Process	2,07,40,000	6,31,60,000
	70,16,21,364	62,17,90,000
CLOSING STOCK:		
Finished Goods		
- Processed	69,73,10,000	66,92,10,000
Finished Goods-Trading	3,12,01,618	1,25,97,701
Stock in Process	52,40,000	2,07,40,000
Stock in Transit	32,50,000	Nil
	73,70,01,618	70,25,47,701
Increase(-)/Decrease(+) in Stock	(-) 3,53,80,254	(-) 8,07,57,701
NOTE - 22:		
OTHER MANUFACTURING EXPENSES :		
Consumption of Stores, Spares & Packing Materials	14,54,14,507	14,66,10,889
Power and Fuel	16,06,06,998	15,11,90,429
Crop Promotional and Agro Meeting Expense	23,47,720	37,58,988
Expenditure on Waste Processing and Treatment	28,07,802	20,93,126
Skim Collection Charges	1,73,218	4,98,341
Repairs - Building	50,24,929	89,38,590
Repairs - Plant & Machinery	4,78,11,508	6,26,76,265
	36,41,86,682	37,57,66,628
NOTE - 23:		
EMPLOYEE BENEFIT EXPENSES:		
Salaries, Wages and Bonus	27,04,65,721	21,53,72,939
Contribution to Provident and other Funds	2,64,16,566	2,48,62,927
Provision for Gratuity (Refer Note No.37)	86,89,301	19,15,473
Provision for Leave Encashment (Refer Note No.37)	34,18,762	27,18,925
Welfare Expenses	2,44,55,180	2,12,63,147
	33,34,45,530	26,61,33,411
NOTE - 24:		
RESEARCH AND DEVELOPMENT EXPENSES (Ref Note No.35a)		
Salaries, Wages and Bonus	1,98,54,194	3,09,23,150
Consumption of Stores, Spares & Packing Materials	35,16,013	30,47,824
Product Development Expense	48,34,669	17,58,253
Others	19,09,148	16,11,132
	3,01,14,024	3,73,40,359

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Statement of Profit and Loss (Contd.)

	For year ended 31.03.2015 Rs.	For year ended 31.03.2014 Rs.
NOTE - 25:		
OTHER EXPENSES:		
Processing Charges	17,44,425	43,67,747
Repairs :		
Vehicles	80,88,790	84,14,807
Others	1,43,10,576	2,29,70,340
Postage and Telephones	74,93,683	56,26,063
Printing & Stationery	24,79,036	36,36,807
Travelling Expenses	2,74,19,964	3,31,49,057
Auditors Remuneration		
- For Audit	17,86,025	18,56,400
- For Tax Audit/Certification	5,88,000	3,60,000
- For Tax Representation	2,85,925	2,02,209
- For Service Tax	2,88,977	2,27,424
- For Expenses	2,45,000	80,000
Directors' Sitting Fees	2,19,000	2,27,000
Commission to Chairman	46,88,800	78,18,600
Bank Charges	1,12,13,639	87,96,436
Rent	2,79,82,721	1,49,55,527
Rates and Taxes	86,52,671	2,03,47,071
Insurance	59,24,547	57,51,455
Product Testing Charges	1,35,04,101	1,18,73,428
Freight and Transport	4,49,33,578	4,30,73,836
Commission	1,36,70,647	25,19,803
Provision for Bad and Doubtful Debts	15,78,054	82,16,740
Bad Debts Written off	Nil	5,07,750
Exchange Difference	44,81,164	7,49,656
Professional Fees	79,07,528	37,08,370
Security Service Charges	50,65,030	45,82,279
Advertisement	83,90,889	68,64,071
CSR Expenditure (Refer Note # 31)	15,00,512	Nil
Loss on Liquidation of Investment in Subsidiary	1,26,11,215	Nil
Miscellaneous Expenses	1,58,70,374	2,07,20,969
	25,29,24,871	24,16,03,845
NOTE - 26:		
FINANCE COST :		
Interest Expense	2,72,97,846	1,40,62,698
	2,72,97,846	1,40,62,698

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Accounts on Financial Statements

27 BASIS OF CONSOLIDATION :

- a) The Consolidated Financial Statements include the Financial Statements of AVT Natural Products Ltd and its Subsidiaries namely AVT Natural Pte Ltd, Singapore, Heilongjiang AVT Bio-Products Ltd, China, AVT Tea Services Limited, UK and AVT Tea Services North America LLC

Name of the Subsidiary	Country of Incorporation	Proportion of ownership Interest %
AVT Natural Pte Ltd - Liquidation under Progress	Singapore	100
Heilongjiang AVT Bio-Products Ltd * - Liquidation completed on (* wholly owned subsidiary of AVT Natural Pte Ltd, Singapore)	China	100
AVT Tea Services Limited	United Kingdom	100
AVT Tea Services North America LLC # (# wholly owned subsidiary of AVT Tea Services Limited UK)	United States	100

- b) The Consolidated Financial Statements have been prepared on the following basis :
- The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions resulting in unrealised profits and losses in accordance with Accounting Standard (AS) 21 - “ Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
 - The Subsidiaries reporting date is 15.12.2014 for AVT Natural Pte Ltd., and 31.03.2015 for AVT Tea Services Ltd and AVT Tea Services North America LLC and the Financial statements as on that date have been considered for the purpose of preparation of Consolidated Financial Statements.
 - The audited financial statements of the foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles of its country of incorporation or International Financial Reporting Standards. The difference in accounting policy of the Company and its foreign subsidiaries are not material and there are no material transactions from 1st January 2015 to 31st March 2015 in respect of subsidiary having financial year ended 15th December 2014.
 - During the year the step down subsidiary M/s Heilongjiang AVT Bio-Products Ltd, China was liquidated on 20th January 2014 and the AVT Natural Pte Ltd, Singapore is under the process of Liquidation. Other than this no Material change as occurred between the end of financial year of the subsidiaries and the end of the holding company’s financial year in-respect of
 - the subsidiaries fixed assets
 - the investments
 - the money lent/borrowed by it.
 - The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Accounts on Financial Statements (Contd.)

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.
28 CONTINGENT LIABILITIES IN RESPECT OF		
a) Sales tax demand disputed in appeals, against which Rs.71,23,260 paid and included under Advances	1,51,46,028	1,51,46,028
b) Service Tax demand disputed in appeal	6,56,75,937	5,41,50,000
c) Customs Act	5,11,511	Nil
d) The Company through its banker Bank of Baroda, Ernakulam North Branch has arranged a Stand by Letter of Comfort to HSBC, London, UK for Working Capital Facility for US\$ 1 Million to its wholly owned Subsidiary AVT Tea Services Ltd., London	6,21,80,000	6,06,10,000
e) The Company has given a corporate guarantee to HSBC for its subsidiary, AVT Tea Services Ltd. for the working capital facility of US\$ 1 Million	6,21,80,000	Nil
f) The future cash outflow on the above items are determinable only on receipt of decision/judgement that is pending at various forms/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
g) Estimated amount of contracts remaining to be executed on Capital account and not provided for	47,56,725	1,09,45,000

29 The Company uses forward exchange contracts to hedge its exposure in foreign currency

The Forward exchange contracts outstanding as at 31st March 2015 is as under

Particulars	Currency	Amount in foreign currency		Amount in Rs.	
		31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Forward exchange contracts	US\$ / INR	10,095,000	23,300,000	66,49,82,575	1,33,11,21,750
	Euro / INR	519,000	Nil	3,79,03,840	Nil

The Company has a process where by periodically all foreign exchange forward contracts are assessed. At the year end, the Company has reviewed the forward exchange contracts and there are no material foreseeable losses on such contracts.

- 30** The Company has adopted the useful life of fixed assets prescribed under Part C of Schedule II of the Companies Act 2013 for providing depreciation from 1st April 2014 except in the case of Plant and Machinery relating to Continuous Processing Plant of Marigold and Spices Processing for which the useful life has been taken as per the technical evaluation. As a result the standalone depreciation for the year ended 31.03.2015 is higher by Rs.47,72,830/- with consequential effect on statement of profit and loss before tax by this amount. For the tangible Fixed Assets that had completed useful life as at 01.04.2014, the carrying amount of Rs. 43,86,007/- has been charged to Statement of Profit & Loss as per Note 7 of Part C of Schedule II to the Companies Act 2013.
- 31** As per Section 135 of the Companies Act 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, health care, sanitation, women empowerment and rural development projects. The total amount spent during the year on such activities which are specified in Schedule VII of the Companies Act 2013 amounts to Rs.15,00,512/-.

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Accounts on Financial Statements (Contd.)

	Year ended 31.03.2015 Rs.	Year ended 31.03.2014 Rs.		
32 Earnings per Share :				
Profit after Taxation	26,38,71,612	42,08,05,226		
Weighted average number of Equity Shares outstanding at the end of the year	15,22,84,000	15,22,84,000		
Earnings per share (Basic and Diluted)	1.73	2.76		
33 Segment Reporting :				
The Company operates in solvent extracted products which is the primary reportable segment. Therefore, segment reporting is not applicable.				
34 Computation of Deferred Tax Asset / Liability :				
a) Deferred Tax Liability:				
Tax Impact of difference between carrying amount of Fixed Assets in the Financial Statements and the income tax returns	5,57,84,000	5,51,90,000		
b) Deferred Tax Asset:				
Tax impact of expenses charged in the financial statements but allowable as deduction in future years under Income Tax.	1,22,22,000	1,08,28,000		
Net Deferred Tax Liability [(a) - (b)]	4,35,62,000	4,43,62,000		
35 Research and Development Expenditure :				
Expenditure incurred at R&D Centres approved by Department of Scientific and Industrial Research (DSIR) eligible for Weighted deduction under the Income Tax Act				
a) Revenue Expenditure	2014-15	2013-14		
	Vazhakulam	Bangalore		
	Rs.	Rs.		
Salaries, Wages and Bonus	98,63,691	89,89,045	82,09,353	1,56,14,129
Consumption of Stores, Spares & Packing Materials	35,16,013	Nil	30,47,824	Nil
Product Development Expense	Nil	48,34,669	Nil	17,58,253
Others	6,65,076	Nil	10,64,728	Nil
(A)	1,40,44,780	1,38,23,714	1,23,21,905	1,73,72,382
b) Capital Expenditure				
Plant and Machinery	5,20,560	Nil	25,75,643	Nil
Office Equipment	Nil	61,641	Nil	9,600
Furniture & Fixtures	Nil	34,500	Nil	Nil
(B)	5,20,560	96,141	25,75,643	9,600
Total	1,45,65,340	1,39,19,855	1,48,97,548	1,73,81,982

36 Due to Micro & Small Enterprises:

Based on the information available with the Company, the principal amount due to Micro, Small & Medium Enterprises as on 31.03.2015 is Rs.Nil (Previous Year Nil). There are no overdue principal amounts and therefore no interest was paid or payable.

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Accounts on Financial Statements (Contd.)

37 Employee Benefits:

i) Defined Benefit Plans:

a) Description of the Company's defined benefit plan:

i) Gratuity Scheme:

This is a funded defined benefit plan for qualifying employees for which, the Company makes contribution to the Gratuity Fund managed by the Life Insurance Corporation of India. The scheme provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

ii) Leave Encashment:

The Company also operates a non funded leave encashment scheme for its employees.

b) Reconciliation of changes in the Present Value of Obligation:

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2014	4,84,45,499	1,39,92,444	4,09,61,093	1,12,73,519
Current Service Cost	35,92,306	52,41,700	32,55,691	29,85,300
Interest Cost	38,68,632	12,66,320	32,62,118	8,97,408
Benefits Paid	(1,18,66,129)	(1,53,680)	(10,35,444)	(2,51,197)
Actuarial loss / (gain)	1,10,93,968	(29,35,578)	20,02,041	(9,12,586)
Present Value of the Obligation as on 31.03.2015	<u>5,51,34,276</u>	<u>1,74,11,206</u>	<u>4,84,45,499</u>	<u>1,39,92,444</u>
c) Reconciliation of changes in the fair value of Plan Assets:				
Fair Value of Plan Assets as on 01.04.2014	3,85,89,418	Nil	3,30,20,485	Nil
Expected return on plan assets	31,31,100	Nil	29,96,600	Nil
Contribution by the Company	62,56,179	1,53,680	34,88,166	2,51,197
Benefits Paid	(1,18,66,129)	(1,53,680)	(10,35,444)	(2,51,197)
Actuarial gain / (loss)	4,78,326	Nil	1,19,611	Nil
Fair Value of Plan Assets as on 31.03.2015	<u>3,65,88,894</u>	<u>Nil</u>	<u>3,85,89,418</u>	<u>Nil</u>
d) The total expense recognised in the profit and loss account is as follows:				
Current Service Cost	35,92,306	52,41,700	32,55,691	29,85,300
Interest Cost	38,68,632	12,66,320	32,62,118	8,97,408
Expected return on plan assets	(31,31,100)	NA	(29,96,600)	NA
Net Actuarial (gain) / loss recognised in the year	1,06,15,642	(29,35,578)	18,82,430	(9,12,586)
	<u>1,49,45,480</u>	<u>35,72,442</u>	<u>54,03,639</u>	<u>29,70,122</u>
e) Reconciliation of Net Liability recognised in the balance sheet				
Net Liability as at the beginning of the year	98,56,081	1,39,92,444	79,40,608	1,12,73,519
Add : Expense as (d) above	1,49,45,480	35,72,442	54,03,639	29,70,122
Less: Employers Contribution / Payment	62,56,179	1,53,680	34,88,166	2,51,197
Net Liability as at the end of the year	<u>1,85,45,382</u>	<u>1,74,11,206</u>	<u>98,56,081</u>	<u>1,39,92,444</u>

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Accounts on Financial Statements (Contd.)

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
f) Constitution of Plan Assets:				
Investments in LIC Group Gratuity Scheme	3,65,88,894	Not Applicable	3,85,89,418	Not Applicable
g) Principal actuarial assumptions used as at the Balance Sheet date:				
Discount Rate	7.80%	7.80%	9.10%	9.10%
Salary Escalation Rate	10%	10%	10%	10%
Attrition Rate	5%	5%	5%	5%
Expected rate of return on plan assets	8.75%	NA	8.75%	NA

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

h) The amounts pertaining to defined benefit plans are as follows:

	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Gratuity - Funded Plan					
Defined Benefit obligation	5,51,34,276	4,84,45,499	4,09,61,093	3,45,06,998	2,63,65,207
Plan Assets	3,65,88,894	3,85,89,418	3,30,20,485	2,79,96,481	2,14,71,977
Surplus / (Deficit)	1,85,45,382	98,56,081	79,40,608	65,10,517	48,93,230
Experience adjustment plan liabilities	1,10,93,968	20,02,041	21,21,096	44,42,365	67,63,038
Experience adjustment plan assets	(4,78,326)	(1,19,611)	(1,00,928)	(1,53,281)	(1,31,542)

The Company expects to fund Rs.80 Lakhs towards its gratuity plan during 2015/16.

ii) Defined Contribution Plans:

The Company makes contribution towards employees' provident fund, family pension fund, super annuation fund and employees' state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised Rs. 2,26,03,725/- as expense towards contributions to these plans.

CONSOLIDATED NOTES TO THE ACCOUNTS

Forming part of Accounts on Financial Statements (Contd.)

38 Related Party Transactions :

Following companies are related to the Company on account of Common Control through Constitution of Board/Shareholdings:

- | | |
|---|---|
| - A V Thomas & Company Ltd | - A V Thomas Exports Ltd |
| - LJ International Ltd | - Midland Latex Products Ltd |
| - A V Thomas Investments Company Ltd | - Sermatech Private Ltd |
| - The Nelliampathy Tea & Produce Co. Ltd | - Ajit Thomas Holdings Private Limited |
| - Neelamalai Agro Industries Ltd | - Midland Corporate Advisory Services P Ltd |
| - The Midland Rubber and Produce Company Ltd | - AVT Gavia Foods Pvt Ltd |
| - AVT McCormick Ingredients Private Ltd | - Midland Natural Pte. Ltd |
| - Teleflex Medical Private Ltd | - Midland Charitable Trust |
| - AVT Holdings Private Ltd | - AVT International Ltd. |
| - AV Thomas Leather & Allied Products Pvt.Ltd | |

Key Management Personnel:	Mr. Ajit Thomas, Chairman	Mr. Dileepraj. P, Company Secretary
	Mr. M.S.A. Kumar (till 31 st March 2015)	Mr. A. Ramadas, Sr. Vice President & CFO (from 1 st April 2014)

Details of Transaction	Year Ended 31.03.2015 Rs.		Year Ended 31.03.2014 Rs.	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
INCOME				
Sales	97,61,553		46,28,898	
Rent Received	Nil		15,000	
Dividend Received	Nil		2,93,77,203	
EXPENDITURE				
Purchases	1,33,61,535		1,81,57,166	
Assets Purchases	Nil		2,62,499	
C & F Charges	1,85,47,772		1,34,38,231	
Remuneration		2,85,06,263		1,27,09,433
Commission to Chairman		46,88,800		78,18,600
Sitting Fees		38,000		38,000
Dividend Paid	7,25,05,069	11,82,946	7,52,93,726	13,02,641
Donation	25,00,000		50,00,000	
BALANCE AS ON 31.03.2015				
Debit Balances	9,78,92,981	Nil	2,52,82,809	Nil
Credit Balances	4,13,702	46,88,800	45,17,032	78,18,600

39 Previous year's figures have been regrouped wherever necessary to conform to Current year's classification

Vide our Report of date attached
For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

For and on behalf of the board

G. Rengarajan
Partner
Membership No. 219922
Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
A CASH FLOW FOR OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	40,50,71,612	67,19,05,226
Adjustment for:		
Depreciation	5,71,97,790	4,96,01,115
Provision for Leave Encashment	34,18,762	27,18,925
Provision for Gratuity	86,89,301	19,15,473
(Profit) / Loss On Sale of Assets	(20,167)	(17,96,290)
Dividend Income from Mutual Funds	(1,83,71,536)	(12,57,730)
Foreign Currency Translation Reserve	1,34,84,753	64,042
Interest received	(21,49,452)	(18,47,506)
Interest	2,72,97,846	1,40,62,698
Operating Profit before working capital changes:	49,46,18,909	73,53,65,953
Adjustment for:		
Trade Receivables	(4,42,15,360)	7,44,41,996
Inventories	(5,12,85,283)	5,31,48,280
Trade and Other Payables	(8,34,72,610)	5,53,46,702
Loans & Advances and Other Current assets	(4,98,12,999)	66,77,811
Cash generated from operations	26,58,32,657	92,49,80,742
Taxes paid	(15,00,30,312)	(24,14,73,471)
Cash flow before extra ordinary items	11,58,02,345	68,35,07,271
Extra-ordinary Items	Nil	Nil
Net cash from operating activities	(A) 11,58,02,345	68,35,07,271
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10,56,91,998)	(9,24,48,561)
Sale of Fixed Assets	57,13,976	1,35,56,145
Investment in Mutual Fund	9,91,13,273	(15,00,00,000)
Interest Received	21,29,589	25,70,446
Investment Pending Allotment	Nil	77,25,010
Net Cash used in Investing Activities	(B) 12,64,840	(21,85,96,960)

CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31.03.2015 Rs.	Year Ended 31.03.2014 Rs.
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings including Public Deposits	(5,96,001)	(87,25,960)
Short Term Borrowings	1,72,11,591	(27,08,04,256)
Dividend Paid including Dividend Tax	(11,17,27,812)	(12,02,61,150)
Interest paid	(2,72,97,846)	(1,40,62,698)
Net Cash used in Financing Activities	(C) (12,24,10,068)	(41,38,54,062)
Net Increase in cash and cash equivalents (A+B+C)	(53,42,884)	5,10,56,249
Cash and cash equivalent at the beginning of the year	12,53,97,412	7,43,41,163
Cash and cash equivalent at the end of the year	12,00,54,527	12,53,97,412
	(53,42,884)	5,10,56,249

Vide our Report of date attached
For **SURI & CO.,**
Chartered Accountants
Firm's Regn. No. : 004283S

G. Rengarajan
Partner
Membership No. 219922
Place : Chennai
Date : 29th May 2015

Ajit Thomas
Chairman

Dileepraj. P
Company Secretary

For and on behalf of the board

M.A. Alagappan
Director

A. Ramadas
Sr. Vice President & CFO

Vision

- To be a global leader in enriching lives through nature's own ingredients as food, nutrition and medicine for mankind.

Mission

- We will be a Global Leader in Marigold Extracts through a fully integrated supply chain with excellence in Plant Science & Agriculture and Logistics Management.
- We will achieve growth and stability in performance by diversifying to value added natural ingredients for synergistic business segments through development of product research and technology base.
- We will bring in highest level of efficiency, traceability, food safety and quality in the supply chain through Contract Farming.
- We will establish brand equity for natural ingredients through development of consumer marketing skills.
- We will comply flawlessly with ever changing international statutory regulations for our business segments.
- We will consistently add value in our business to deliver superior returns to all stakeholders - customers, employees, shareholders, suppliers and society.

Values

- Constantly strive for value in whatever we do.
- Belief in ethical business and transparency.
- Encourage individual excellence and foster environment for team work.
- No short cuts - never sacrifice long term for short term.
- Know the business environment, products and customers well - update knowledge.
- Respect the neighbourhood and individuality of each customer, supplier and employee.

AVT NATURAL PRODUCTS LIMITED

Registered Office : 60, Rukmani Lakshmi pathy Salai, Egmore, Chennai - 600 008, INDIA.

CIN : L15142TN1986PLC012780

Telephone : 044 - 2858 4147 E-mail: avtnpl@avtnatural.com Website : www.avtnatural.com

ATTENDANCE SLIP

I hereby record my presence at the 29th Annual General Meeting of the Company at 10.30 A.M. on Wednesday, the 26th August 2015 at Hotel Vestin Park, 'Palkhi Hall', No. 39, Montieth Road, Egmore, Chennai - 600 008.

Folio No./DP-ID & Client ID No.																			
---------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Full Name of the *Shareholder/proxy
(in block letters)

Signature of *Shareholder/proxy

* Strike out whichever is not applicable

E-mail ID

NOTE: Shareholders attending the meeting in Person / Proxy are requested to complete the Attendance Slip and handover at the entrance of the Meeting Hall.



Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L15142TN1986PLC012780
Name of the Company : AVT NATURAL PRODUCTS LIMITED
Registered Office : 60, Rukmani Lakshmi pathy Salai, Egmore, Chennai - 600 008, INDIA.

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No./Client Id	:	
DP ID	:	

I / We, being the member(s) holding shares of the above named Company, hereby appoint.

- Name :
Address :
E-mail Id : Signature :or failing him
- Name :
Address :
E-mail Id : Signature :or failing him
- Name :
Address :
E-mail Id : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 29th Annual General Meeting of the Company, to be held on Wednesday, the 26th day of August 2015 at 10.30 A.M. at **Hotel Vestin Park, 'Palkhi Hall', No. 39, Montieth Road, Egmore, Chennai - 600 008** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Item Nos.

- Adoption of accounts for the year ended 31.03.2015
- To declare dividend
- Re-appointment of Mr. Habib Hussain as Director
- Ratification of appointment of Auditors
- Appointment of Mrs. Shanthi Thomas as Director
- Appointment of Mr. A.D. Bopana as an Independent Director
- Appointment of Mr. M.N. Sathesh Kumar, as "Manager" of the Company

Signed this day of 2015

Signature of shareholder


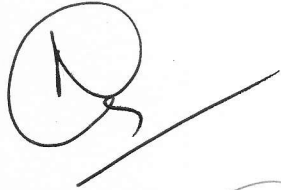

Signature of Proxy holder(s)

Revenue
Stamp of
Re.1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	AVT NATURAL PRODUCTS LIMITED No. 60, Rukmani Lakshmipathy Salai, Egmore, Chennai - 600 008
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	No Observation
	MANAGER (KMP)	Mr. M.N SATHEESH KUMAR, PRESIDENT & COO 
	CFO	Mr. A. RAMADAS, Sr. Vice President & CFO 
	Auditor of the Company	For SURI & Co. Chartered Accountants, Firms Registration No. 004283S G. RENGARAJAN Partner Membership No. 219922 
	Audit Committee Chairman	Mr. M.A. ALAGAPPAN 