

MINUTES OF THE 27TH ANNUAL GENERAL MEETING OF THE
MEMBERS OF THE COMPANY HELD AT 11.00 A.M. ON
WEDNESDAY, THE 31ST JULY 2013 AT HOTEL AMBASSADOR
PALLAVA, 'DYNASTY HALL', NO. 30, MONTIETH ROAD, EGMORE,
CHENNAI - 600 008.

Present :

Mr. Ajit Thomas - Chairman
Mr. M.A. Alagappan - Director & Chairman, Audit Committee
Mr. P. Shankar - Director
Mr. Habib Hussain - Director
Mr. M.S.A. Kumar - Managing Director

No. of Members present in person - 714
No. of Members present in proxy - 18
No. of Corporate members represented by person - 3

Mr. Ajit Thomas, Chairman took the Chair.

After ascertaining that the requisite quorum was present, the Chairman called the meeting to order. The Chairman then welcomed the shareholders for the 27th Annual General Meeting of the Company and extended greetings and also thanked them for attending the meeting.

Thereafter, Chairman introduced his colleagues on the Board to the members.

The Chairman asked Mr. Dileepraj.P, Company Secretary to read the Notice of the meeting. Thereupon, he read the Notice of the meeting.

The Chairman then asked Mr. Dileepraj.P, Company Secretary to read the Auditors' Report to the Shareholders. Thereupon he read the Auditors Report.

Thereafter, the Chairman addressed the Members of the Company. He briefed about the operations and performance of the Company during the year 2012-13.

Chairman stated that increased volumes of Marigold Food Grade Oleoresin (used in Eye Health segment), Spice Oils & Oleoresins (used in Food flavoring & coloring) and Decaffeinated Teas contributed to 17% increase in sales from Rs 219 Crores in 2011-12 to Rs 256 Crores in 2012-13. However Profit After Tax was flat at Rs.50.57 Crores due to softening of Marigold Feed Grade Oleoresin prices in the global market.


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Chairman also stated that working capital borrowing had come down from Rs. 25.79 Crores as of 31st March 2012 to Rs. 23.49 Crores as of 31st March 2013. Term loan outstanding as of 31st March 2013 is Rs 1.49 Crores, which will be repaid during 2013-14. It is the endeavor of the Board to make Company a "Zero Debt" organization by 31st March 2014.

The Chairman added that during the year the Company had set up AVT Tea Services Limited, London, United Kingdom (AVT TSL) a wholly owned subsidiary with an authorized share capital of Pound Sterling (GBP) 0.50 million.

While looking at the prospects for 2013-14, Chairman affirmed that the company has invested close to Rs. 10 Crores in expanding Instant Tea capacity of Cochin plant and the increased capacity would be 1200 Mt per annum. The Company is embarking on increased area of cultivation of 'Zeaxanthin', new Marigold hybrid by earmarking exclusive geographies.

Chairman also informed that the Company is readying for the launch of a range of condition-specific Health Supplements (Nutraceuticals) for the Indian consumer and that the range is in the final preparatory stages and is awaiting necessary approvals from the Food Safety and Standards Authority of India (FSSAI).

Chairman also stated the Company as per the list published on August 18, 2012, had been recognized by Forbes as one among 200 best companies from Asia-Pacific region under \$ 1 billion revenue .

Before concluding, Chairman announced that the Board of Directors in its meeting held on 31.07.2013, just prior to this Annual General Meeting had approved the issue of Bonus Shares in the ratio of 1:1.

Chairman wound up his speech by thanking the Board and acknowledged the support and faith shown by the farmers, share holders, bankers, suppliers, employees etc.,

Thereafter, the Chairman invited the members to move on the Agenda.

1) ADOPTION OF ACCOUNTS FOR THE YEAR ENDED 31.03.2013.

Chairman proposed the following resolution as an Ordinary Resolution.

"RESOLVED that the Audited Balance Sheet of the Company as at 31.03.2013 and Statement of Profit and Loss for the year ended on that date together with the Directors and Auditors Report thereon be and are hereby received, approved and adopted."

The Chairman then invited queries/clarifications on the Accounts from the Shareholders.

Several Shareholders sought information and clarifications on the accounts and other related matters. The Chairman provided the informations and clarifications on all the points raised by the members.

It was seconded by Mr. Joel Singh



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Thereafter the Chairman put the resolution to vote and declared that it was passed unanimously.

2) TO DECLARE DIVIDEND

The Chairman then put the second subject on the agenda for consideration of the members.

Mr. Ramalingam Vidya Shankar, a Member, proposed the following resolution as an Ordinary Resolution

"RESOLVED that pursuant to the recommendation made by the Board of Directors of the Company, a final dividend of 75% (Re. 0.75 per share of Re.1/- each) on the Equity Share Capital be and is hereby declared out of the current profits of the company for the year ended 31st March 2013 and it shall be paid to the Equity Shareholders whose name appear in the Register of Members as on 31.07.2013.

RESOLVED FURTHER that the 50% of interim dividend declared by the Board of Directors during the year 2012-13, be and are hereby confirmed."

The Chairman then invited a Member to second the resolution.

It was seconded by Mrs. Maggie Naidu , a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

3) RE-APPOINTMENT OF Mr. M.A. ALAGAPPAN

The Chairman then put the third subject on the agenda for consideration of the members.

Mr. Joel Singh, a Member proposed the following resolution as an Ordinary resolution.

"RESOLVED that Mr. M.A. Alagappan, a Director of the Company who retires by rotation at this meeting, being eligible for re-appointment, be and is hereby re-elected as a Director of the Company, liable to retire by rotation."

The Chairman then invited a Member to second the resolution.

It was seconded by Mr. A.M. Sridhar, a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

4) RE-APPOINTMENT OF Mr. SHYAM B. GHIA

The Chairman then put the fourth subject on the agenda for consideration of the members.



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Mr. Joel Singh, a Member proposed the following resolution as an Ordinary resolution.

"RESOLVED that Mr. Shyam B. Ghia, a Director of the Company who retires by rotation at this meeting, being eligible for re-appointment, be and is hereby re-elected as a Director of the Company, liable to retire by rotation."

The Chairman then invited a Member to second the resolution.

It was seconded by Mr. A.M. Sridhar, a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

5) APPOINTMENT OF AUDITORS

The Chairman then put the fifth subject on the agenda for consideration of the members.

Mr. A.D. Bopana, a Member, moved the following resolution as an Ordinary Resolution.

"RESOLVED that M/s. Suri & Co., Chartered Accountants, Chennai having registration Number 004283S, be and are hereby appointed as Auditors of the Company to hold office from conclusion of this Annual General Meeting, till the conclusion of the next Annual Meeting on a remuneration of Rs. 12,50,000/- (Rupees Twelve Lakhs Fifty Thousand only) plus service tax as applicable on fees and also reimbursement of out of pocket expenses in connection with the audit."

The Chairman then invited a Member to second the resolution.

It was seconded by Mr. Joel Singh, a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

6) REVISION IN REMUNERATION PAYABLE TO Mr. M.S.A. KUMAR, MANAGING DIRECTOR

The Chairman the put the sixth subject on the agenda for consideration of the members.

Mr. Ramalingam Vidya Shankar, a Member moved the following resolution as an Ordinary resolution.

"RESOLVED that Subject to the provisions of sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Members be and is hereby given for revision and re-fixing, within the overall limit specified under Section I of Part II of the said Schedule XIII of the Companies Act, 1956, the remuneration payable to Mr. M.S.A. Kumar, Managing Director with effect from 1st April 2013 for the remaining period of his term of office, as set out hereunder:



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Remuneration:

Salary : Rs.5,70,000 per month in the scale of Rs. 5,00,000 - Rs. 8,00,000 with annual increment as may be decided by the Board of Directors from time to time.

Special Allowance Rs.75,000 per month.

Perquisites, such as house maintenance, medical for self and family, electricity, gas, water charges, leave travel allowance etc., : Subject to a maximum of Rs.4,80,000 per annum.

Performance Incentive : As may be decided by the Board of Directors subject to a maximum of Six months 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 of Company's Car with driver for official use.
- e. Provision of Telephone and other communication facilities at residence for official purpose.

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 198 read with Section I of Part II of Schedule XIII of the Companies Act, 1956 as may be agreed to by the Board of Directors and Mr. M.S.A. Kumar".

The Chairman then invited a Member to second the resolution.

It was seconded by Mr. A.D. Bopana, a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.


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7) RE-APPOINTMENT OF MR. M.S.A. KUMAR AS MANAGING DIRECTOR

The Chairman the put the seventh subject on the agenda for consideration of the members.

Remuneration:

Salary : Rs.5,70,000 per month in the scale of Rs. 5,00,000 - Rs. 8,00,000 with annual increment as may be decided by the Board of Directors from time to time.

Special Allowance Rs.75,000 per month.

Perquisites, such as house maintenance, medical for self and family, electricity, gas, water charges, leave travel allowance etc., : Subject to a maximum of Rs.4,80,000 per annum.

Performance Incentive : As may be decided by the Board of Directors subject to a maximum of Six months 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 of Company's Car with driver for official use.
- e. Provision of Telephone and other communication facilities at residence for official purpose.

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 198 read with Section I of Part II of Schedule XIII of the Companies Act, 1956 as may be agreed to by the Board of Directors and Mr. M.S.A. Kumar".

The Chairman then invited a Member to second the resolution.

It was seconded by Mr. A.D. Bopana, a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

7) RE-APPOINTMENT OF MR. M.S.A. KUMAR AS MANAGING DIRECTOR

The Chairman the put the seventh subject on the agenda for consideration of the members.



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Mr. Joel Singh, a Member moved the following resolution as an Ordinary resolution.

"RESOLVED that Subject to the provisions of sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Members be and is hereby accorded for the re-appointment of Mr. M.S.A. Kumar as the Managing Director of the Company with effect from 1st August 2013 to 31st July 2016 to hold office for a period of three years upon the 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 198 of the Act read with Section I of Part II of the Schedule XIII of the Companies Act, 1956, as in force from time to time, without entitlement to sitting fees for meeting of the Board of Directors and / or Committees thereof, attended by him during his tenure of office.

RESOLVED FURTHER that Mr. M.S.A. Kumar, Managing Director, be paid the following managerial remuneration, within the overall limit specified under Section 198 read with Section I of Part II of Schedule XIII of the Companies Act, 1956, from the date of his re-appointment w.e.f. 1st August 2013 to 31st July 2016, until otherwise decided by the Board of Directors.

Remuneration:

Salary : Rs.5,70,000 per month in the scale of Rs. 5,00,000 - Rs. 8,00,000 with annual increment as may be decided by the Board of Directors from time to time.

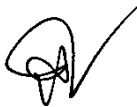
Special Allowance Rs.75,000 per month.

Perquisites, such as house maintenance, medical for self and family, electricity, gas, water charges, leave travel allowance etc., : Subject to a maximum of Rs.4,80,000 per annum.

Performance Incentive : As may be decided by the Board of Directors subject to a maximum of Six months 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 of Company's Car with driver for official use.
- e. Provision of Telephone and other communication facilities at residence for official purpose.



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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 198 read with Section I of Part II of Schedule XIII of the Companies Act, 1956 as may be agreed to by the Board of Directors and Mr. M.S.A. Kumar".

The Chairman then invited a Member to second the resolution.

It was seconded by Mr. A.D. Bopana, a Member.

Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

Subsequently, Mr. Ajit Thomas vacated the Chair and Mr. M.A. Alagappan occupied the Chair and conducted the proceedings.

8) PAYMENT OF COMMISSION TO NON-EXECUTIVE CHAIRMAN

The Chairman then put the last subject on the agenda for consideration of the members.

Mr. Ramalingam Vidya Shankar, a Member moved the following resolution as an Special resolution.

"RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the payment of remuneration to the Non-Executive Chairman, by way of commission of 2% per annum of net profits of the Company, for a period of three years commencing from April 1, 2013 to March 31, 2016 and such payment be made out of profits of the Company calculated in accordance with the provisions of Section 198, 349 and 350 of the Companies Act, 1956 for each corresponding year.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to do everything necessary and incidental in this behalf".

It was seconded by Mr. Joel Singh, a Member.



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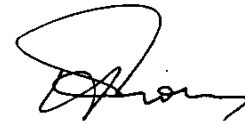
Thereafter, the Chairman put the resolution to vote and declared that it was passed unanimously.

Subsequently, Mr. M.A. Alagappan, vacated the Chair and Mr. Ajit Thomas re-occupied the Chair.

There being no other business, the Chairman declared the meeting closed.

Place : Chennai

Date : 23rd August 2013



CHAIRMAN

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AVT NATURAL PRODUCTS LIMITED

No.60, Rukmani Lakshmi pathy Salai, Egmore, Chennai - 600 008.

ADDRESS BY Mr. AJIT THOMAS, CHAIRMAN AT THE 27th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY HELD ON 31st JULY 2013.

Ladies and Gentlemen,

I am pleased to extend a very warm welcome to all of you to the 27th Annual General Meeting of your Company. I would like to begin by thanking you all for making it convenient to attend the meeting.

Your continued trust and goodwill provides us immense strength as we move ahead to an even more challenging future.

The Directors' Report to the shareholders and the audited accounts of the Company for the year 2012-13 have been with you for some time and with your permission, I shall consider them as read.

Operations Review:

Increased volumes of Marigold Food Grade Oleoresin (used in Eye Health segment), Spice Oils & Oleoresins (used in Food flavoring & coloring) and Decaffeinated Teas contributed to 17% increase in sales from Rs 219 Crores in 2011-12 to Rs 256 Crores in 2012-13. However Profit After Tax was flat at Rs.50.57 Crores due to softening of Marigold Feed Grade Oleoresin (used for Poultry Pigmentation) prices in the global market (thanks to over production in China). Thanks to the long term strategic alliance with Kemin, food grade Marigold Oleoresin prices were stable during the year under review. After registering a five fold increase in Profit after Tax during 2011-12 (from Rs 10.81 Crores in 2010-11 to Rs. 50.42 Crores in 2011-12), your company did well by maintaining Profit after Tax at the same level as last year. 2012 crop of Marigold was a record high due to a very favorable monsoon in growing areas. .

Despite 17% increase in sales, working capital borrowing has come down from Rs. 25.79 Crores as of 31st March 2012 to Rs: 23.49 Crores as of 31st March 2013. Term loan outstanding as of 31st March 2013 is Rs 1.49 Crores, which will be repaid during 2013-14. Thus it will be our endeavor to make your company a "Zero Debt" organization by 31st March 2014.

Dividend:

Your Directors are pleased to recommend a final dividend of 75% on Equity Share Capital, for the year ended 31.03.2013, amounting to Rs. 571 Lakhs, excluding dividend tax.

During the year, the Board declared an Interim Dividend of 50 %, amounting to Rs.381 Lakhs, excluding dividend tax. The aggregate of dividend declared during the year was 125 % amounting to Rs. 952 Lakhs, excluding dividend tax. Thus for 2012-13, we have maintained same dividend of 125% as that of the last year.

2013-14 Prospects:

Your company's focus for 2013-14 is in two areas:

- A) Your company has invested close to Rs 10 Crores in expanding Instant Tea capacity of Cochin plant. The increased capacity of 1200 Mt per annum will be commissioned by 1 Oct 2013. Product development is being fast tracked to meet the varying requirements of global customers.

- B) With the takeover of Zeaxanthin business by Kemin from Chrysantis, your company is embarking on increased area of cultivation of this new Marigold hybrid by earmarking exclusive geographies. We have to ensure success of this new initiative to meet the increasing demand of this second carotenoid – Zeaxanthin – in the Eye Health segment. First carotenoid is Lutein where we have a dominant presence in the global market.

Summer showers and Monsoon rains in our Marigold growing areas is very encouraging and we expect to exceed our budget numbers.

However the reduced prices of Marigold Feed grade oleoresins in Poultry pigmentation segment is having a major impact on our sales and profits. Your company's endeavor is to make up a major part of this impact through the above two initiatives.

Cost containment is another area receiving our attention. This is very critical as our major product – Marigold Food grade Oleoresin (Lutein) – is moving out of patent protection. Project charters with detailed set of activities are prepared and getting implemented with one member of the senior management team in charge of execution.

Product Diversification:

Your Company, as a part of significant new initiative, is readying for the launch of a range of condition-specific Health Supplements (Nutraceuticals) for the Indian consumer. Targeted at the urban, affluent and the health-conscious consumer, the range will have 5-7 formulations in the OTC (over-the-counter) category. The range has been conceived and formulated with the help of leading SMEs from the USA and will be manufactured through a well-established, high-quality Third Party Unit in India.

The range is in the final preparatory stages and is awaiting necessary approvals from the Food Safety and Standards Authority of India (FSSAI).

Subsidiary Companies:

During the year your company had set up AVT Tea Services Limited, London, United Kingdom (AVT TSL), a wholly owned subsidiary with an authorized capital of Pound Sterling (GBP) 0.50 million (approx. Rs.440 Lakhs). AVT TSL started functioning with effect from 13th August 2012 and recorded a sale of Rs.0.22 Crores as on 31.12.2012 and recorded a loss of Rs.0.68 Crores on account of administrative overheads. The company will be the global marketing for decaffeinated teas and instant teas. This would further strengthen the Company's position in the Global Value Added Beverages market. Initial response of customers is encouraging and the full impact will be seen in fiscal 2014-15.

Further, AVT Natural Pte. Ltd., Singapore with its step down subsidiary, Heilongjiang AVT Bio-Products Limited, China recorded sales of Rs.10.82 Crores in 2012 as against the sales of Rs.25.66 Crores in 2011, showing a decline of 58%. The reduction in sales is on account of lower production and sales of Marigold Oleoresin (Feed Grade) and very low prices compared to 2011. The subsidiary companies incurred a loss of Rs.2.09 Crores in the period ended December 2012 as against a profit of Rs. 4.36 Crores during the same period last year.

Forbes Asia Under a billion \$ Award:

Your Company has been recognized by Forbes as **one among 200 best companies from Asia-Pacific region** under \$ 1 billion revenue. The list published on August 18, 2012 is based on the financial data of the preceding 12 months. Those companies in Asia Pacific with sales of over US\$ 5 Million and below US\$ 1 Billion which are publicly traded with a positive net income are first short listed. Your company is one among 23 companies from India to find a place in this

esteemed list of Asia's Best 200. The list recognizes the importance of small and medium enterprises in powering the Asia-Pacific economy.

Acknowledgement

Before I conclude, I wish to take this opportunity to express my sincere gratitude to our esteemed customers for their continued support.

I would like to thank my colleagues on the Board who have spared their invaluable time and assistance in charting the Company's progressive moves of the Company.

I once again re-iterate the strong rural connect of the Company, which has earned the trust of farmers, bring a unique strength in manufacturing.

On behalf of the Board, I would like to thank for the unstinted support and faith of shareholders, customers, farmers, bankers, suppliers and other stake holders for their continued support to the Company and look forward the same support in coming years also.

I and the entire Board of Directors place on record its appreciation of the keen efforts and contributions made by our team of employees at all levels in the Company.

Thank you,

Ajit Thomas
Chairman