

## **88TH ANNUAL GENERAL MEETING OF A.V. THOMAS & CO. LTD**

### **Mr. Ajit Thomas**

Good afternoon, everybody. Ladies and gentlemen,

I, Ajit Thomas, Chairman, welcome you all to the 88th Annual General Meeting of the Company being held through Video conferencing facility. I am participating in this meeting through video conferencing from London.

This meeting is held through video conferencing or other audio-visual means pursuant to the circulars issued by the Ministry of Corporate Affairs due to the recent pandemic.

As we have the requisite quorum, I now call the meeting to order.

I would like to highlight a few general procedures to all the members. This AGM which is being held through video conferencing or other audio-visual means, is made available for members on first come first served basis. All the participants who have joined the meeting have been muted by the host of the meeting to avoid background noise. To ensure smooth and seamless conduct of the meeting. Remote e-Voting facility was provided by the company to vote for the resolutions from 22nd July 2023 Saturday to 24th July 2023 Monday. Members who have not cast their votes before and are attending this meeting, they will be able to cast their votes to the e-Voting facility provided by CDSL during this meeting. The e-Voting facility will be available up to 15 minutes from the end of this Annual General Meeting. Members are requested to refer to the instructions for e-Voting provided in the notice of the meeting.

In case of any difficulties, members will please contact CDSL Helpline as stated in the notice. The company has received requests from 1 shareholder to register himself as speaker. The registered speaker will be called upon during the Q&A session to put forth his questions and will be allocated 3 minutes to speak. The Statutory Registers as required under the Companies Act 2013, has been made available at the registered office of the company. In accordance with the recent MCA circulars, requirement of appointing proxies is not applicable to this meeting.

I have great pleasure in introducing the directors of the company who are joining this meeting through video conferencing from the respective locations.

Mr. Dilip Thomas, Executive Vice Chairman, Mr. F.S.Mohan Eddy, Independent Director, Mrs. Kavitha Vijay, Independent Director and Mr. Habib Hussain, non-Executive Director.

Along with me, I have the key executives of the company Mr. A Ravisanker, CEO, Mr. R Venugopalan, CFO and Mr. Ashwin Thomas, Vice President - Strategy and Business Development. We also have with us Mr. Rengarajan, Partner, M/s Suri & Co., Statutory Auditors, Mr. V Suresh, Senior Partner, M/s.V Suresh, Associate Secretarial Auditors of the company, Mrs. K Sreepriya, Vice President and Company Secretary, Cameo Corporate Services Limited, Registrar and Share Transfer Agent who are joining this meeting through video conference from their respective locations.

Since the notice of this meeting has already been circulated to all the members, I take the notice convening the meeting as read. Shareholders may please note that as mentioned the Director's report, there are no qualification or adverse remarks either on the Statutory Auditor Report or Secretarial Audit report. Hence, the Auditors report need not be read at this meeting.

I will move on now to my brief speech.

I have great pleasure in welcoming you all to the 80th Annual General Meeting of the company. The Directors report and accounts for the year ended 31st March 2023 have been with you for some time and with your permission, I shall take them as read.

### **Working results**

The company has achieved a turnover of Rs.1029 crores as against Rs.998 crores of the previous year. The profit before tax for the current year is Rs.68.67 crores as against Rs.60.78 crores of last year

### **Operations**

#### **Consumer Products division**

This division achieved an increase in sales of 11% were also improving our gross and net contribution margins. AVT continues to be the market leader in Kerala and a prominent player in Tamil Nadu market. Our sales in Andhra, Karnataka, Orissa and internationally mostly to the Middle East continue to be steady.

The Dairy Division continues to be profitable with a marginal sales growth and continues to bolster Avt's overall brand presence in the market. In total, the Consumer Product Division has achieved its most profitable year to date.

### **Roofing**

The Roofing division has experienced a significant drop in volume of 10% as well as profitability largely attributed to volatile market condition and continuous price drops post pandemic.

### **Dividend**

An interim dividend of ₹150 per share, 1500% was paid during the financial year ended 31st March 2023. The Board of Directors recommended a final dividend of ₹150 per share, 1500% for approval of the shareholders at the Annual General Meeting. The aggregate of the dividends amount rupees 300 per equity share 3000% for the year ended 31st March 2023.

### **Prospects**

Looking forward based on the performance of the first quarter of the financial year, company is on track to achieve its growth and profitability targets set for this financial year.

## **Acknowledgement**

On behalf of the Board and on their own behalf, I thank the shareholders, bankers, employees and other agencies of the company for their continued wholehearted support of the company.

Now move on to the question-and-answer session.

I now invite the speaker who is registered to post his question. Speaker shareholder will be unmuted and please mention the DPI ID, client ID and location before you ask the question. I request the moderator the meeting to allow the register speaker to participate is that, so who's the registered speaker?

## **Moderator**

So Mr. ZIBI JOSE has joined. So, Mr. ZIBI JOSE, you can unmute and speak.

## **Mr. ZIBI JOSE**

Good, respected Chairman, good evening and good evening to all the directors of the company. First of all, congratulations for achieving the crossing the turnover of rupees thousand crores for the year 22-23. So, my one or two questions I would like to raise Sir Tea sales are substantially, concentrated in South India, especially Kerala and Tamil Nadu and other states, few states also which according to me is hardly covering 10% of the population of this country. My question is for example UP which is having a 22% of the population's country is not covered at all so, what is the retail initiative you are planning to go around the remaining 90% of the population of this country? My second question is, Sir, any big expansion or diversification plans for the company, finalized or not? These are the two questions. Thanks for giving me this opportunity. Thank you.

## **Mr. Ajit Thomas**

Thank you, Zibi. I will answer your questions. As you know this and we have discussed this before earlier, we are definitely a regional player there and even in the region there are huge markets like Andhra Pradesh and Karnataka and Orissa where we are now concentrating on and that is especially Andhra Pradesh. And these markets have got some very well entrenched players. It's not like 25 years back when we started and we could make some breakthrough. So, the trust for the company will be to break into the Andhra Pradesh market and the premium segment in Tamil Nadu where our Gold Cup now is doing very well and our margins are substantially higher. There are no plans to go national. We think it will dilute the effort and will be a very expensive and difficult proposition. Ravi, Ashwin, you would like to mention anything on your plans for Andhra Pradesh?

## **Mr. A Ravi Shankar**

I think we are taking all the step to improve the turnover and the sales over there. As you told that we have to fight. We have to give a very big fight over there to beat the national players. I'm quite sure that within this year we'll be achieving some significant numbers.

**Mr. Ajit Thomas**

Thank you. Yeah, simply as to so just repeat, there are no plans to go national and I'm not sure what your population of 10%, but I think as a market share of the South is may be more substantially more than 10% and that's where our concentration will be. On the plans for expansion, no, we have no major plans, large plans for expansion. We are looking at the building a second high value brand with the new types of new tea which are coming in today. You know the specialty Teas and maybe Ashwin you would like to just speak briefly on that, what the plans are for the brand development and the range of products.

**Mr. Ashwin Thomas**

Sure. So, like the Chairman said, it will be a specialty Tea range and a much higher price point, higher margin. It will be tailored mainly towards the online market play and it will also cater to a Pan India business model. The market is however at a very relatively nascent stage and small overall volume. So, we aim to enter this market and hopefully enter a high growth area in the Tea business, but the volumes will still be small for significant point of time. And this is basically a future play in terms of protecting our business as well as expanding into these new markets.

**Mr. Ajit Thomas**

And this will be a national distribution, right? This, product is,

**Mr. Ashwin Thomas**

this will be via an online marketplace and our website and direct to consumer at first. But yes, it will cater to tier one cities and more affluent markets Pan India.

**Mr. Ajit Thomas**

Thank you. Yes, Zibi, the other thing is that now that the company has got good liquidity and good profitability, we are continuously looking at options to grow presence in the consumer space maybe even by acquisitions and that's an ongoing exercise. I think that's the best I can answer your questions at this time. Any follow up question for you Zibi? is there anybody else?

**Moderator**

He's there Sir, we are giving a provision to answer.

**Mr. ZIBI JOSE**

I'm satisfied with your answers. Hope there is a some somehow there is. I mean why the north is not attractive? That is what my simple question because there is a big key market, there are a lot of Kerala is settled there. Why the North is getting neglected? That is what my question sir.

**Mr. Ajit Thomas**

I think I completely agree to so very lucrative market but many people have tried and failed. I don't think you know it's going to be an easy job and we have the ability to go in and spend huge amounts of money. We just think the low hanging fruit is Andhra Pradesh push and Karnataka and Orissa. So, let's crack that first and if we are able to crack that definitely we will then look at what is the next lucrative market. You know, so we were constantly looking at this and we will definitely hope to have some progress on Andhra. We have been a little more aggressive in terms of advertising. You would have noticed that we have a lot of video ads, you know TV advertising. We are putting celebrities in our ads. It's not cheap, it's having the effect. The celebrity ad for Gold Cup has all has helped us almost double our sales from 150 to 300 tons a month, which is very lucrative for the company. The other thing also we are doing is some of the other smaller divisions of the company which are low margin and you know creating an agency operation, what is the future on that and how we look at that is something also we like to look at so that we make our balance sheet stronger, yes, even stronger. So, we are on it Zibi and hopefully next year we can you are going to see some good numbers next year. There is good growth. Thank you.

**Mr. ZIBI JOSE**

Thank you for the reply, Sir. I wish you all the best.

**Mr. Ajit Thomas**

Thank you. Since I know the questions myself, may I proceed?

The company has appointed M/s. V Suresh Associates Practicing Company Secretary, a Scrutinizer to scrutinize the votes cast at the meeting and through the remote e-Voting. Since the AGM is conducted through video conference and other audio-visual means and the resolutions have already been put to vote through remote e-Voting, there will be no proposing or seconding the resolutions. e-Voting facility will remain open for the next 15 minutes. Upon completion of the meeting, voting results will be announced within three days of the conclusion of this AGM. The results declared along the scrutinizes report shall be placed on the company's website besides being communicated to the CDSL e-Voting agency.

I wish to thank all the shareholders have joined the meeting through video conferencing. I would like to have a special word of thanks to the operating team who went through difficult times during COVID and post COVID and have a maintain our market share with good growth. Congratulations to Ravi and its team. I also thank our directors and our panel members. And with your permission, may I now declare the meeting as closed. Thank you everybody.

**Moderator**

With the permission of Chairperson, we are concluding this meeting. Thank you all for joining. Thank you.

**Mr. Ajit Thomas**

Thank you