



T. STANES AND COMPANY LIMITED

ONE-HUNDRED AND FOURTH DIRECTORS' REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014.

Your Directors' have pleasure in presenting the Audited Accounts along with the Auditors' Report and Directors' Report.

FINANCIAL RESULTS: (₹ In lacs)	2013-14	2012-13
	₹	₹
Turnover (Excluding Excise Duty), Income from Operations And Other Income	23,564.74	20,028.88
Profit Before Interest and Depreciation	1,753.50	1,329.02
Less: Interest and Finance Charges	463.34	484.21
Less: Depreciation	196.04	185.39
PROFIT BEFORE TAXES	1,094.12	659.42
Less: Taxes- Current	290.00	145.00
Less: Taxes- Related to earlier years	145.04	0.00
Deferred Taxes	13.78	53.25
Add: Excess Provision no longer required	0.00	(34.23)
PROFIT AFTER TAXES	645.30	495.40
Add: Surplus brought forward	205.62	201.72
Available for Appropriation	850.92	697.12
APPROPRIATION:		
Transfer to General Reserve	500.00	350.00
Transfer to Contingency Reserve	25.00	25.00
Dividend on Equity Share Capital		
- Interim Dividend paid @ 20% (₹. 2.00 per share)	49.95	49.95
- Proposed final Dividend @ 30% (₹. 3.00 per share)	74.93	49.95
Corporate Tax on Dividend:		
- On Interim Dividend	8.49	8.10
- On Final Dividend	12.73	8.49
Surplus Carried forward to Balance Sheet	179.82	205.63
TOTAL	850.92	697.12

Dividend:

Your Directors have recommended a final Dividend of 30% (₹. 3.00 per Share) and with the Interim Dividend paid at 20% (₹. 2.00 per share), makes a total of 50% (₹. 5.00 per share) for the year ended 31st March, 2014.



Operations:

During the year under review, the agro-industry witnessed favourable seasonal conditions during Khariff season though there were inconsistent seasonal factors during rabi season resulting in a lower turnover for that season. However, responding to the market requirements and general consistency in Commodity prices, the company achieved record turnover of ₹. 23,433 lacs as compared to ₹. 19,852 lacs in the previous year.

Fertilisers:

The turnover in this segment increased by 15% during the year due to better availability of NPK fertilisers throughout the year excepting urea which was under short supply. As a substitute to chemical fertilisers the company is constantly promoting Organic products in all states which have a better acceptability among the farming community with better market potential in east and north India.

Agency Pesticides:

During the year 2013-14, due to better seasonal conditions during Khariff period, the overall turnover for the agency products increased from ₹. 6973 Lacs to ₹. 9585 Lacs with a growth rate of around 37% overall.

Core Products:

The Company achieved a record turnover of ₹. 7,922 Lacs as compared to ₹. 6,426 lacs in the previous year due to better volumes achieved in various products category comprised in the segment and also due to better seasonal conditions during the year.

CIP Division:

The overall turnover for the various Consumer & Industrial products increased to ₹. 3,967 lacs from ₹. 3,784 in the previous year.

Outlook for the current year:

For the year 2014-2015, the monsoon and other conditions are expected to support the company's plans to achieve higher levels of activity and turnover. Your Company has optimistic plans to reach the projected activity level if the Khariff and Rabi seasons are favourable with reasonable consistency in produce prices.

SUBSIDIARIES:

Stanes Motors (South India) Limited

Due to general recession in automobile sector, though the company maintained the turnover levels as in previous year, the subsidiary ended with a net operational loss of ₹. 20.74 Lacs mainly due to increase in input and finance cost.

Stanes Motor Parts Limited

The company is operating in the State of Kerala mainly in Bosch products. Though the overall turnover was affected due to general recession in the auto sector, due to better management of working capital assets, the company achieved a profit of ₹. 16.76 Lacs for the year ended 31st March, 2014 as compared to ₹. 26.86 Lacs in the previous year.

Fixed Deposits from Public:

The aggregate of the fixed deposits received from public stood at ₹. 573.39 lacs as at 31st March, 2014. There were six unclaimed deposits aggregating to ₹. 1.95 lacs of which one deposit for ₹. 0.22 lacs was refunded and the remaining five deposits for ₹. 1.73 lacs are still unclaimed.

In accordance with the provisions of the Companies Act, 2013 the public deposits held by this company amounting to ₹. 573.39 lacs will be repaid within one year from 1st April, 2014 or by the date on which such repayments are due, whichever is earlier.



Directors' responsibility Statement:

The Directors confirm:

- (a) That in the preparation of annual accounts, the applicable accounting standards have been followed.
- (b) That the Directors have selected such accounting policies and have 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 financial year and of the profit of the Company for that period.
- (c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) That the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance:

The matters related to Corporate Governance as per the Listing agreement are given in the Annexure forming part of the report.

Code of Conduct:

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management personnel which have been duly affirmed.

Whole-time Director / CFO Certification:

As provided in Clause 49 of the Listing agreement, the Certificate from, Mrs. Lakshmi Narayanan, Whole-time Director and Mr. S.C.Sekar, Chief Financial Officer was placed before the Board of Directors at their meeting held on 30th May, 2014 and the same was taken on record.

Directors:

Mr. K.S.Hegde, who held the position of Managing Director till 30th November, 2013 continued in the Board as a Director as from 1st December, 2013. Mr. K.S. Hegde will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself, for reappointment. Mr. K.S.Hegde has been with the Company for over 50 years and had significantly to the growth and diversification of the Company. The Board would record their appreciation for his contribution.

Mr. S. Ramanujachari, Director is retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself, for reappointment.

Mr. P.S.Bopaiah was inducted as an Additional Director under Sec.260 of the erstwhile Companies Act, 1956 with effect from 1st December, 2013 and also appointed as Whole-time Director with effect from the said date for a period of three years. The Company has received a notice under Section 161(1) of the new Companies Act, 2013 proposing his candidature as a Director of the Company. His appointment terms are to be considered by the Shareholders.

In terms Sections 149, 150 and 152 of the new Companies Act, 2013 that have come into force from 1st April, 2014, all the Independent Directors will be re-appointed for a specific term and also on conditions attached to the position of office of the Independent Director. The Company has received separate notices under Section 160(1) of the new Companies Act, 2013 proposing their candidature for the position of Independent Directors of the Company which requires the consideration by the shareholders at the ensuing Annual General Meeting as Special business.



Notice of Annual General Meeting:

Item Nos. 13 & 14 of the agenda for the Annual General Meeting on the subject related to borrowing powers and Appointment of Cost Auditors as required by Companies Act, 2013 form part of the notice as Special business which are recommended for consideration by Shareholders.

Disclosure of Particulars:

The Statements required under Section 217 (1) (e) of the erstwhile Companies Act, 1956 (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is attached.

Auditors:

The retiring auditors of the Company M/s Fraser & Ross, Chartered Accountants are eligible for re-appointment.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013, M/s S. Mahadevan & Co. Coimbatore, practising Cost Accountants have been appointed as Cost Auditors of the Company based on the recommendations of the Audit Committee. The remuneration payable to them has to be ratified by the members ensuing Annual General Meeting.

Acknowledgement:

The Directors gratefully acknowledge the continued support of the Shareholders and thank them for the same.

The Directors also wish to place on record their appreciation for the valuable services rendered by the Officers/ employees of the Company during the year under review.

The Directors also express their gratitude to the Principal Companies, Distributors, Dealers, Customers, Bankers, Depositors for extending all their support.

(For and on behalf of the Board)
For T.Stanes & Company Limited

Place : Chennai - 600 002
Date : 30th May 2014

(A.Krishnamoorthy)
Chairman



T. STANES AND COMPANY LIMITED

Annexure to the Directors' Report for the year ended 31st March, 2014
Statement under Companies (Disclosure of Particulars in the
Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY	: Not applicable
B. TECHNOLOGY ABSORPTION	: Not applicable
C. FOREIGN EXCHANGE EARNINGS	: ₹ 12,43,34,100/-
D. OUTGO	: ₹ 64,14,532/-

FORM B

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

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

- Anti-transpirant – intensified research for product improvement.
- New product based on power plant effluent has been developed as a compost tea..
- Viral preparation formula further defined for standardization.
- Water soluble fertilizers with major, secondary and minor nutrients developed.
- Improvement of process in the microbial fermentation process for development of different probiotics.

2. Benefits derived as a result of the above R&D

- Our initial trial on Anti-viral product has proved to be good and the product has been accepted in the market.
- New biological products developed and registered;
- "Benefit", a liquid organic manure has been developed and commenced marketing.

3. Future Plan of Action :

- Pilot plant scale manufacturing facility for Anti-viral product under progress.
- A pilot plant model for producing liquid compost from different industrial effluents is planned.

4. R & D Expenses:

- Capital – ₹. 14,01,612/-
- Recurring – ₹. 1,31,65,708/-
- Total – ₹. 1,45,67,320/-
- % on Turnover – 1.90%

TECHNOLOGY ABSORPTION,
ADAPTATION AND INNOVATION:

New Technologies are in house developed and
absorbed wherever found feasible.