



*Aiding Sustainability  
&  
Reliability to Aquaculture*

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# **AVANTI FEEDS LIMITED**

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**23<sup>rd</sup> Annual Report  
2015-2016**



Forbes Magazine selected "your Company as one of the top 200 companies in Asia-Pacific region and awarded "Best Under A Billion" Company for the Year 2015". Only 10 companies from India made to the list of Forbes. Shri A Indra Kumar receiving the award.



Fortune India recognised your Company as one of the most valuable medium-sized companies in India in the "The Next 500" ranks. Shri A Indra Kumar receiving the award.

## BOARD OF DIRECTORS

**A. Indra Kumar**

Chairman & Managing Director

**C. Ramachandra Rao**

Joint Managing Director, Company Secretary & CFO

**A.V. Achar**

**N. Ram Prasad**

**K. Ramamohana Rao**

**B.V. Kumar**

Shamsher Singh Rawat, IAS, Nominee-APIDC

**M.S.P. Rao**

**N.V.D.S. Raju**

**Smt. K. Kiranmayee**

**Bunluesak Sorajjakit**

**Wai Yat Paco Lee**

### AUDITORS

**Karvy & Co**

Chartered Accountants

Bhooma Plaza, Street No.4, Avenue 7,  
Banjara Hills, HYDERABAD - 500 034.

### BANKERS

State Bank of India

Rabo Bank International

### REGISTRARS & SHARE TRANSFER AGENTS

**Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032

#### REGISTERED OFFICE

Plot No.37, H. No.37, Baymount,  
Rushikonda, Visakhapatnam-530 045.  
Andhra Pradesh. India

#### CORPORATE OFFICE

G-2, Concorde Apartments  
# 6-3-658, Somajiguda  
Hyderabad - 500 082.

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## NOTICE

Notice is hereby given that the Twenty Third (23<sup>rd</sup>) Annual General Meeting of the members of Avanti Feeds Limited (CIN: L16001AP1993PLC095778) will be held on Saturday 13<sup>th</sup> August 2016 at 11.00 A.M. at Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhapatnam - 530 020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt :
  - a. The audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, the Report of Board of Directors and the Report of the Auditors thereon.
  - b. The audited Consolidated Financial Statements of the Company for Financial Year ended 31<sup>st</sup> March, 2016 and the Report of the Auditors thereon.
2. To declare dividend of Rs.7/- per equity share of Rs.2/- each fully paid-up for the year 2015-16.
3. To appoint a Director in place of Sri N. Ram Prasad (DIN:00145558), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bunluesak Sorajjakit, (DIN: 02822828), who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s) the following Resolution as Ordinary Resolution:

**RESOLVED that** in terms of the provisions of Sections 139 to 142 and other applicable provisions if any, of the Companies Act, 2013 read with the underlying rules viz., Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the members at the Twenty First (21<sup>st</sup>) Annual General Meeting (AGM) held on 2<sup>nd</sup> August, 2014, the appointment of M/s Karvy & Company, Chartered Accountants, Hyderabad (ICAI Registration No.01757S), as independent auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of Twenty Fourth (24<sup>th</sup>) AGM of the Company, be and is hereby ratified on such a remuneration inclusive of service tax and such other taxes (as may be applicable) and reimbursement of out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) as may be fixed by the Board of Directors of the Company, based on the recommendation of Audit Committee.

### SPECIAL BUSINESS:

6. Appointment of Sri A. Indra Kumar, as Chairman & Managing Director for a further period of 5 years:  
To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :

**"RESOLVED that** pursuant to Sec. 196, 197, 198, 203 and other applicable provisions and relevant Rules, if any, of the Companies Act 2013 and subject to necessary approvals of financial institutions/ authorities if any, consent of the Company be and is hereby accorded for appointment of Sri A. Indra Kumar, as Chairman & Managing Director of the Company for a further period of 5 years with effect from 01.07.2016 and for payment of Remuneration (i) partly by way of Salary, Allowances, and perquisites per month and ex-gratia per annum and (ii) partly by way of Commission on net profits of the Company as detailed below. Sri A. Indra Kumar is also Chairman & Managing Director of Avanti Frozen Foods Pvt. Ltd. (wholly owned subsidiary of Avanti Feeds Limited).

- i. Salary: Rs 12,00,000 per month in the scale of Rs 12,00,000 - 13,20,000 - 14,40,000 - 15,60,000 - 16,80,000.

Perquisites : In addition to the salary as above, perquisites payable are as under:

Category A:

A) Housing:

Unfurnished accommodation or HRA subject to a limit of 60% of the salary per month. The expenditure incurred by the Company on Gas, Electricity, Water expenses and Furnishing, to be valued as per Income Tax Rules, 1962. This shall however be subject to a ceiling of 10% of salary.

Category B:

- a) Company's contribution towards Provident Fund subject to a ceiling of 12% of salary.
- b) Company's contribution towards pension/superannuation funds shall not together with the Company's contribution towards provident fund, exceed 25% of the salary or such other higher percentage thereof as may be laid down from time to time under the Income Tax Rules.
- c) Contribution to Provident Fund, Superannuation Fund and annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.
- d) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs. 10,00,000 or such higher ceiling as may be fixed from time to time by the Central Government.

II. Ex-gratia:

Yearly Ex-gratia subject to a limit of 20% of the annual basic remuneration.

III Commission:

In addition to salary and perquisites as above, Sri A. Indra Kumar, Chairman & Managing Director shall be entitled to Commission at the rate of 4% of the net profits of the Company in the manner laid down under Sec. 198 of the Companies Act, 2013 and other applicable provisions of the said Act.

IV Minimum Remuneration:

**"RESOLVED FURTHER** that in pursuance of the provisions of Section 197(11) read with Schedule V to the Companies Act, 2013 where in any financial year the company incurs loss or its profits are inadequate, the Salary, Perquisites and Allowances per month and Ex-gratia per annum as specified above be paid as Minimum Remuneration subject to a maximum limit of Rs. 3,09,60,000, Rs. 3,40,56,000, Rs. 3,71,52,000, Rs. 4,02,48,000 and Rs. 4,33,44,000 for the years first to fifth respectively subject to the approval of Central Government, if any.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company".

By Order of the Board  
for Avanti Feeds Limited

A. Indra Kumar  
DIN: 00190168  
Chairman & Managing Director

Place: Hyderabad  
Date : 21.05.2016

## NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company.
2. The instrument of Proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
3. A person can act as a Proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. A member holding more than 10% (ten percent) of the 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.
4. The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting forms part of this notice.
5. The Explanatory Statement pursuant to Sec.102 of the Companies Act, 2013 which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
6. Details of the Directors seeking reappointment at this Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, forms part of the report on Corporate Governance at point No.3.
7. Register of Members and Share Transfer Books of the Company shall remain closed from 08.08.2016 to 13.08.2016 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the dividend for the year 2015-16, if declared, at the Annual General Meeting.
8. The dividend on equity shares, if declared at the Annual General Meeting, will be credited / dispatched before 30.08.2016 as under:
  - a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) as of the close of the business hours on 07.08.2016 and
  - b) To all those members holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/share transfer agent (i.e. Karvy Computershare Pvt., Ltd.) on or before the close of business hours on 07.08.2016.
9. To ensure timely delivery of shareholders' communications and also credit of dividend through NECS or dividend warrants/payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, (i) in case of shares held in demat, to the respective depository participant and (ii) in case of shares held in physical form to transfer agent of the Company i.e. Karvy Computershare Private Limited, Hyderabad, on or before 07.08.2016.
10. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd.). Members are requested to keep the same updated.

11. The notice of Annual General Meeting will be sent to the members, whose name appears in the Register of members / depositories as at closing hours of business on 01.07.2016.
12. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
13. All communications relating to shares are to be addressed to the Company's Registrars and Transfer Agents i.e. M/s.Karvy Computershare Private Limited, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad 500 008. India, Phone No.: +91 040 67161524 Fax:040-23001153,e-Mail id: einward.ris@karvy.com, website: www.karvycomputershare.com
14. As per the provisions of the Sec.205 C of the Companies Act, 1956, Unclaimed Dividend amount in respect of 2007-08 has been transferred to Investor Education and Protection Fund. For the financial year ended 31.03.2009, unclaimed dividend will be transferred to the Investor Education and Protection Fund, upon expiry of 7 years period. As such, members who have not en-cashed their dividend warrant(s) for the financial year ended 31.03.2009 and / or subsequent years are requested to submit their claims to the Registrars and Transfer Agents of the Company without any delay.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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 Registrars and Transfer Agents of the Company.
16. Details in respect of Directors seeking appointment / re-appointment at the Annual General Meeting are indicated in the Corporate Governance Report which forms integral part of this Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
17. Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules under the Act, the Company is pleased to provide the facility to the Members to exercise their right to vote through electronic voting. The members who have not cast their vote by remote e-voting shall be able to vote at the meeting.
18. The members whose names appear on the Register of Members/list of beneficial owners as on 06.08.2016 are eligible to participate in e-voting on the resolutions set forth in this notice.
19. The Companies (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5 PM, on the date preceding the AGM. Accordingly, the remote e-voting period will commence at 9 A.M. (IST) on 09.08.2016 and will end at 5 P.M. (IST) on 12.08.2016.
20. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled by Karvy Computershare Private Limited, the agency engaged by the company to provide e-voting facility.
21. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
22. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
23. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice, the Company is enclosing a Ballot form with the Notice. Resolution (s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.



24. The Company has appointed Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting, remote e-voting process and through ballot form in a fair and transparent manner. The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
25. The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting will not later than three days of conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to Chairman. The results declared along with Scrutinizer's Report shall be placed on the website of the Company. The results shall simultaneously be communicated to stock exchanges where the shares of the Company are listed i.e. Bombay Stock Exchange and National Stock Exchange.
26. A route map giving directions to reach the venue of the 23rd Annual General Meeting is given at the end of the Notice.
27. Subject to approval of the requisite number of votes, the resolutions set forth in the Notice for the AGM shall be deemed to be passed on the date of the meeting i.e., 13.08.2016.

Procedure for remote e-voting :

- I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) as agency to provide e-voting facility for AGM. The instructions for remote e-voting are as under:
  - (a) In case of Members receiving an e-mail from Karvy :
    - (i) Launch an internet browser and open <https://evoting.karvy.com>
    - (ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - (iii) After entering the above details Click on - Login.
    - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
    - (v) On successful login, the system will prompt you to select the E-Voting Event
    - (vi) Select the EVENT of Avanti Feeds Limited and click on - Submit.
    - (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
    - (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
    - (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
    - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [bhaskararaoandco@gmail.com](mailto:bhaskararaoandco@gmail.com) they may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
- (i) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. Members who have acquired shares after the despatch of the Annual Report and before the books closed may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.
- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+ Folio No. or DP ID Client ID to 9212993399  
Example for NSDL : MYEPWD <SPACE> In 12345612345678  
Example for CDSL : MYEPWD <SPACE> 1402345612345678  
Example for Physical : MYEPWD <SPACE> XXX1234567
- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call Karvy's toll free number 1-800-3454-001.
- d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)

Place : Hyderabad  
Date : 21.05.2016

By Order of the Board  
for Avanti Feeds Limited  
A. Indra Kumar  
DIN: 00190168  
Chairman & Managing Director

#### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paper less compliances by the Companies and has issued circulars stating that the services of notice / documents including Annual Report can be sent by email to its members. To support this Green Initiative in full measure, members who have not registered their email addresses so far, are requested to register their email address in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Karvy Computershare Pvt Ltd., Hyderabad.

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS:**

(Pursuant to Sec.102 of the Companies Act, 2013)

**Item No. 6:****Appointment of Sri A. Indra Kumar as Chairman & Managing Director for a further period of 5 years**

Sri A. Indra Kumar was appointed as Managing Director of the Company after the demise of Sri A. Venkateswara Rao, the founder Chairman & Managing Director of the Company on 01.07.2002. Sri A. Indra Kumar has been steering the Board on planning and implementation of the strategies after the demise of Sri A. Venkateswara Rao.

In the past 13 years under the able guidance and management of Sri A. Indra Kumar, the Company's operations have grown significantly. The Board of Directors felt that it is necessary to have a whole time Chairman to lead the Company in formulating the policies and guide the Board for effective implementation of the policies. The Company appointed Sri A. Indra Kumar, Managing Director of the Company as Chairman & Managing Director with effect from 07.02.2014 [i.e., appointment as Chairman in addition to his position as Managing Director].

Sri A. Indra Kumar was appointed as Managing Director of the Company for a period of 5 years with effect from 01.07.2011 and his appointment and remuneration has been approved by the shareholders at the 18<sup>th</sup> Annual General Meeting held on 06.08.2011. The members at the Annual General Meeting held on 02.08.2014 approved (i) appointment of Sri A. Indra Kumar, Managing Director as Chairman and Managing Director with effect from 07.02.2014 and (ii) increase of remuneration to the Chairman and Managing Director.

The Nomination and Remuneration Committee at its meeting held on 07.05.2016 recommended re-appointment of Sri A. Indra Kumar as Chairman and Managing Director for a further period of 5 years on the remuneration set out in the Resolution at Item No.6.

**1. General Information :**

- (1) Nature of Industry: Manufacturing of Shrimp Feed.
- (2) Date of commencement of commercial production of Shrimp Feed: 01.11.1994
- (3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not applicable.
- (4) Financial performance:

(Rs. In Lakhs)

Financial Parameters	2013-2014	2014-2015	2015-2016
Turnover	1,13,160.67	1,78,065.68	2,01,828.87
Net Profit as computed under section 197 of Companies Act, 2013 / Companies Act, 1956	11,452.99	19,653.95	25,661.43
Net profit as per Statement of Profit and Loss.	10,517.89	17,984.68	23,257.63
Amount of dividend paid	1,362.46	2,497.84	—
Rate of dividend declared	150%	275%	—

- (5) Foreign Investments or collaborations, if any:  
NIL

II. Information about the appointee:

- (1) Background details: Sri. A. Indra Kumar is a Chemical Engineer having 21 years of experience leading organizations. He had identified the opportunity in blue revolution in its nascent stage and promoted this company to set up state of the art shrimp feed manufacturing plant in India. Later on under his leadership the company diversified into Shrimp processing and export business. Before given charge as Chairman & Managing Director in February, 2014, he guided the Company in the capacity as Director, Executive Director and Managing Director from July, 2002.

- (2) Past Remuneration :

Year	Amount (Rs. In Lakhs)
2012-13	220.85
2013-14	561.53
2014-15	963.92
2015-16	1,246.17

- (3) Recognition or Awards:

Best Industrialist Award for the year 1994-95 awarded by Government of India. In recognition of his services, he was given the responsibility of Executive director and finally given the responsibility of Managing Director in July, 2002. Under the dynamic leadership of Sri A. Indra Kumar, Chairman & Managing Director, the Company was awarded (i) Forbes Best Under a Billion Award and (ii) Fortune Next 500 Company Award by Fortune India Magazine. Further, the Company has become one of the top 500 companies (Market Capitalization) as on 31<sup>st</sup> March, 2016.

- (4) Job Profile and suitability:

Providing strategic inputs to Board for decision making for expansions, diversifications and business strategy developments. Apart from implementing the decisions of Board at operational level, on day to day functioning he oversees Production, Quality, Marketing, Purchases, Industrial Relations and Public Relations and leads a team of professionals and senior executives. His rich experience and deep understanding of the dynamics and potential opportunities of the aqua culture industry is most valuable to the Company.

- (5) Remuneration Proposed:

As set out in the Resolution at Item No.6.

- (6) Comparative remuneration profile with respect to industry , size of the company, profile of the position and person :

Taking into consideration the size of the Company, the profile of Sri. A. Indra Kumar and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:

Sri. A. Indra Kumar does not have any pecuniary relationship directly or indirectly with the company (except for the position he is holding and the lease rentals paid by the Company to him for locating

Company's Registered Office and Corporate Office). He does not have any relationship with any managerial person in the company.

III. OTHER INFORMATION:

(1) Managing Director in Avanti Frozen Foods Private Limited:

Sri A. Indra Kumar, was appointed as Chairman and Managing Director on the Board of Avanti Frozen Foods Private Limited [wholly owned subsidiary of Avanti Feeds Limited] by the members of the Company, w.e.f. 1.11.2015, at the Extra Ordinary General Meeting held on 18.03.2016 on a Remuneration of (i) partly by way of salary of Rs.2,00,000/- per month in the pay scale of Rs.2,00,000 - 40,000-4,00,000 and Perquisites, ex-gratia subject to a limit of 20% of annual basic remuneration and (ii) partly by way of a commission at the rate of 4% on the Net Profits of the Company.

(2) Reasons of loss or inadequate profits :

The nature of shrimp culture activity on which shrimp feed and shrimp processing and export is totally dependent, is highly volatile. The shrimp culture success depends on climatic conditions, availability of good quality seed, free from attack of any disease, good culture practices by the farmer. Moreover, the international export price of the shrimp also influences growth of culture to a great extent. India has seen in earlier years, failure of shrimp culture activity due to wide spread deceases, steep fall in international prices of shrimp, levy of anti dumping duty by USA etc., due to which the profitability of feed and processing activity may drop significantly leading to loss or inadequacy of profits.

(3) Steps taken or proposed to be taken for improvement.

In order to mitigate the hardships caused by the reasons mentioned above, the Company initiates the following steps:

1. Educate the farmers to follow good culture practices to prevent any spread of deceases.
2. Extend technical support to the farmers during culture period rendering timely advise to enable the farmer to reap good harvest.
3. Assist the farmer in selection of good quality seed.
4. To take such initiatives to maintain price mechanism in association with Seafood Exporters Association and other Governmental Agencies, in the best interest of the stakeholders.
5. Expansion of activities to different States to balance reduction/calamity in one region.

(4) Expected increase in productivity and profits in measurable terms :

The Company has initiated setting up a new feed mill plant at Bandapuram, West Godavari District, Andhra Pradesh which is expected to be completed in July, 2016. The capacity of the plant is 125000 MT per annum. Consequently, the volume of production of shrimp feed will increase by 40% and it is expected to increase revenues by further Rs.500 crores and increase in profits by 5% - 7%. In addition, there are plans to set up a 400 Mn. Capacity Shrimp Hatchery which will give the Company advantage of supply of quality seed to the farmer.

The Board recommends the Resolution set out in Item No. 6 for approval of the members, as Special Resolution. None of the Directors other than Sri A. Indra Kumar, and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the Resolution.

By Order of the Board  
for Avanti Feeds Limited  
A. INDRA KUMAR  
DIN: 00190168  
Chairman & Managing Director

Place: Hyderabad  
Date : 21.05.2016

## BOARD'S REPORT

**Dear Members,**

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual Report together with the Audited Financial Statements of your Company and its subsidiary for the year ended 31<sup>st</sup> March, 2016.

### 1. Financial summary or highlights:

The summarized standalone and consolidated financial results of your Company and its subsidiaries are as under:

(Rs. in Lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Total Revenue	201,828.87	178,065.68	201,828.87	178,065.68
Profit/(loss) Before Interest, Depreciation & Tax (PBITDA)	24,327.04	19,001.54	24,976.15	19,001.11
Finance Charges	133.94	137.19	135.14	137.19
Depreciation	935.47	879.67	1,022.67	879.67
Provision for Income Tax (including for earlier years)	7,731.40	6326.82	7,920.04	6,326.82
Net Profit/(Loss) After Tax	15,526.23	11,657.86	15,898.30	11,657.43
Profit/(Loss) brought forward from previous year	17,847.03	10,395.51	18,106.68	10,720.81
Profit/(Loss) carried to Balance Sheet	27,947.01	17,847.03	28,430.44	18,106.68

### 2. Summary of Operations & State of Company's affairs:

The Profit for the year under consideration i.e. 2015-16, before depreciation, finance charges and tax is Rs.24,327.04 lakhs as compared to a profit of Rs. 19,001.54 lakhs in the previous financial year. The Profit for the year after tax is Rs.15,526.23 lakhs as against a Profit of Rs. 11,657.86 lakhs during the previous financial year.

After five years of 20-25% annual growth, in the current year growth of shrimp culture remained stagnant. Although during the first half of the year 2015-16 there was growth of 10-15% in culture area and density of culture, in the second half of the year the shrimp culture could not be taken up in some areas due to shortage of water because of insufficient rainfall. Coupled with this, culture in some areas was affected with diseases. These developments discouraged farmers of other areas in taking up 2<sup>nd</sup> crop. The 2<sup>nd</sup> crop in the year 2015-16 was less by 25-30% as compared to previous year. In these challenging times, farmers using your Company's feed took out successful crop in many disease affected areas mainly because of the better hygiene practices and disease preventive measures adopted by the farmers with the technical support of your Company's technical team. Despite these challenges and no growth in industry during the year, your Company's Shrimp Feed sales grew by 8% as compared to previous financial year in quantitative terms mainly because of the quality of feed and technical support

extended by your Company to the farmers. The year 2015-16 ended with shrimp feed sales at 2,52,590 MT, an increase of 19,101 MT as compared to the previous financial year.

The shrimp processing and export division sales recorded export of 4,377 MT as against 3,409 MT in the previous year representing an increase of 22% in quantitative terms.

The four windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 49.94 lakh units as against 55.41 lakh units in the previous year. The power generated during the year was sold to Karnataka Power Transmission Corporation Limited under Power Purchase Agreement.

During the year your Company divested its Shrimp Processing & Export Division to its subsidiary M/s. Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. Consequently AFL has to transfer the statutory and regulatory licenses within India and in USA to AFFPL so as to carry on the business in AFFPL's name. The process of obtaining the approvals from all departments is a lengthy process. Once the inland approvals are obtained, AFL has to approach US Department of Commerce for 'Changed Circumstances Review' to permit transfer of name from AFL to AFFPL in their records. This will allow AFFPL to export to US at current Anti Dumping Duty (ADD) of 2.96% which is presently applicable to AFL. In the absence of this transfer, all exports to USA by AFFPL will attract 10.17% ADD. It is given to understand that USDOC generally takes around 3-5 months time for effecting this change. In order to maintain the continuity of the business during this changeover process, your Company is continuing the Shrimp processing & Export business in its own name on behalf of AFFPL.

The revenue and related expenditures for the period from 01.11.2015 to 31.03.2016 of the transferred division i.e. Shrimp Processing & Export Division are included in Statement of Profit & Loss of AFL. However, the profit from operation for this 5 months period starting from 01.11.2015 to 31.03.2016 amounting to Rs. 696.73 lakhs is transferred to AFFPL which is reflected in the standalone results of your Company as Extra Ordinary Expense. A detailed statement of the operations of Shrimp Processing & Export Division for the 7 months period from 01.04.2015 to 31.10.2015 and 5 months period from 01.11.2015 to 31.03.2016 is given in Note No.31 of Financial Statements.

No material changes and commitments have occurred after the close of the financial year till the date of this Report.

During the year under review, there is no change in nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

### **3. Share Capital:**

During the year under review, the company sub-divided One (1) equity share of Rs. 10/- each into five (5) equity shares of Rs.2/- each with the approval of the members, with requisite majority by way of postal

ballot, the results of which were declared on 26.10.2015. The Record date for sub-division of Equity shares was 27.11.2015.

As on 31<sup>st</sup> March, 2016, the issued, subscribed and paid up share capital of your Company stood at Rs.9,08,30,420./-, comprising of 4,54,15,210 equity shares of Rs.2/- each.

#### 4. Dividend:

Your Directors have recommended a dividend of Rs.7/- per equity share of Rs.2/- each fully paid up, for the Financial Year 2015-16. The dividend if declared by the Members at the 23<sup>rd</sup> Annual General Meeting to be held on 13.08.2016, will be paid on or before 30.08. 2016.

#### 5. Reserves:

The Company proposes to transfer Rs.1600 lakhs to the General Reserve out of the Profits available for appropriation.

#### 6. Composition of the Board and details of Board meetings:

Sl No	Name	Designation
1	Sri A. Indra Kumar	Chairman & Managing Director
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & Chief Financial Officer
3	Sri N. Ram Prasad	Director
4	Sri A.V. Achar	Independent Director
5	Sri B.V. Kumar	Independent Director
6	Sri M.S.P. Rao	Independent Director
7	Sri K. Ramamohana Rao	Independent Director
8	Sri N.V. D.S. Raju	Independent Director
9	Smt. K. Kiranmayee	Independent Woman Director
10	Mr. Bunluesak Sorajjakit	Director
11	Mr. Wai Yat Paco Lee	Director
12	Sri J.S.V. Prasad, IAS (upto 20.11.2015)	Nominee Director (Nominee of Andhra Pradesh Industrial Development Corporation Ltd. – represented as equity investor)
13	Sri Shamsher Singh Rawat, IAS (from 10.12.2015)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)



### 6.1 Number of Board Meetings:

During the year 2015-16, Nine Board meetings were held. The details are as under:

Sl.No.	Date of Board Meeting	No of Directors Attended
1	09.05.2015	9
2	04.07.2015	11
3	07.08.2015	10
4	12.09.2015	9
5	07.11.2015	10
6	18.12.2015	9
7	30.01.2016	8
8	16.02.2016	10
9	16.03.2016	9

### 6.2 Committees of the Board:

The details of the Committees of the Board viz., Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are reported in the Report on Corporate Governance which forms part of the Board's Report.

### 6.3 Meeting of Independent Directors:

The details on the separate meeting of the Independent Directors is reported in the Report on Corporate Governance which forms part of the Board's Report.

### 6.4 Familiarization Programme for Independent Directors:

The details of the familiarization programme for the Independent Directors is reported in the Report on Corporate Governance which is attached to the Board's Report.

### 7. Changes in Directors and Key Managerial Personnel:

During the year under review, Andhra Pradesh Industrial Development Corporation Limited has withdrawn the nomination of Sri J.S.V. Prasad on 20.11.2015 and appointed Sri Shamsher Singh Rawat, IAS on 10.12.2015 as Nominee Director.

Sri A. Indra Kumar was appointed as a Managing Director of the Company by the members at the 18<sup>th</sup> Annual General Meeting held on 06.08.2011 for a period of 5 years with effect from 1.7.2011. The Nomination and Remuneration Committee recommended the re-appointment of Sri A. Indra Kumar as Chairman and Managing Director for a further period of 5 years with effect from 01.07.2016. The Resolution, seeking re-appointment of Sri A. Indra Kumar as Chairman and Managing Director is placed for consideration and approval of the members at the ensuing Annual General Meeting.

In terms of Article 105 and 106 of the Articles of Association of the Company Sri N. Ram Prasad and Mr. Bunluesak Sorajjakit retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The resolutions to that effect are placed for consideration and approval by the members at the ensuing AGM.

### 8. Change of Registered Office:

As per decision of the Board of Directors of the Company on 16.03.2016 the Registered Office of the Company was changed within the City of Visakhapatnam from H.No.3, Plot No.3, Baymount, Rushikonda, Visakhapatnam-530 045, Andhra Pradesh to H.No. 37, Plot No.37, Baymount, Rushikonda, Visakhapatnam-530 045, Andhra Pradesh, with effect from 1.4.2016.

### 9. Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is enclosed at Annexure-1.

### 10. Corporate Social Responsibility Committee:

Composition:

Sl. No.	Name	Designation	Chairman/ Members
1	Sri A. Indra Kumar	Chairman & Managing Director	Chairman
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer
3	Sri N. Ram Prasad	Non-Executive Non-Independent Director	Member
4	Sri A.V. Achar	Independent Director	Member
5	Sri B.V. Kumar	Independent Director	Member

### Terms of Reference:

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

### CSR Policy

The Company's CSR Policy is disseminated at [www.avantifeeds.com](http://www.avantifeeds.com)

During the year 2015-16, two (2) meetings of the Corporate Social Responsibility Committee were held on 09.05.2015 and 16.03.2016.

### CSR Expenditure during the year 2015-16 :

As per Sec.135(5) of Companies Act 2013, an amount of 2 percent of the average Net Profits of the Company made during the three immediately preceding financial years which works out to Rs.303.08 lakhs, is to be spent towards Corporate Social Responsibility Activities which includes unspent amount of Rs.63.68 lakhs of previous year. The Company has spent Rs. 427.97 lakhs towards the CSR activities in the financial year 2015-16, which is more than mandatory requirement by Rs.124.89 lakhs. The detailed Report on the CSR Activities is annexed to Board's Report.

Being a socially conscious corporate citizen, AFL is committed to make qualitative difference in society by helping small farmers in taking out successful crop, providing quality education to students from rural areas, make health care accessible to unaffordable, spread awareness of preventive health care, improve environment by increasing green cover and making available safe drinking water to marginalised sections of the society.



To provide quality higher education among students from rural areas, AFL is supporting college in Kovvur set up and run by its educational trust, AVR Trust, named after its founder Chairman Late Sri Alluri Venkateswara Rao. This college was set up in 1998 and has 1250 students. This college imparts graduation courses in Commerce and Science and also have post graduation courses in Organic and Analytical Chemistry. 65% of the students studying in this college are women. The college recently started imparting employable skills to its students in computer applications. AFL donated 100 computers to the college and in last two years 155 students were recruited in campus selection by reputed corporates.

In order to provide timely diagnosis and preventive health checks in rural areas, AFL conducts health camps at regular intervals. A majority of the beneficiaries of this are ladies and aged people in the vicinity of our factories.



To promote healthy lifestyle among the masses yoga camps are organised at regular intervals which has seen enthusiastic participation by women and children.



Company installed RO plants in villages not having access to safe drinking water. The initiative of the Company has benefitted families of marginalised sections of society.

Successful and profitable aqua culture by farmer is of paramount importance. We at AFL strive to ensure this not only by imparting continuous training to farmers by international experts but also promote use of mechanical and water parameter monitoring equipments in the culture process which are essential for success of shrimp culture.



Company distributed aerators, DO Meters, PH Scan and PH Pen to farmers.



### **11. Directors' Responsibility Statement:**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and Loss of the Company for that period;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **12. Internal financial controls:**

The internal financial controls with reference to the Financial Statements for the year ended 31<sup>st</sup> March, 2016 commensurate with the size and nature of business of the Company.

The measures implemented for internal financial controls include Multiple authority levels for approval of expenditures, budgetary controls, concurrent internal audit etc.

### **13. Declaration by Independent Directors:**

Sri A.V. Achar, Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju and Smt. K. Kiranmayee are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149(6) of the Act and the Rules made thereunder about their status as Independent Directors of the Company.

### **14. Policy on Directors' appointments and Remuneration including Criteria for determining qualifications, positive attributes etc.:**

The details of Policy on Directors appointment and Remuneration (i.e. Nomination and Remuneration Policy), criteria for determining qualifications, positive attributes, independence of directors are included in Report on Corporate Governance forming part of the Board's Report.

Further, the information about the elements of remuneration package of individual directors is provided in the extract of the Annual Return in Form MGT-9 enclosed to Board's Report.

### **15. Statutory Auditors, their Report and Notes to Financial Statements:**

At the 21<sup>st</sup> Annual General Meeting of the Company held on 2<sup>nd</sup> August, 2014, M/s. Karvy & Company, Chartered Accountants Hyderabad have been appointed as Statutory Auditors of the Company for a period of three years i.e. (2014-15, 2015-16 and 2016-17). The ratification of appointment M/s Karvy & Company, Chartered Accountants as Statutory Auditors for the year 2016-17 is proposed at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules are annexed to this report.

### **16. Secretarial audit:**

In terms of Section 204 of the Companies Act 2013 and the Rules made thereunder, M/s.V. Bhaskara Rao & Co., Hyderabad Practising Company Secretary has been appointed as Secretarial Auditor of the Company for the year 2015-16, on a remuneration of Rs.1,00,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The report of the Secretarial Auditors is annexed to this Report.

### 17. Internal audit:

In terms of Sec.138 of the Companies Act, 2013 and the relevant Rules, the Company appointed Smt. Santhilatha, Chartered Accountant, an employee of the Company as Internal Auditor. The Internal Auditor directly reports to the Audit Committee.

### 18. Explanations on qualifications made by the Auditors:

There were no qualifications, reservations or adverse remarks or disclaimers made by (i) Statutory Auditors i.e. Karvy & Co., Chartered Accountants, Hyderabad, in their report and (ii) V Bhaskara Rao & Co., Practising Company Secretaries, Hyderabad in their Secretarial Audit Report.

### 19. Particulars of Loans, Guarantees or Investments:

The details of the Loans, Guarantees and Investments as on 31.03.2016 are as under :

a) Loans	:	Rs. 4,377.47 lakhs
b) Guarantees	:	Rs. 6,650.00 lakhs
c) Investments	:	Rs. 11,209.54 lakhs
		Rs. 22,237.01 lakhs

### 20. Particulars of contracts or arrangements with Related Parties:

The Company formulated the Policy on dealing with Related Party Transactions. The details of the policy may be seen at the Company's website : [www.avantifeeds.com](http://www.avantifeeds.com)

The details of contacts or arrangements with related parties made by the Company during the year 2015-16 is enclosed to this Report in form AOC-2.

### 21. Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

#### (a) Conservation of Energy:

(i)	The steps taken or impact on conservation of energy	As per the recommendations of energy audit, high capacity motors in shrimp manufacturing plants are operated in Star mode instead of Delta, thereby reducing power consumption. Lights in all the manufacturing units changed to LED from CFL.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	50% of the power required for all the lighting of Shrimp Feed manufacturing plant in Gujarat is generated from solar panels installed on the rooftops of the factory.
(iii)	The capital investment on energy conservation equipments	—

(b) Technology absorption : Not Applicable

(c) Foreign Exchange Earnings and Outgo: During the year under review, the total Foreign Exchange outgo was Rs. 9,363.56 lakhs and Foreign Exchanged earned was Rs.25,708.63 lakhs.

### 22. Risk Management Policy:

In terms of the requirement of Section 134(3)(n) of the Companies Act 2013, the Company has developed and implemented the Risk Management Policy. Audit Committee and the Board reviews the same periodically. The details of the Policy are available on Company's website : [www.avantifeeds.com](http://www.avantifeeds.com).

**23. Manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and Individual Directors:**

Pursuant to the provisions of the Companies Act 2013 the Board has carried out evaluation of (i) its own performance, (ii) the directors individually and (iii) working of its Committees. The manner in which the evaluation was carried out is reported in the Report on Corporate Governance forming part of this Report.

**24. Subsidiaries and Associate Companies:**

**24.1 Report on the performance of Subsidiaries, Joint Ventures and associates:**

The report on the business of the Subsidiaries, Joint Venture and Associate companies as on 31.03.2016 is as follows:

**24.2 Subsidiaries:**

During the year under review Avanti Frozen Foods Pvt. Ltd., and SVIMSAN Imports and Exports Pvt. Ltd., are wholly owned subsidiaries.

(a) Avanti Frozen Foods Private Limited (AFFPL):

During the year Company transferred its Shrimp Processing & Export Business to AFFPL under a slump sale with effect from 01.11.2015 with requisite approval of members by way of Postal Ballot. However, as the regulatory approvals for operating the production facilities in the name of AFFPL will take time, Avanti Feeds Limited carried out the operations of the Shrimp Processing & Export Business on behalf of AFFPL. As such the sales, purchases and other expenditures for the period from 01.11.2015 to 31.03.2016 are recorded in AFL and profit before tax for this period amounting to Rs. 696.73 lakhs is transferred to Avanti Frozen Foods Private Limited. A detailed statement of the operations of Shrimp Processing & Export Division for the 7 months period from 01.04.2015 to 31.10.2015 and 5 months period from 01.11.2015 to 31.03.2016 is given in Note No.31 of Financial Statements.

Further, AFFPL is implementing a 15000 MTA capacity shrimp processing plant at Yerravaram in East Godavari District of Andhra Pradesh. The total Capital Expenditure of the plant is estimated at Rs. 9000 lakhs. This project is expected to start commercial operations from September 2016.

Managing Director in Avanti Frozen Foods Private Limited:

Sri A. Indra Kumar, was appointed as Chairman and Managing Director on the Board of Avanti Frozen Foods Private Limited [wholly owned subsidiary of Avanti Feeds Limited] by the members of the Company, w.e.f. 1.11.2015, at the Extra Ordinary General Meeting held on 18.03.2016 on a remuneration of (i) partly by way of salary of Rs.2,00,000/- per month in the pay scale of Rs.2,00,000 - 40,000-4,00,000 and Perquisites, ex-gratia subject to a limit of 20% of annual basic remuneration and (ii) partly by way of Commission at the rate of 4% on the Net Profits of the Company.

(b) SVIMSAN Imports and Exports Private Limited : No business activity.

The consolidated financial statements of the Company and its subsidiaries prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 from part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office and Corporate Office of the Company as also at the Registered Offices of the respective subsidiaries and will be available to the investors seeking information at any time.

The Company has adopted a Policy for determining Material subsidiaries in terms of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy as approved by the Board is available on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com)

### **24.3 Joint Ventures :**

During the year under review there were no Joint Ventures.

### **24.4 Associate Companies:**

#### **1. Srivathsa Power Projects Private Limited:**

The Company has a 17.2 MW gas based independent power project located at Razole, East Godavari District of Andhra Pradesh. Avanti Feeds Limited holds 49.99% of equity shares of the Company. The unit was not in operation since July, 2014, as gas supplies were stopped by Gas Authority of India Limited (GAIL) due to a blast in their gas supply pipeline. The gas supply was resumed from 27.01.2016 and now the plant is operational. As per the unaudited Financials for the year 2015-16, the Company reported a turnover of Rs.485.66 lakhs and a loss of Rs.212.96 lakhs after charging interest and depreciation.

#### **2. Patikari Power Private Limited:**

The Company has a 16 MW Hydel Power Project in Himachal Pradesh. Avanti Feeds Limited holds 25.88% of equity shares of the Company. As per the unaudited Financials for the year 2015-16, the Company generated 564.80 lakhs saleable energy units, yielding a gross sales income of Rs.1270.73 lakhs and a net profit of Rs.11.24 lakhs after charging interest, depreciation and tax.

### **24.5 Names of companies which have become or ceased to be subsidiaries, joint ventures or associate companies:**

During the year under review, Avanti Frozen Foods Private Limited, became a 100% subsidiary of the Company, the details are indicated at Point No.24.2 of this report. There were no other companies which have become or ceased to be Joint Ventures or associate companies during the year ended 31st March 2016.

### **24.6. Statement containing salient features of financial statements of subsidiaries:**

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statements of Company's subsidiary and associate companies is enclosed at Annexure-4 of Board's Report.

### **25. Public Deposits:**

The Company has not accepted any Public Deposits and as such no principal or interest or any claim is outstanding as on the date of the Balance Sheet.

### **25.1 Details of Deposits which are not in compliance with the requirements of Chapter V of Companies Act, 2013:**

The Company has not accepted any deposits from the public and as such there were no deposits which are not in compliance with the requirements of Chapter V of the Companies Act 2013.

### **26. Significant and material orders passed by the regulators:**

None of the orders passed by Court or Tribunal has any impact on the going concern status of the Company or significant impact on Company's operations.



**27. Internal Controls Systems and Adequacy:**

The Company has in place an adequate system of internal controls. The details of the internal controls system are given in the Management Discussion and Analysis Report which forms of the this Report.

**28. Management Discussion & Analysis:**

Management Discussion and Analysis Report is annexed which forms part of this Report.

**29. Business Responsibility Report:**

The Business Responsibility Report is annexed which forms part of this Report.

**30. Corporate Governance:**

As a listed Company, necessary measures are taken to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Report on the Corporate Governance together with a Certificate on compliance of Corporate Governance by Independent Auditors forms part of this Report.

**31. Recognitions:**

The Shrimp Feed Plants at Kovvur, Vemuluru in West Godavari District Andhra Pradesh and Plant at Valsad, Balda Village Pardi Tq Gujarat received ISO 9001: 2008 Certification for quality management systems. These plants are also certified for implementing Best Aquaculture Practices, by Global Aquaculture Alliance, USA.

The Company was awarded Forbes Best Under a Billion Award and Fortune Next 500 Company Award by Fortune India Magazine.

**32. Whistle Blower Policy:**

The Company established Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The practice of Whistle Blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle Blower Policy is available at the Company's website: [avantifeeds.com](http://avantifeeds.com)

**33. Remuneration of Directors:**

The details of the remuneration paid to Sri A. Indra Kumar, Chairman and Managing Director and Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary & CFO are as under:

(Rs. in Lakhs)

	<b>A. Indra Kumar CMD</b>	<b>C. Ramachandra Rao JMD, CS &amp; CFO</b>
Pay	168.42	110.40
Exgratia	21.05	13.80
Perks	2.26	–
P.F. Contribution	12.63	8.28
Superannuation	15.35	10.63
Commission on Profits	1026.46	769.84
<b>Total :</b>	<b>1246.17</b>	<b>912.95</b>

**34. Human Resources :**

Your Company treats its human resources as one of its most important assets. Your Company continuously invests in attracting, retaining and development of talent on an ongoing basis. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

**35. Particulars of Employees :**

The statement containing particulars of employees as required under section 197(12) of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 indicating (i) the ratio of remuneration of each director to the median employees remuneration and other details and (ii) statement showing the details of employees who are in receipt of remuneration of Rs.5,00,000 or more are given in the Annexure-5 forming part of this report.

**36. Policy 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 Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year ended 31.03.2016 the Company has not received any complaints pertaining to sexual harassment of employees.

**Acknowledgments :**

Your Directors take this opportunity to express their deep and sincere gratitude and appreciation for co-operation extended by the Governmental Agencies, Shareholders and Banks from time to time. Your Directors also place on record their appreciation for the contributions made by the employees through their dedication, hard work and commitment. Your Directors also convey thanks and appreciation to the valued customers and dealers for their continued patronage.

For and on behalf of the Board  
**Avanti Feeds Limited**

Place: Hyderabad  
Date : 21.05.2016

**A. Indra Kumar**  
DIN-00190168  
Chairman & Managing Director

**Annexure - 1****Form No. MGT - 9****(Extract of Annual Return as on the Financial year ended on 31st March, 2016)**

(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 : L16001AP1993PLC095778
- ii) Registration Date : 06.01.1993
- iii) Name of the Company : Avanti Feeds Limited
- iv) Category/Sub-Category of the Company : Public Limited Company
- v) Address and contact details
- a. Registered Office : H.No.37, Plot No.37, Baymount, Rushikonda, Visakhapatnam-530 045, Andhra Pradesh
- b. Corporate Office : G-2, Concorde Apartments, Somajiguda, Hyderabad.500 082, Telangana State
- Phone Nos : 040-23310260/61 Fax: 040-23311604
- Email id : avantiho@avantifeeds.com
- Website : www.avantifeeds.com
- vi) Whether listed Company : Yes
- vii) Name, Address and contact details of Registrar & Transfer Agents : Karvy Computershare Private Limited  
Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad 500 008. Telangana State, India  
Phone No.:040-67162222 Fax:040-23001153  
E-mail id: einward.ris@karvy.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

S.No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% of total turnover of the Company
1.	Shrimp Feed	15339	85.72
2.	Processed Shrimp	15127	14.17

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name of the Company and Address	CIN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section under Companies Act, 2013
1.	Avanti Frozen Foods Private Ltd Plot No.37, H.No.37, Baymount Rushikonda, Visakhapatnam-530045, Andhra Pradesh.	U05000AP2015PTC0956509	Subsidiary	100%	Sec.2(87)(ii)
2.	Svimsan Exports & Imports Private Ltd G-2, Concorde Apartments, Somajiguda, Hyderabad.500 082, Telangana State	U24239TG1998PTC030063	Subsidiary	100%	Sec.2(87)(ii)
3.	Srivathsa Power Projects Pvt. Ltd. G-2, Concorde Apartments, Somajiguda, Hyderabad.500 082, Telangana State	U40109TG1995PLC020411	Associate	49.99%	Sec.2(6)
4.	Patikari Power Private Limited First House, Bhumion Estate, Novbahar, Bhumain Road, Chotasimla - 171 002, Himachal Pradesh	U40103HP2000PTC024074	Associate	25.89%	Sec.2(6)

**SHARE HOLDING PATTERN BETWEEN 31/03/2015 AND 31/03/2016**

(i) Category-wise Shareholding

Category Code	Category of Shareholder	No. of Shares Held at the beginning of the Year 31/03/2015		No. of Shares Held at the end of the Year 31/03/2016		% Change during the year					
		Demat (III)	Physical (IV)	Demat (VII)	Physical (VIII)		Total (IX)	% of Total Shares (X)			
(1)	(II)										
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>										
(1)	INDIAN										
(a)	Individual /HUF	6524020	39000	6563020	38000	6446550	14.19			-0.26	
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00			0.00	
(c)	Bodies Corporate	13494925	0	13494925	0	13511460	29.75			0.04	
(d)	Financial Institutions / Banks	0	0	0	0	0	0.00			0.00	
(e)	Others	0	0	0	0	0	0.00			0.00	
	<b>Sub-Total A(1) :</b>	<b>20018945</b>	<b>39000</b>	<b>20057945</b>	<b>38000</b>	<b>19958010</b>	<b>44.17</b>	<b>19920010</b>	<b>38000</b>	<b>19958010</b>	<b>43.95</b>
(2)	FOREIGN										
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0.00			0.00	
(b)	Bodies Corporate	0	0	0	0	0	0.00			0.00	
(c)	Institutions	0	0	0	0	0	0.00			0.00	
(d)	Qualified Foreign Investor	0	0	0	0	0	0.00			0.00	
(e)	Others	0	0	0	0	0	0.00			0.00	
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>19920010</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>20018945</b>	<b>39000</b>	<b>20057945</b>	<b>38000</b>	<b>19958010</b>	<b>44.17</b>	<b>19920010</b>	<b>38000</b>	<b>19958010</b>	<b>43.95</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>										
(1)	INSTITUTIONS										
(a)	Mutual Funds /UTI	0	20500	20500	20500	38590	0.05	18090	20500	38590	0.09
(b)	Financial Institutions/Banks	0	4500	4500	4500	19060	0.01	14560	4500	19060	0.04
(c)	Central Government/ State Government(s)	1250000	0	1250000	0	1236515	2.75	1236515	0	1236515	2.72
(d)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00
(e)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00
(f)	Foreign Institutional Investors	1449035	500	1449535	500	1862697	3.19	1862697	500	1863197	4.10
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0.00	0	0	0	0.00
(i)	Others	0	0	0	0	0	0.00	0	0	0	0.00
	<b>Sub-Total B(1) :</b>	<b>2699035</b>	<b>25500</b>	<b>2724535</b>	<b>25500</b>	<b>3157362</b>	<b>6.00</b>	<b>3131862</b>	<b>25500</b>	<b>3157362</b>	<b>6.95</b>
	<b>Total B=B(1)</b>										
	<b>Total A+B</b>										
	<b>Total A+B(1)</b>										
	<b>Total A+B(2)</b>										
	<b>Total A+B(3)</b>										
	<b>Total A+B(4)</b>										
	<b>Total A+B(5)</b>										
	<b>Total A+B(6)</b>										
	<b>Total A+B(7)</b>										
	<b>Total A+B(8)</b>										
	<b>Total A+B(9)</b>										
	<b>Total A+B(10)</b>										
	<b>Total A+B(11)</b>										
	<b>Total A+B(12)</b>										
	<b>Total A+B(13)</b>										
	<b>Total A+B(14)</b>										
	<b>Total A+B(15)</b>										
	<b>Total A+B(16)</b>										
	<b>Total A+B(17)</b>										
	<b>Total A+B(18)</b>										
	<b>Total A+B(19)</b>										
	<b>Total A+B(20)</b>										
	<b>Total A+B(21)</b>										
	<b>Total A+B(22)</b>										
	<b>Total A+B(23)</b>										
	<b>Total A+B(24)</b>										
	<b>Total A+B(25)</b>										
	<b>Total A+B(26)</b>										
	<b>Total A+B(27)</b>										
	<b>Total A+B(28)</b>										
	<b>Total A+B(29)</b>										
	<b>Total A+B(30)</b>										
	<b>Total A+B(31)</b>										
	<b>Total A+B(32)</b>										
	<b>Total A+B(33)</b>										
	<b>Total A+B(34)</b>										
	<b>Total A+B(35)</b>										
	<b>Total A+B(36)</b>										
	<b>Total A+B(37)</b>										
	<b>Total A+B(38)</b>										
	<b>Total A+B(39)</b>										
	<b>Total A+B(40)</b>										
	<b>Total A+B(41)</b>										
	<b>Total A+B(42)</b>										
	<b>Total A+B(43)</b>										
	<b>Total A+B(44)</b>										
	<b>Total A+B(45)</b>										
	<b>Total A+B(46)</b>										
	<b>Total A+B(47)</b>										
	<b>Total A+B(48)</b>										
	<b>Total A+B(49)</b>										
	<b>Total A+B(50)</b>										
	<b>Total A+B(51)</b>										
	<b>Total A+B(52)</b>										
	<b>Total A+B(53)</b>										
	<b>Total A+B(54)</b>										
	<b>Total A+B(55)</b>										
	<b>Total A+B(56)</b>										
	<b>Total A+B(57)</b>										
	<b>Total A+B(58)</b>										
	<b>Total A+B(59)</b>										
	<b>Total A+B(60)</b>										
	<b>Total A+B(61)</b>										
	<b>Total A+B(62)</b>										
	<b>Total A+B(63)</b>										
	<b>Total A+B(64)</b>										
	<b>Total A+B(65)</b>										
	<b>Total A+B(66)</b>										
	<b>Total A+B(67)</b>										
	<b>Total A+B(68)</b>										
	<b>Total A+B(69)</b>										
	<b>Total A+B(70)</b>										
	<b>Total A+B(71)</b>										
	<b>Total A+B(72)</b>										
	<b>Total A+B(73)</b>										
	<b>Total A+B(74)</b>										
	<b>Total A+B(75)</b>										
	<b>Total A+B(76)</b>										
	<b>Total A+B(77)</b>										
	<b>Total A+B(78)</b>										
	<b>Total A+B(79)</b>										
	<b>Total A+B(80)</b>										
	<b>Total A+B(81)</b>										
	<b>Total A+B(82)</b>										
	<b>Total A+B(83)</b>										
	<b>Total A+B(84)</b>										
	<b>Total A+B(85)</b>										
	<b>Total A+B(86)</b>										
	<b>Total A+B(87)</b>										
	<b>Total A+B(88)</b>										
	<b>Total A+B(89)</b>										
	<b>Total A+B(90)</b>										
	<b>Total A+B(91)</b>										
	<b>Total A+B(92)</b>										
	<b>Total A+B(93)</b>										
	<b>Total A+B(94)</b>										
	<b>Total A+B(95)</b>										
	<b>Total A+B(96)</b>										
	<b>Total A+B(97)</b>										
	<b>Total A+B(98)</b>										
	<b>Total A+B(99)</b>										
	<b>Total A+B(100)</b>										

**IV. SHARE HOLDING PATTERN BETWEEN 31/03/2015 AND 31/03/2016**

(i) Category-wise Shareholding

Category Code	Category of Shareholder	No. of Shares Held at the beginning of the Year 31/03/2015		No. of Shares Held at the end of the Year 31/03/2016		% Change during the year	
		Demat (III)	Physical (IV)	Demat (VII)	Physical (VIII)		Total (IX)
(1)	(ii)						
(2)	<b>NON-INSTITUTIONS</b>						
(a)	Bodies Corporate	1205890	84500	1279364	69000	1348364	2.97
(b)	Individuals						
	(i) Individuals holding nominal share capital upto Rs.1 lakh	5595965	1169200	6307318	965575	7272893	16.01
	(ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	2763850	0	1681274	0	1681274	3.70
(c)	Others						
	CLEARING MEMBERS	42695	0	29032	0	29032	0.06
	FOREIGN BODIES	11410210	0	11410210	0	11410210	25.12
	NON RESIDENT INDIANS	245000	115000	446125	108000	554125	1.22
	TRUSTS	420	0	2120	0	2120	0.00
	NBFC	0	0	1820	0	1820	0.00
	Qualified Foreign Investor	0	0	0	0	0	0.00
(d)	Sub-Total B(2) :	21264030	1368700	21157263	1142575	22299838	49.10
	Total B=B(1)+B(2) :	23963065	1394200	24289125	1168075	25457200	56.05
	Total (A+B) :	43982010	1433200	44209135	1206075	45415210	100.00
(C)	Shares held by custodians, against which Depository Receipts have been issued						
(1)	Promoter and Promoter Group	0	0	0	0	0	0.00
(2)	Public						
	<b>GRAND TOTAL (A+B+C) :</b>	<b>43982010</b>	<b>1433200</b>	<b>44209135</b>	<b>1206075</b>	<b>45415210</b>	<b>100.00</b>

Note : 1. The shareholders of the company have approved the sub-division of One (1) equity share having a face value of Rs.10/- into Five(5) equity shares of Rs.2/- each through Postal Ballot on 26.10.2015. The record date for sub-division was 27.11.2015. The number of shares and per share information for the period prior to 27.11.2015 reflects the effect of sub-division.

2. Percentage figures are rounded off to the nearest two decimal points.

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e., 01.04.2015		Shareholding at the end of the year i.e., 31.03.2016		% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	INDRA KUMAR ALLURI	2766900	6.09	2776900	6.11	0.02
2	ALLURI INDRA KUMAR - HUF	2729750	6.01	2729750	6.01	0.00
3	SRINIVASA CYSTINE PRIVATE LIMITED	12088925	26.62	12099705	26.64	0.02
4	SANJEEV AGRO-VET PVT LTD	1406000	3.10	1411755	3.11	0.01
5	N RAM PRASAD	103000	0.23	103000	0.23	0.00
6	VENKATA SANJEEV ALLURI	236900	0.52	236900	0.52	0.00
7	ALLURI NIKHILESH CHOWDARY	230550	0.51	230550	0.51	0.00
8	N NAGA RATNA	226470	0.50	100000	0.22	-0.28
9	SURESH KUMAR GEDA	147400	0.32	0	0.00	-0.32
10	G VENKATESH	25000	0.06	172400	0.38	0.32
11	BOMMIDALA SRIMANNARAYANA	5000	0.01	5000	0.01	0.00
12	GEDA SAI PADMINI	14550	0.03	14550	0.03	0.00
13	RATNA MANIKYAMBA KATNENI	12500	0.03	12500	0.03	0.00
14	KATNENI JAGAN MOHAN RAO	12500	0.03	12500	0.03	0.00
15	SUDHA VADLAMUDI	12500	0.03	12500	0.03	0.00
16	RAVEENA CHITTURI	12500	0.03	12500	0.03	0.00
17	AMAR KUMAR CHUKKAPALLI	12500	0.03	12500	0.03	0.00
18	PITCHAIAH CHUKKAPALLI	12500	0.03	12500	0.03	0.00
19	ALEVOOR VEDAVYAS ACHAR	1000	0.00	1000	0.00	0.00
20	C RAMACHANDRA RAO	1000	0.00	1000	0.00	0.00
21	GAYATHRI PUTCHALA	500	0.00	500	0.00	0.00
	<b>Total:</b>	<b>20057945</b>	<b>44.17</b>	<b>19958010</b>	<b>43.95</b>	<b>-0.22</b>

1. The shareholders of the company have approved the sub-division of One (1) equity share having a face value of Rs. 10/- into Five(5) equity shares of Rs. 2/- each through Postal Ballot on 26.10.2015. The record date for sub-division was 27.11.2015. The number of shares and per share information for the period prior to 27.11.2015 reflects the effect of sub-division.

2. Percentage figures are rounded off to the nearest two decimal points.

**(iii) Change in Promoters' Shareholding:**

Sl. No.	Change in Promoters Shareholding	Shareholding		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares at the beginning of the year 01.04.2015	% of total Shares of the company			% of total shares of the company	No. of Shares	No. of Shares	% of total shares of the company
1	Indra Kumar Alluri	2,766,900	6.09	27.04.2015 31.03.2016	Transfer At the end of the year	10000	0.02	2,766,900 2776900 2776900	6.09 6.11 6.11
2	Alluri Indra Kumar HUF	2,729,750	6.01	No changes during the year 31.03.2016	At the end of the year			2,729,750	6.01
3	Srinivasa Cystine Pvt. Ltd	12,088,925	26.62	27.04.2015 31.03.2016	Transfer At the end of the year	10780	0.02	12,088,925 12099705 12099705	26.62 26.64 26.64
4	Sanjeev Agrovet Pvt Ltd	1,406,000	3.10	27.04.2015 31.03.2016	Transfer At the end of the year	5755	0.01	1,406,000 1411755 1411755	3.10 3.11 3.11
5	N. Ram Prasad	103,000	0.23	No changes during the year 31.03.2016	At the end of the year			103,000	0.23
6	N NAGA RATNA	226,470	0.50	16.04..2015 10.08.2015 11.08.2015 12.08.2015 13.08.2015 14.08.2015 17.08.2015 31.03.2016	Transfer Transfer Transfer Transfer Transfer Transfer Transfer At the end of the year	-8455 -52805 -19175 -15435 -1405 -17700 -11495	-0.02 -0.12 -0.04 -0.03 -0.01 -0.03 -0.03	226,470 218015 165210 146035 130600 129195 111495 100000 100000	0.50 0.48 0.36 0.32 0.29 0.28 0.25 0.22 0.22
7	VENKATA SANJEEV ALLURI	236,900	0.52	No changes during the year 31.03.2016	At the end of the year			236,900	0.52
8	ALLURI NIKHILESH CHOWDARY	230,550	0.51	No changes during the year 31.03.2016	At the end of the year			230,550 230,550	0.51 0.51
9	SURESH KUMAR GEDA	147,400	0.32	02/10/2015	Transmission	(147,400)	-0.32	147,400	0.32 0.00



**(iii) Change in Promoters' Shareholding (Contd.....):**

10	G VENKATESH	25,000	0.06	02/10/2015 31.03.2016	Transmission At the end of the year	147,400	0.32	25,000 172,400 172,400	0.06 0.38 0.38
11	BOMMIDALA SRIMANNARAYANA	5,000	0.01	No changes 31.03.2016	during the year At the end of the year			5,000	0.01
12	GEDA SAI PADMINI	14,550	0.03	No changes 31.03.2016	during the year At the end of the year			14,550	0.03
13	RATNA MANIKYAMBA KATNENI	12,500	0.03	No changes 31.03.2016	during the year At the end of the year			12,500	0.03
14	KATNENI JAGAN MOHAN RAO	12,500	0.03	No changes 31.03.2016	during the year At the end of the year			12,500	0.03
15	SUDHA VADLAMUDI	12,500	0.03	No changes 31.03.2016	during the year At the end of the year			12,500	0.03
16	RAVEENA CHITTURI	12,500	0.03	No changes 31.03.2016	during the year At the end of the year			12,500	0.03
17	AMAR KUMAR CHUKKAPALLI	12,500	0.03	No changes 31.03.2016	during the year At the end of the year			12,500	0.03
18	PITCHAIAH CHUKKAPALLI	12,500	0.03	No changes 31.03.2016	during the year At the end of the year			12,500	0.03
19	ALEVOOR VEDAVYAS ACHAR	1000	0.00	No changes 31.03.2016	during the year At the end of the year			1000	0.00
20	C RAMACHANDRA RAO	1000	0.00	No changes 31.03.2016	during the year At the end of the year			1000	0.00
21	GAYATHRI PUTCHALA	500	0.00	No changes 31.03.2016	during the year At the end of the year			500	0.00

- The shareholders of the company have approved the sub-division of One (1) equity share having a face value of Rs.10/- into Five(5) equity shares of Rs.2/- each through Postal Ballot on 26.10.2015. The record date for sub-division was 27.11.2015. The number of shares and per share information for the period prior to 27.11.2015 reflects the effect of sub-division.
- Percentage figures are rounded off to the nearest two decimal points.

**iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters):**

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e.1.4.2015)		Date	Reason	Increase/Decrease in shareholding % of total		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Thai Union Frozen Products PLC.	11410210	25.12	No changes during the year 31/03/2016	At the end of the year			11410210	25.12
2	Malbar India Fund	1285000	2.83	01/05/2015	Transfer	2000	0.00	1285000	2.83
				05/06/2015	Transfer	6150	0.01	1287000	2.83
				12/06/2015	Transfer	16850	0.04	1293150	2.84
				19/06/2015	Transfer	16740	0.04	1310000	2.88
				17/07/2015	Transfer	-16555	-0.04	1326740	2.92
				24/07/2015	Transfer	-5450	-0.01	1310185	2.88
				31/07/2015	Transfer	-2995	-0.00	1304735	2.87
				07/08/2015	Transfer	-25000	-0.06	1301740	2.87
				14/08/2015	Transfer	-25000	-0.06	1276740	2.81
				09/10/2015	Transfer	-25000	-0.06	1251740	2.75
				13/11/2015	Transfer	11475	0.03	1226740	2.69
				20/11/2015	Transfer	38525	0.09	1238215	2.72
				18/12/2015	Transfer	29384	0.07	1276740	2.81
				25/12/2015	Transfer	7123	0.02	1306124	2.88
				31/12/2015	Transfer	4682	0.00	1313247	2.90
				08/01/2016	Transfer	8811	0.02	1317929	2.90
				15/01/2016	Transfer	22000	0.05	1326740	2.92
				22/01/2016	Transfer	66820	0.15	1348740	2.97
				29/01/2016	Transfer	700	0.00	1415560	3.12
				31/03/2016	At the end of the year			1416260	3.12
3	Andhra Pradesh Industrial Development Corp. Ltd	1250000	2.75	17/04/2015	Transfer	-3425	-0.01	1250000	2.75
				10/07/2015	Transfer	-1500	-0.01	1246575	2.74
				31/07/2015	Transfer	-6310	-0.01	1245075	2.73
				07/08/2015	Transfer	-1250	-0.00	1238765	2.72
				14/08/2015	Transfer	-250	-0.00	1237515	2.72
				21/08/2015	Transfer	-750	-0.00	1237265	2.72
				31.03.2016	At the end of the year			1236515	2.72

**iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters): (Contd...)**

4	Girish Gulati- HUF	457125	1.01		27/11/2015	Transfer	-93040	-0.21	457125	1.01					
					04/12/2015	Transfer	67414	0.15	364085	0.80					
					11/12/2015	Transfer	-1573	-0.00	431499	0.95					
					18/12/2015	Transfer	-5802	-0.02	429926	0.95					
					08/01/2016	Transfer	-3000	-0.00	424124	0.93					
					15/01/2016	Transfer	-55000	-0.12	421124	0.93					
					22/01/2016	Transfer	-20000	-0.05	366124	0.81					
					29/01/2016	Transfer	-1400	-0.00	346124	0.76					
					05/02/2016	Transfer	-1000	-0.00	344724	0.76					
					12/02/2016	Transfer	-2500	-0.01	343724	0.76					
					19/02/2016	Transfer	-15000	-0.03	341224	0.75					
					31.03.2016	At the end of the year			326224	0.72					
									326224	0.72					
									404010	0.89					
					5	Dolly Khanna	404010	0.89		10/04/2015	Transfer	-4375	-0.01	399635	0.88
										17/04/2015	Transfer	-1705	-0.00	397930	0.88
										24/04/2015	Transfer	-1565	-0.01	396365	0.87
01/05/2015	Transfer	-950	-0.00	395415						0.87					
22/05/2015	Transfer	-1000	-0.00	394415						0.87					
29/05/2015	Transfer	-1235	-0.00	393180						0.87					
03/07/2015	Transfer	-1895	-0.01	391285						0.86					
17/07/2015	Transfer	-1750	-0.01	389535						0.85					
07/08/2015	Transfer	-1235	-0.00	388300						0.85					
09/10/2015	Transfer	-750	-0.00	387550						0.85					
16/10/2015	Transfer	-610	-0.00	386940						0.85					
23/10/2015	Transfer	-7750	-0.02	379190						0.83					
30/10/2015	Transfer	-3225	-0.00	375965						0.83					
06/11/2015	Transfer	-16815	-0.04	359150						0.79					
13/11/2015	Transfer	-5150	-0.01	354000						0.78					
20/11/2015	Transfer	-5830	-0.01	348170						0.77					
27/11/2015	Transfer	-9640	-0.02	338530						0.75					
04/12/2015	Transfer	-6815	-0.02	331715	0.73										
11/12/2015	Transfer	-1000	-0.00	330715	0.73										
18/12/2015	Transfer	-8000	-0.02	322715	0.71										
25/12/2015	Transfer	-1670	-0.01	321045	0.70										
31/12/2015	Transfer	-1000	-0.00	320045	0.70										
08/01/2016	Transfer	-700	-0.00	319345	0.70										
15/01/2016	Transfer	-1000	-0.00	318345	0.70										
22/01/2016	Transfer	-1550	-0.00	316795	0.70										



**iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters): (Contd...)**

7	IL and FS Trust Company Ltd.,	0.50		27/11/2015	Transfer	15815	0.03	38290	0.08
				04/12/2015	Transfer	-604	-0.00	37686	0.08
				11/12/2015	Transfer	-6323	-0.01	31363	0.07
				18/12/2015	Transfer	-52	-0.00	31311	0.07
				25/12/2015	Transfer	-450	-0.00	30861	0.07
				31/12/2015	Transfer	-500	-0.00	30361	0.07
				15/01/2016	Transfer	-3233	-0.01	27128	0.06
				22/01/2016	Transfer	-3519	-0.01	23609	0.05
				05/02/2016	Transfer	-4851	-0.01	18758	0.04
				12/02/2016	Transfer	-6696	-0.01	12062	0.03
				19/02/2016	Transfer	-3232	-0.01	8830	0.02
				26/02/2016	Transfer	-940	-0.00	7890	0.02
				04/03/2016	Transfer	-200	-0.00	7690	0.02
11/03/2016	Transfer	-1170	-0.00	6520	0.02				
18/03/2016	Transfer	-1410	-0.00	5110	0.02				
25/03/2016	Transfer	-1536	-0.01	3574	0.01				
31/03/2016	At the end of the year			3574	0.01				
8	Ranga Prasad N	0.48		09/10/2015	Transfer	-5000	-0.02	225000	0.50
				31/03/2016	At the end of the year			220000	0.48
				03/04/2015	Transfer	-10780	-0.02	220245	0.48
				10/04/2015	Transfer	-22550	-0.05	209465	0.46
				17/04/2015	Transfer	-13390	-0.03	186915	0.41
				24/04/2015	Transfer	-2675	-0.01	173525	0.38
				01/05/2015	Transfer	-2520	-0.01	170850	0.37
				08/05/2015	Transfer	-6540	-0.01	168330	0.36
				15/05/2015	Transfer	-2325	-0.00	161790	0.35
				22/05/2015	Transfer	-4485	-0.01	159465	0.35
				29/05/2015	Transfer	-3465	-0.01	154980	0.34
				05/06/2015	Transfer	-10055	-0.02	151515	0.33
				12/06/2015	Transfer	-6000	-0.01	141460	0.31
19/06/2015	Transfer	-2770	-0.01	135460	0.30				
26/06/2015	Transfer	-2165	-0.01	132690	0.29				
30/06/2015	Transfer	-710	-0.00	130525	0.28				
03/07/2015	Transfer	-885	-0.00	129815	0.28				
10/07/2015	Transfer	-12275	-0.03	128930	0.28				
				116655	0.25				

**iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters):**

9 Mohit Ramgopal Agrawal	203025	0.45	17/07/2015	Transfer	-5495	-0.01	111160	0.24
			24/07/2015	Transfer	-7340	-0.01	103820	0.23
10 VIVOG Commercial Ltd.	172915	0.38	31/07/2015	Transfer	-9810	-0.02	94010	0.21
			07/08/2015	Transfer	-2750	-0.01	91260	0.20
			14/08/2015	Transfer	-6075	-0.01	85185	-0.19
			21/08/2015	Transfer	-11705	-0.03	73480	-0.16
			28/08/2015	Transfer	-6505	-0.01	66975	-0.15
			25/09/2015	Transfer	-250	-0.00	66725	-0.15
			20/11/2015	Transfer	-500	-0.00	66225	-0.15
			27/11/2015	Transfer	-27145	-0.06	39080	-0.09
			04/12/2015	Transfer	0	0.00	39080	-0.09
			11/12/2015	Transfer	-6829	-0.02	32251	-0.07
			18/12/2015	Transfer	-69	0.00	32182	-0.07
			25/12/2015	Transfer	-650	-0.00	31532	-0.07
			31/12/2015	Transfer	-500	-0.00	31032	-0.07
			15/01/2016	Transfer	-2250	-0.01	28782	-0.06
22/01/2016	Transfer	-2944	-0.01	25838	-0.05			
29/01/2016	Transfer	-6997	-0.02	18841	-0.03			
19/02/2016	Transfer	-2162	-0.01	16679	-0.02			
26/02/2016	Transfer	-4718	-0.01	11961	-0.01			
04/03/2016	Transfer	-3684	-0.00	8277	-0.01			
11/03/2016	Transfer	-4549	-0.01	3728	-0.00			
18/03/2016	Transfer	-2885	-0.01	843	-0.00			
24/03/2016	Transfer	-136	0.00	707	-0.00			
31/03/2016	At the end of the year			707	-0.00			
9 Mohit Ramgopal Agrawal	203025	0.45	31/07/2015	Transfer	-7500	-0.02	203025	0.45
			07/08/2015	Transfer	-8405	-0.02	195525	0.43
			21/08/2015	Transfer	-10485	-0.02	187120	0.41
10 VIVOG Commercial Ltd.	172915	0.38	31/03/2016	At the end of the year			176635	0.39
			05/02/2016	Transfer	9050	0.10	172915	0.38
			31/03/2016	At the end of the year			181965	0.48

1. The shareholders of the company have approved the sub-division of One (1) equity share having a face value of Rs.10/- into Five(5) equity shares of Rs.2/- each through Postal Ballot on 26.10.2015. The record date for sub-division was 27.11.2015. The number of shares and per share information for the period prior to 27.11.2015 reflects the effect of sub-division.

2. Percentage figures are rounded off to the nearest two decimal points.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (i.e. 1.4.2015)		Date	Reason	Increase/Decrease in shareholding % of total		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares Company	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sri Alluri Indra Kumar Chairman & Managing Director	2766900	6.09	27.04.2015 31.03.2016	Transfer At the end of the year	10000	0.02	2776900 2776900 1000	6.11 6.11 0.00
2	Sri C. Ramachandra Rao Joint Managing Director, Company Secretary and Chief Financial Officer	1000	0.00	No changes 31.03.2016	during the year At the end of the year			1000	0.00
3	Sri N. Ram Prasad Director	103,000	0.23	No changes 31.03.2016	during the year At the end of the year			103,000	0.23
4	Sri A. V. Achar Independent Director	1000	0.00	No changes 31.03.2016	during the year At the end of the year			103,000 1000	0.00 0.00
5	K. Ramamohana Rao Independent Director	0	0.00	No changes 31.03.2016	during the year At the end of the year			1000	0.00
6	Sri B. V. Kumar Independent Director	0	0.00	31.3.2016	At the end of the year			0	0.00
7	Sri M.S.P. Rao Independent Director	0	0.00	31.3.2016	At the end of the year			0	0.00
8	Sri N.V. D.S. Raju Independent Director	0	0.00	25.3.2016 31.3.2016	Transfer Transfer At the end of the year	663 200	0.00 0.00	663 863 863	0.00 0.00 0.00
9	Smt K. Kiranmayee Independent Director	1850	0.00	31.3.2016	At the end of the year			1850	0.00
10	Mr Bunlesak Sorajjakit Director	0	0.00	31.3.2016	At the end of the year			0	0.00
11	Mr Wai Yat Paco Lee Director	0	0.00	31.3.2016	At the end of the year			0	0.00
12	Sri Shamsher Singh Rawat, IAS Nominee Director	0	0.00	31.3.2016	At the end of the year			0	0.00

1. The shareholders of the company have approved the sub-division of One (1) equity share having a face value of Rs.10/- into Five(5) equity shares of Rs.2/- each through Postal Ballot on 26.10.2015. The record date for sub-division was 27.11.2015. The number of shares and per share information for the period prior to 27.11.2015 reflects the effect of sub-division.

2. Percentage figures are rounded off to the nearest two decimal points.

**(vi) INDEBTEDNESS:**

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

(Rs.in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	5369.70	469.90	-	5839.60
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total ( i + ii + iii)</b>	<b>5369.70</b>	<b>469.90</b>	<b>0</b>	<b>5839.60</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	0	0	0	0.00
- Reduction	4657.38	146.45	0	4803.83
<b>Net Increase /(Decrease)</b>	<b>4657.38</b>	<b>146.45</b>	<b>0</b>	<b>4803.83</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	712.32	323.45	0	1035.77
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total ( i + ii + iii)</b>	<b>712.32</b>	<b>323.45</b>	<b>0</b>	<b>1035.77</b>



**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Joint Managing Director.**

(Rs.in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/JMD		Total Amount
		A.Indra Kumar	C.R. Rao	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	202.10	132.48	334.58
		2.26	--	2.26
		--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of Profit - others, specify...	1026.46	769.84	1796.30
		--	--	--
5.	Others, please specify	--	--	--
	Total (A)	1230.82	902.32	2133.11
	Ceiling as per the Act	1283.07	1283.07	2566.14

**B. Remuneration to other directors:**

(Rs.in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		A V Achar	BV Kumar	MSP Rao	KR Rao	NVDS Raju	K.Kiran mayee	
1	Independent directors							
	Fee for Attending Board/ Committee Meetings	2.25	2.25	1.95	2.10	1.35	1.35	11.25
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (1)	2.25	2.25	1.95	2.10	1.35	1.35	11.25
2	Other Non-Executive Directors	N Ram Prasad	Bunlusak. S	Paco Lee	APIDC (Nominee)	--	--	
	Fee for Attending Board/ Committee Meetings	1.20	0.90	0.90	0			3.00
	Commission	0	0	0	0			
	others, specify...	0	0	0	0			
	Total (2)	1.20	0.90	0.90	0	0	0	3.00
	Total (B) = 1 + 2	3.45	3.15	2.85	2.10	1.35	1.35	14.25
Overall Ceiling as per the Act, Sitting Fees payable to a director for attending Board / Committee Meeting shall not exceed Rs 1,00,000/- per meeting								

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD :**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary	NIL			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of Profit - others, specify...				
5.	Others, please specify				
	Total				

**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)
<b>A. COMPANY</b>					
Penalty Punishment Compounding		NIL			
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding		NIL			
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding		NIL			

**Annexure -2****Form AOC - 2**

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto :

1. During the year 2015-16 there are no arrangements or transactions with related parties which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis :

NAME	RELATIONSHIP	NATURE & TENURE OF CONTRACT	SALIENT CONDITIONS
Shri A.Indra Kumar	Key Management Personnel	LEASE of Flat No.G2, Concorde Apartments for 5yrs ending 31 <sup>st</sup> March'16 for Corporate Office.	Rs.1.80 lakh per annum
Shri A.Indra Kumar	Key Management Personnel	LEASE of H.No.3, Baymount, Rushikonda, Visakhapatnam for Registered Office up to on 31 <sup>st</sup> March, 2016.	Rs.1.20 lakh annum
Shri A.Indra Kumar	Key Management Personnel	LEASE of H.No.37, Baymount, Rushikonda, Visakhapatnam for 5 years for Registered Office starting from 11 <sup>th</sup> February,2016 ending on 31 <sup>st</sup> March, 2021.	Rs. 1.80 lakh per annum
Srinivasa Cystine (P) Ltd	Associate Company	LEASE of Flat No.104, Concorde Apartments for 5yrs ending 31 <sup>st</sup> March'16	Rs. 1.80 lakh per annum
Sri.N.V. Bhanu Prasad	Son of Sri.N. Ram Prasad, Director	Manager (Business Development) from 01.04.2015 up to 31.01.2016	On a remuneration of Rs.21.64 lakhs
Sri. A.Venkata Sanjeev	Son of Sri. A. Indra Kumar, Chairman & Managing Director	Appointed as a Management Trainee	On a remuneration of Rs.1.87 lakh per annum

**Annexure -3**

**REPORT ON CSR ACTIVITIES/ INITIATIVES**

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. The Company has its CSR Policy within broad scope laid down in Schedule VI to the Act, as projects/programmes/activities, excluding activities in its normal course of business.
2. The composition of the CSR Committee :

<b>Name</b>	<b>Designation</b>	<b>Chairman/ Members</b>
Sri A. Indra Kumar	Chairman & Managing Director	Chairman
Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer
Sri N. Ram Prasad	Non-Executive Non-Independent Director	Member
Sri A.V. Achar	Independent Director	Member
Sri B.V. Kumar	Independent Director	Member

3. Average Net Profit of the company for last 3 financial years : Rs.11,970.06 lakhs
4. Prescribed CSR expenditure (2% of amount) : Rs.239.40 lakhs
5. Details of CSR activities/projects undertaken during the year:
  - a) Total amount spent in the financial year: Rs.427.97 lakhs
  - b) Amount un-spent : Nil

c) The following are the details of some of the activities undertaken by the Company in 2015-16 :

1	2	3	4	5	6	7	8
Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/Programmes 1.Local area/others- 2.specify the state /district (Name of the Districts, State/s where project/programme was undertaken	Amount outlay (budget) project/ programme wise (Rs.in Lakhs)	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads: (Rs.in Lakhs)	Cumulative spend upto to the reporting period	Amount spent Direct/ through implementing agency*
1	Uniforms to School Children & Scholarships and Note Books	Promoting Education among Children	Scholarships given to economically backward students of ABN PRR College of Science, Kovvur in West Godavari Dist. Andhra Pradesh. Note books and stationary given to students of Amar Jyoti High School, Village Rampur, Dist. Valsad in Gujarat.	2.00	1.40	---	Direct
2.	Improving infrastructure in schools run by Panchayat	Promoting Education among Children	Provided tables and chairs to ZP High schools at Balighattam, Joggampeta, Makavarapalem and Natavaram villages in Visakhapatnam Dist. in Andhra Pradesh.	20.00	21.30	---	Through AVR Trust, Kovvur, West Godavari Dist Andhra Pradesh
3	RO water Plants in Villages	Safe Drinking Water	RO water plants installed in Natavaram, Manyapurtla, K. Yellan varam, Jangalapalem and Lachannapalem villages in Visakhapatnam Dist. in Andhra Pradesh. Water Cooler installed in of Amar Jyoti High School, Village Rampur, Dist. Valsad in Gujarat.	10.00	13.11	---	Direct
4	Planting of trees with tree guards	Environmental Sustainability	Kovvur, West Godavari Dist. Andhra Pradesh	0.50	0.67	---	Direct
5	Village Roads	Rural infrastructure	Vemuluru, West Godavari Dist. Andhra Pradesh	15.00	17.34	---	Direct
6	Education to impart employment skills & infrastructure facilities	Vocational Training	Computers given to lab in ABN PRR College of Science at Kovvur in West Godavari Dist, Andhra Pradesh.	25.00	25.20	---	Through AVR Trust, Kovvur, West Godavari Dist Andhra Pradesh
7	Yoga & Medical Camp	Health	Medical and yoga camps organised at Kovvur in West Godavari Dist, Andhra Pradesh.	10.00	11.28	---	Direct
8	Equipments to Aqua Farmers	Agricultural Extension project	Aerators and water parameter checking equipments given to shrimp farmers in Andhra Pradesh, Gujarat, Odisha, Tamilnadu & West Bengal.	350.00	337.67	---	Direct

6. Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules, 2014, Mr. Alluri Indra Kumar, Chairman & Managing Director & Chairman of CSR Committee and Mr. C. Ramachandra Rao, Joint Managing Director, do confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the Company.

A. Indra Kumar  
DIN : 00190168  
Chairman & Managing Director & Chairman of CSR Committee

**Annexure -4**

**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/ joint ventures**

**Part "A": Subsidiaries**

Name of the subsidiary	Avanti Frozen Foods Private Limited	Svimsan Exports and Imports Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-Not applicable-	-Not applicable-
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-Not applicable -	-Not applicable-
3. Share capital	Rs.601 lakhs	Rs.100 lakhs
4. Reserves & surplus	Rs.8,240.77 lakhs	Rs.(190.83) lakhs
5. Total assets	Rs.14,280.36 lakhs	Rs.0.2 lakhs
6. Total Liabilities	Rs.5,438.59 lakhs	Rs.90.85 lakhs
7. Investments	NIL	NIL
8. Turnover	NIL	NIL
9. Profit before taxation	Rs.569.39 lakhs	Rs.(0.61) lakhs
10. Provision for taxation	Rs.188.63 lakhs	NIL
11. Profit after taxation	Rs.380.76 lakhs	Rs.(0.61) lakhs
12. Proposed Dividend	NIL	NIL
13. % of shareholding	100%	100%

**Part "B": Associates and Joint Ventures**

Name of Associates/Joint Ventures	Srivathsa Power Projects Private Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31.03.2015	31.03.2015
2. Shares of Associate/Joint Ventures held by the Company on the year end		
No.	1,66,93,630	1,06,45,200
Amount of Investment in Associates/Joint Venture	Rs.1670.54 lakhs	Rs.1064.52 lakhs
Extent of Holding %	49.99%	25.88%
Description of how there is significant influence	Two directors nominated	Two directors nominated
3. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable
4. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.2396.55 lakhs	Rs.1002.24 lakhs
7. Profit / Loss for the year		
i. Considered in Consolidation	Rs.(120.47) lakhs	Rs.15.87 lakhs
ii. Not Considered in Consolidation	NIL	NIL

**Annexure -5**

**RATIO OF REMUNERATION TO EACH DIRECTOR:**

(Rule 5(1) of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)  
 Details / Disclosures of Ratio of Remuneration to each Director  
 to the median employee's remuneration:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	A. Indra Kumar : 510 : 1 C. Ramachandra Rao : 374 : 1
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A. Indra Kumar : 29.28% C. Ramachandra Rao : 27.85%
(iii) the percentage increase in the median remuneration of employees in the financial year;	14.01%
(iv) the number of permanent employees on the rolls of Company;	712 employees
(v) the explanation on the relationship between average increase in remuneration and Company performance;	Normal yearly increments to staff.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	1. Turnover increased by 13.35% from Rs.1780.66 crs in 2014-15 to Rs. 2018.29 crs in 2015-16. 2. PBT increased by 29.32% from Rs.179.85 crs in 2014-15 to Rs. 232.58 crs in 2015-16.
(vii) (a) variations in the market capitalisation of the Company,	31.03.16   31.03.15
(b) price earnings ratio as at the closing date of the current financial year and previous financial year	Market Capitalisation   Rs.1809crs   Rs.1397crs PE Ratio   11.38   11.98
(c) 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 of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	Company had came out with IPO in 1994, An amount of Rs.1000/- invested in IPO in 1994 would be worth Rs.1,99,162/- indicating compounded annual growth rate of 27%. This is excluding the dividend accrued there on in all these years.
(viii) (a) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	17.91%
(b) its comparison with the percentile increase in the managerial remuneration	28.67%
(c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Managerial Remuneration increased by 28.67% because : (i) a part of managerial remuneration is based on Profits of the Company (ii) the PBT of the Company increased by 29.32% as compared to previous year.

**RATIO OF REMUNERATION TO EACH DIRECTOR:**

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration:

(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Increase in Remuneration : A. Indra Kumar : 29.28% C. Ramachandra Rao : 27.85% Performance of the Company : 1. Turnover increased by 13.35% from Rs.1780.66 crs in 2014-15 to Rs. 2018.29 crs in 2015-16. 2. PBT increased by 29.32% from Rs.179.85 crs in 2014-15 to Rs. 232.58 crs in 2015-16.
(x) the key parameters for any variable component of remuneration availed by the directors;	A. Indra Kumar : 4% of PBT is paid as variable component in the form of commission. C. Ramachandra Rao : 3% of PBT is paid as variable component in the form of commission.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	NA
(xii) affirmation that the remuneration is as per the remuneration policy of the Company.	YES

**STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:**

(Rule 5(2) of companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Name of the Employee :	Alluri Indra Kumar	C. Ramachandra Rao
(i) designation of the employee;	Chairman & Managing Director	Joint Managing Director, Company Secretary & CFO
(ii) remuneration received;	Rs.1246.17 Lakhs	Rs.912.95 Lakhs
(iii) nature of employment, whether contractual or otherwise;	Regular	Regular
(iv) qualifications and experience of the employee;	Bachelor of Engineering (Chemical)	FCA, ACS & LLB
(v) date of commencement of employment;	01.07.2002	01.8.2006
(vi) the age of such employee;	55	64
(vii) the last employment held by such employee before joining the Company;	Executive Director of Srinivasa Cystine Limited	Finance Manager & Company Secretary of Srinivasa Cystine Limited



## Statement showing details of employees of the Company:

Name of the Employee :	Alluri Indra Kumar	C. Ramachandra Rao
(viii) the percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above; and	NA	NA
(ix) whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager:  The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;  The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;  The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	Relative of Sri N.Ram Prasad, Director.	NIL
	NA	NA
	NA	NA
	NA	NA

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **CAVEAT:**

This section of Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India. Though, utmost care has been taken to ensure that the opinions expressed by the Management herein contain its perceptions on most of the important trends having a material impact on the company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or statements expressed in this report, consequent to new information, future event, or otherwise.

### **INDUSTRY OVERVIEW:**

The export of shrimp which accounts for 40% in volume terms of total sea food exports reported a marginal increase of 3% in exports in quantitative terms as compared to previous year. However, the overall Indian seafood product exports growth during 2015-16 is negative in quantitative terms more particularly for the export of fish, cuttle fish, dried fish and live items.

The total sea food exports were approximately Rs.30,000 crores in 2015-16 as against Rs.33,442 crores in 2014-15.

Like previous years, shrimp exports remained as a major contributor to the total basket of sea food exports accounting for 66% in value terms and 40% in volume terms of the total sea food exports from the country in 2015-16. The total shrimp exports were around 370000 MT in the year 2015-16 as compared to 357505 MT in 2014-15 in volume terms. In value terms the shrimp exports were Rs.19,400 crores as against Rs.22,468 crores in 2014-15. The reduction in exports in value terms is on account of reduced international prices.

The major export market has been USA followed by Europe, Japan and South East Asia during 2015-16 for shrimp exports like in previous year.

For five consecutive years from 2010-11 to 2014-15 the shrimp culture industry registered growth of 20% on an average and doubled the exports from 151465 MT in 2010-11 to 357505 MT in 2014-15. However, in the current year i.e 2015-16 the production and exports remained stagnant at almost same levels as in 2014-15. The main reason for no growth in the shrimp output is lack of adequate rainfall and diseases to culture during the 2<sup>nd</sup> half of the year 2015-16 in major shrimp producing regions.

However, the rains in December'15 in Tamilnadu and Andhra region have replenished the water bodies and water is available in good quantity for the first crop which started from March-April'16 and progressing on expected lines. The farmers of other regions where disease was reported in October-December period have done extensive pond preparation and preventive measures during the 3-4 months period and their first crop of the season is also progressing well.

We expect the shrimp culture to grow around 10% in 2016-17 over previous year 2015-16.

### **STRENGTHS, WEAKNESS, OPPORTUNITIES AND THREATS:**

#### **STRENGTHS:**

The Company has been in the field of aqua culture industry engaged in manufacturing high quality feed for shrimps, operating Vannamei hatchery and processing & export of shrimps. The Company has also well

trained technical team to provide technical support to the farmers and assist farmers with information and knowledge of global standard aquaculture practices and also updating developments in culture methods and processes. Presence of strong dealership network, farmer base and committed work force stands in good stead in sustained growth of company's business. Added to this, the company has strong technical and marketing tie up with THAI UNION Group of Thailand to strengthen company's capabilities in the field of aqua culture. The global shrimp consumption is also expected to increase in future, assuring consistent market.

The Company is operating a Vannamei hatchery on a leasehold hatchery producing Vannamei seed to supply good quality Vannamei seed to the farmers. As informed in the previous year discussion, Company has acquired land in Village Gudivada, near Visakhapatnam, Andhra Pradesh for setting up 400 million shrimp seed hatchery which will be implemented in two phases of 200 million each. The formalities for obtaining necessary statutory approvals are completed and the construction for 1<sup>st</sup> phase of project is planned to commence from September, 2016 and completed by March, 2017. It is planned to start operations of 1<sup>st</sup> phase from April, 2017. The 2<sup>nd</sup> phase of the project work is scheduled for commencement from January, 2017 and complete by July, 2017. The project has been delayed due to certain unforeseen circumstances and also delay in obtaining the statutory approvals.

In the previous year discussion we had stated about our plan to set up shrimp feed manufacturing plant with 1,25,000 MT per annum capacity in Andhra Pradesh. We are glad to share with you that your Company acquired land for the project in September'15 at Village Bandapuram, West Godavari District in Andhra Pradesh. This location is 20 kms away for our existing shrimp feed manufacturing plants at Kovvur. The project work commenced in December'15 after obtaining all the statutory approvals and is expected to be completed in July, 2016 and commence trial production.

**Divestment of Shrimp Processing and Export Division:** In order to secure global recognition for shrimp processing and export business, the Company during the year transferred this division to its own new subsidiary 'Avanti Frozen Foods Private Limited'. Thai Union Group will join this Company with 40% stake to extend support in this business. The subsidiary Company is in the process of implementing a new state of art shrimp processing facility at Yerravaram in East Godavari District of Andhra Pradesh. This facility is expected to commence operations from September, 2016.

#### **WEAKNESS :**

Although shrimp culture has doubled in the past 5 years, the shrimp culture industry is continued to be concerned about inadequate infrastructure facilities, particularly inadequate power supply to aquaculture farmers and inadequate cold store chain available for farmers which are matters of great concern. Though, it is similar to agriculture in many respects, the recognition of aquaculture on par with agriculture is evading government's approval in order to avail some of the benefits available to agriculture sector.

#### **OPPORTUNITIES:**

The sea food consumption is increasing all over the world as compared to other forms of meat. With long coast line, India is ideally suited for development of seafood industry. A planned development would provide abundant opportunities for seafood industry. The successful adoption of Vannamei Species shrimp culture needs to be replicated for other species of exportable fishes like Seabas, Krouper, red tilapia, Halibut and crab for broad basing the export basket.

#### **THREATS:**

The aqua culture activity is dependent on climatic conditions prevailing during season to season, which is unpredictable. Natural calamities like floods, cyclones, during the culture season can have serious impact on the prospects of successful culture. In spite of technical advancement and development of Specific Pathogen

Free (SPF) seed, the possibilities of the shrimps getting affected by virus and diseases cannot be ruled out.

Volatility of international prices of shrimps and fluctuating foreign exchange rates, US anti-dumping duty and US Countervailing Duty continues to be the major areas of threat for the industry.

However, development of potential domestic market to support exports, strict adherence of traceability, scientific pond management, a judicious approach on prices and forex management is expected to reduce the impact of threats to a great extent.

## **OUTLOOK:**

### **Feed Market:**

First crop of Shrimp culture in current year i.e., 2016-17 is progressing well. Reports indicate there is 10% growth because of increase in the area of culture in East and West Godavari Districts in Andhra Pradesh and change over of black tiger cultivating farms to Vannamei culture in Odisha and West Bengal.

The international shrimp prices are also reasonable and remunerative enough for the farmers to go ahead with the culture.

### **Processing & Export of Shrimp:**

During the year your Company divested its Shrimp Processing & Export Division to its subsidiary M/s. Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. Consequently AFL has to transfer the statutory and regulatory licenses within India and in USA to AFFPL so as to carry on the Business in AFFPL's name. The process of obtaining the approvals from all departments is a lengthy process. Once the inland approvals are obtained, AFL has to approach US Department of Commerce for 'Changed Circumstances Review' to permit transfer of name from AFL to AFFPL in their records. This will allow AFFPL to export to US at current Anti Dumping Duty of 2.96% which is presently applicable to AFL. In the absence of this transfer, all exports to USA by AFFPL will attract 10.17% ADD. It is given to understand that US DOC generally takes around 3-5 months time for effecting this change. In order to maintain the continuity of the business during this change over process, your Company is continuing the Shrimp processing & Export business in its own name on behalf of AFFPL.

During the year 2015-16 due to reduced availability of shrimp because of diseases and lack of water issues the exports from the Country are at almost at the same levels as in 2014-15.

However, your Company was able to procure raw material because of better network and goodwill it enjoys with the farmers and recorded increase of 22% in exports in volume terms.

In the current year i.e. 2016-17, presently the international prices are at reasonably good levels and orders are being placed consistently. So we expect 2016-17 will be a good year for material availability and exports.

## **POWER:**

The Company has investment in the following power projects :

- (a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State is operational and has generated 49.97 lac units during the year.
- (b) Srivathsa Power Projects Pvt Ltd, is a 17.2 MW gas based independent power project in which company holds 49.99% shares. The unit was not in operation since July, 2014, as gas supplies were

stopped by Gas Authority of India Limited (GAIL) due to blast in their gas supply pipeline.

The gas supply was resumed from 27.01.2016 and now the plant is operational. During the year 2015-16, the Company reported a turnover of Rs.485.66 lakhs and a loss of Rs.212.96 lakhs after charging interest and depreciation.

- (c) Patikari Power Private Limited, the 16 MW Hydel Power Project in Himachal Pradesh with Company's investment of 25.88% as a joint venture project, was commissioned in February'08. During the year 2015-16, the Company generated 564.80 lakhs saleable energy units, yielding a gross sales income of Rs.1270.73 lakhs and a net profit of Rs.11.24 lakhs after charging interest, depreciation and tax.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are properly authorized recorded and reported correctly. Further, the internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets.

In addition, Company has an internal Risk & Compliance Department headed by a Chartered Accountant having 18 years of experience in the relevant field. The department is responsible to ensure compliance of all the statutory requirements by the company. This department is also responsible for internal audit and periodical risk appraisal, internal as well as external, of all the functional departments in the organization. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. In the year under consideration, your company reported profit of Rs.23,257.63 lakhs before tax adjustments as compared to profit of Rs.17,984.68 lakhs in the previous year.

## Business Responsibility Report

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L16001AP1993PLC095778
2. Name of the Company: Avanti Feeds Limited
3. Registered Office address: H. No. 37, Plot No : 37, Baymount, Rushikonda, Visakhapatnam, Andhra Pradesh-530045.  
Corporate Office Address: G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad-82.
4. Website: www.avantifeeds.com
5. E-mail id : avantih@avantifeeds.com
6. Financial Year reported: 2015-16
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
  - (a) 2309.90.00 Shrimp Feed
  - (b) 0306.23.00 Processed Shrimp
  - (c) 8502.31.00 Power from wind mills
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
  - (a) Shrimp feed
  - (b) Processed Shrimp
  - (c) Power from Wind mills

Company's Shrimp Processing & Export Division was transferred to company's subsidiary M/s. Avanti Frozen Foods Private Ltd.,(AFFPL) under slump sale w.e.f. 01.11.2015. However, the business of Shrimp Processing & Export is being carried on in the Company in trust for AFFPL until all the statutory approvals to do business are transferred from AFL to AFFPL.
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5) : NIL
  - ii. Number of National Locations:  
Four (4) Shrimp Feed manufacturing plants, one Wind Power Generation farm having 3.2 MW capacity and two offices.
10. Markets served by the Company - Local/State/National/International: Company's Shrimp feed is marketed in the states of Andhra Pradesh, Tamilnadu, Gujarat, West Bengal, Orissa, Maharashtra, Karnataka and Goa through its extensive dealer network.  
The processed shrimps are exported to USA, Europe, Middle East and South East Asia.

### Section B: Financial Details of the Company

1. Paid up Capital (INR) : 908.30 lakhs
2. Total Turnover (INR) : 201,828.87 lakhs
3. Total profit after taxes (INR) : 15,526.22 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Company has spent Rs. 427.97 lakhs on CSR in the year 2015-16 and this is 2.76% of profit after tax.

5. List of activities in which expenditure in 4 above has been incurred:-
  - a. Promoting education by providing infrastructure in schools in rural areas
  - b. Installing RO plants in villages for dispensing safe drinking water
  - c. Promoting healthy living by organizing yoga camps and medical camps in villages
  - d. Imparting vocational education to youth
  - e. Promoting safe and sustainable aqua culture by training and distributing equipments to farmers under agriculture extension project.

### Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?  
Yes. Company has two subsidiaries.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
No. One subsidiary company M/s. Svimsan Imports & Exports (P) Ltd., does not have any activity. The other subsidiary M/s. Avanti Frozen Foods Private Ltd., to which the shrimp processing and export business of the company was transferred during the year is yet to commence operations in its own name as it does not have requisite statutory approvals. Presently, Company is carrying on the operations of Shrimp Processing & Export business on behalf of AFFPL. As such none of the subsidiaries are participating BR initiatives of the company.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
A large number of Company's raw material suppliers for shrimp feed are established entities in the organized sector. They don't participate directly in the BR initiatives of the Company, but they support them. Company's shrimp feed distributors / dealers are mostly proprietors or partnership firms catering to the demands from farmers engaged in shrimp culture and are not part of BR initiatives.  
The suppliers of shrimps to Company's Processing & Export Division are farmers and are not part of BR initiatives. The customers of Shrimp Processing & Export Division are overseas customers and are not part of BR initiatives.  
Company is yet to undertake formal study to ascertain the percentage of BR initiatives of the entities with whom Company does business. As and when such a study is undertaken, the Company would assess the percentage of such entities.

### Section D: BR Information

1. Details of Director/Directors responsible for BR
  - a) Details of the Director/Directors responsible for implementation of the BR policy/policies  
DIN Number : 00190168  
Name : Sri. A Indra Kumar  
Designation : Chairman & Managing Director.

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	0026010
2.	Name	C Ramachandra Rao
3.	Designation	Joint Managing Director, Company Secretary & CFO
4.	Telephone number	040-23310260
5.	e-mail id	avantih@avantifeeds.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Details of Compliance:

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify?	Policy conforms to National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.avantifeeds.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N



### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: - Yearly once.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? : No.

## Section E: Principle-wise performance

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company's Code of Conduct for Directors and Senior Managers covers the policy and it includes all individuals working with it, its subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

As specified in Corporate Governance Report, 288 investor complaints received during the FY 2015-16. No complaint was outstanding as on 31<sup>st</sup> March, 2016.

In addition to this there are no complaints received during the year relating to ethics, bribery or corruption from any stakeholders.

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

i) Shrimp Feed: Company manufactures shrimp feed by using natural ingredients like soya Bean Meal, wheat flour, sterilized fish meal, phospholipids, minerals & vitamins. In our production process we do not use any chemicals or antibiotic. Our feed manufacturing process or design does not create environmental concerns.

ii) Shrimp Processing & Export: After harvest of the shrimps by the farmers, the same is purchased by our Processing and Export Division. The shrimps are processed by removing head, tail and shell to make them exportable. The head and shell waste is collected by some agencies and supply that to plants making Chitin. The whole process does not involve use of any chemicals and does not cause any harm to environment.

iii) Power generation from wind mills : Company owns 3.2 MW wind mills in Chitradurga in Karnataka. This is non-conventional and renewable source of energy produced and sold to BESCO.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

No change in the trend of use of resources for sourcing/production or distribution of the shrimp feed or processing and export of shrimps as compared to previous year is noticed .

3. Does the company have procedures in place for sustainable sourcing (including transportation)?  
i. If yes, what percentage of your inputs was sourced sustainably?

The major raw material for production of shrimp feed is Soya DOC, Wheat Flour and sterilized fish meal.

The raw materials like wheat flour and soya DOC is processed from wheat and soya which are agricultural products and available locally and does not pose any challenge to environment or future sustainability.

Fish Meal is prepared by steam drying the fish caught from sea. This being a natural resource, Ministry of Agriculture of Government of India have taken stringent steps to avoid catching of juvenile fish. Also, fishing is banned during breeding season so as to allow replenishment of fish in sea. Our suppliers follow the guidelines issued by Ministry of Agriculture thereby making it sustainable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages and develops local manufacturers and small enterprises for supply of various locally purchasable goods. Regular technical inputs are given by the Company to upgrade and maintain the quality of the products manufactured by such enterprises. The Company also gives priority to local service providers for obtaining various support services in its offices and plants.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof.

The Company has a mechanism of recycling products and waste which is less than 5%.

### Principle 3

1. Please indicate the Total number of employees.: 712 employees.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 92 employees.
3. Please indicate the number of permanent women employees : 109 employees.
4. Please indicate the number of permanent employees with disabilities : 2 employees.
5. Do you have an employee association that is recognized by management. : No.
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- a) Permanent Employees : 38%
  - b) Permanent Women Employees : 80%
  - c) Casual/Temporary/Contractual Employees : 40%
  - d) Employees with Disabilities : 100%

**Principle 4:**

1. Has the company mapped its internal and external stakeholders? Yes  
The Company mapped its internal and external stake holders as follows:
- Employees
  - Customers
  - Dealers
  - Suppliers
  - Shareholders
  - Regulatory Authorities
  - Members of the Society

Stakeholders play an important role in the growth of the Company. Thus Company strives to be transparent in its communications and continual improvement. Company engages with the identified stakeholders on an ongoing basis through constructive consultation process and follows a timely feed back and response to ensure that stake holder remains informed.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.  
The Company is in the process of identifying disadvantaged, vulnerable and marginalised stake holders and proposes to take initiative based on the need of such stake holders.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

While the Company in the process of identifying, specifically disadvantaged, vulnerable and marginalised stakeholders, the Company undertakes various social initiatives in the villages in the vicinity of its factories. These activities vary from time to time and are often implemented in consultation with the local community elders. Broad details of such activities are stated in Corporate Social Responsibility in the Board's Report.

**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The Company's policy on human rights presently covers the Company and its subsidiaries.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
There are no complaints regarding human rights violation from any quarter during the financial year 2015-16.

### Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The Company's policy on environment covers the Company and its subsidiaries.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Company has a well laid down energy policy and is always striving to implement measures to reduce carbon emissions. In the process Company has installed wind mills for power generation at Chitradurga in Karnataka and installed solar lights in its feed plant. Further, to conserve and recharge ground water, all the manufacturing units are equipped with rain water harvesting systems. To increase greenery, company has done extensive plantation in its factories and also planted trees in the nearby vicinity and villages. Company is also encouraging nearby villages to plant trees by providing saplings and tree guards for all such initiatives.

3. Does the company identify and assess potential environmental risks?

As far as the Company's operations are concerned there are no potential environmental risks. However, in future if such risks are identified appropriate action will be taken to mitigate such risk.

4. Does the company have any project related to Clean Development Mechanism?

If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

As per recommendations of Energy Audit, high capacity motors in shrimp feed manufacturing plants are being operated in Star mode instead of Delta mode which reduced the power consumption. All the lights in manufacturing units changed to LED.

More than half of power required for lighting in Gujarat shrimp feed manufacturing plant is met from solar power.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All the factories of the Company comply with the prescribed emission norms of State Pollution Control Boards and during the financial year 2015-16 the emissions and waste generated by the Company are within the permissible limits given by SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show-cause or legal notices from the pollution control authorities are pending as at the end of financial year 2015-16.

### Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Company is member of Federation of Indian Chambers of Commerce and Industry, The Federation of

Telangana and Andhra Pradesh Chambers of Commerce and Industry, the Andhra Pradesh Chambers of Commerce & Industry Federation, Indian Wind Power Association, Compound Livestock Feed Manufacturers Association of India, The Sea Food Exporters Association of India and Federation of Indian Export Organization.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Sustainable Business Principles: lobbied with MPEDA for effective monitoring mechanism for stopping usage of antibiotics in shrimp culture and to check the menace of illegal hatcheries.

Company lobbied along with associations for continuous power supply to farmers at rates applicable to agricultural sector with State and Central Governments.

Further Company is lobbying along with MPEDA and SEAI for removal of anti dumping duty levied by US department of Commerce.

### **Principle 8**

1. Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8?

Company promotes girl child education and women education as it believes education will empower women.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Some of the projects are implemented through its educational trust AVR Trust and some are implemented through in house team by supporting the educational institutes under CSR programme.

3. Have you done any impact assessment of your initiative?

Yes, the projects have been analysed informally for their impact on the target beneficiary.

4. What is your company's direct contribution to community development projects - Broad details of such activities are stated in Corporate Social Responsibility in the Director's Report.

- a. Company has installed RO plants in the villages near by factory for providing safe drinking water.
- b. Company set up a lab of 100 computers for vocational training and campus recruitment training in ABN & PRR College of Science, Kovvur.
- c. Tables and benches provided to class rooms of panchayat schools.
- d. Aquaculture equipments given to farmers for automation and checking water parameters under agricultural extension scheme.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The above stated community activities are taken after discussion with the village elders and residents and are utilized extensively by the communities.

## Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
The Company has a robust system to track customer feed back by an on field technical audit team "Technical After Sales Service". During the year Company received 37 customer complaints, out of which none are pending for resolution as at the year end.
2. Does the company display product information on the product label, over and above what is mandated as per local laws?  
The Company has displayed all the mandatory information on the product labels as per the local laws. Over and above the same the product labels are designed to make customers aware of the feed requirement of the shrimps at different stages of cultivation and storage practices to be adopted for greater efficacy of the feed.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.  
No cases are filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
Every year at the end of shrimp crop season, customer satisfaction survey is conducted in many of the key market areas and steps are being taken to improve the quality of feed and technical services based on the findings of these surveys.

## REPORT ON CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Report on Corporate Governance is given below:

### 1. **Company's Philosophy on Code of Governance:**

The Company believes that good Corporate Governance is an intrinsic part of its fiduciary responsibility as a responsible corporate citizen. Corporate Governance is about commitment to values and ethical business conduct. The Company's philosophy on Corporate Governance envisages achievement of highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, lenders and the Government. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. The Company's Board extends its fiduciary responsibilities in the widest sense of the term and also endeavors to enhance long term shareholder value by serving and protecting the interests of all the stakeholders.

### 2. **Board of Directors:**

The Company's policy is to have optimum combination of Executive and Non-Executive Directors, to ensure independent functioning of the Board. The Board consists of both promoters, external and independent Directors and include a Woman Director.

The functions, responsibility, role and accountability of the Board are well defined. The detailed reports of the Company activities and performances are periodically placed before the Board for effective decision making.

The day-to-day management of the Company is conducted by the Chairman & Managing Director and the Joint Managing Director, subject to the overall supervision and control of the Board of Directors.

2.01. The details of the composition and Category of Directors of the existing Board of Directors is given below:

Sl No	Name of Director/ Director Identification Number (DIN)	Executive Director (ED) Non Executive Director (NED), Non-Executive Women Director (NEWD) Independent Director (ID), Nominee Director (ND)	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 8 <sup>th</sup> August, 2015
1	Sri A. Indra Kumar DIN:00190168	Chairman & Managing Director -Promoter	9	9	Yes
2	Sri C. Ramachandra Rao DIN:00026010	Joint Managing Director, Company Secretary & Chief Financial Officer	9	9	Yes
3	Sri N. Ram Prasad DIN:00145558	NED	9	8	Yes
4	Sri A. V. Achar DIN:00325886	NED/ID	9	7	Yes

Sl No	Name of Director/ Director Identification Number (DIN)	Executive Director (ED) Non Executive Director (NED), Non-Executive Women Director (NEWD) Independent Director (ID), Nominee Director (ND)	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 8 <sup>th</sup> August, 2015
5	Sri K. Ramamohana Rao DIN:02384687	NED/ID	9	7	Yes
6	Sri J.S. V. Prasad, IAS DIN:00022780 (upto 20.11.2015) Nominee of A.P.I.D.C – represented as Equity Investor	ND	5	0	No
7	Sri Shamsheer Singh Rawat, IAS DIN:06927486 (from 10.12.2015) Nominee of APIDC – represented as Equity Investor	ND	4	0	No
8	Sri B V Kumar DIN:00532256	NED/ID	9	8	Yes
9	Sri M S P Rao DIN:00482071	NED/ID	9	7	Yes
10	Mr. Bunluesak Sorajjakit DIN:02822828	NED	9	6	Yes
11	Mr. Wai Yat Paco Lee DIN:02931372	NED	9	6	Yes
12	Sri N.V.D.S. Raju DIN:05183133	NED/ID	9	9	Yes
13	Smt. K. Kiranmayee DIN:07117423	NEWD/ID	9	9	Yes



All Independent directors possess the requisite qualifications and are very experienced in their own fields. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. The terms and conditions of their appointment are available on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com). Necessary disclosures have been obtained from the directors regarding their directorship(s) and have been taken on record by the Board.

2.02. Number of other companies or committees the Director (being a director as on the date of Directors' Report) is a Director / Chairman

Sl. No.	Name of the Director(s)	No. of other Companies in which Director	No. of Committees (excluding Avanti Feeds Limited)	
			Membership	Chairmanship
1	Sri A. Indra Kumar	10	-	-
2	Sri C. Ramachandra Rao	10	-	-
3	Sri N. Ram Prasad	4	-	-
4	Sri A.V.Achar	1	-	-
5	Sri K. Ramamohana Rao	4	-	-
6	Sri JSV Prasad IAS (upto 20.11.2015)	NA*	-	-
7	Sri Shamsher Singh Rawat, IAS (from 10.12.2015)	NA*	-	-
8	Sri B V Kumar	-	-	-
9	Sri M S P Rao	8	-	-
10	Mr. Bunluesak Sorajjakit	5	-	-
11	Mr. Wai Yat Paco Lee	2	-	-
12	Sri N.V. D.S. Raju	1	-	-
13	Smt. K. Kiranmayee	-	-	-

\*Not available.

2.03 The details of Meetings of Board of Directors held during the financial year 2015-16: Nine (9) Meetings of Board of Directors were held during the year 2015-16. The time gap between any two Board Meetings did not exceed by more than one hundred and twenty days.

The dates on which the said Board Meetings were held during 2015-16 are as follows:

Sl.No.	Date of Board Meeting
1	09.05.2015
2	04.07.2015
3	07.08.2015
4	12.09.2015
5	07.11.2015
6	18.12.2015
7	30.01.2016
8	16.02.2016
9	16.03.2016

2.04 Disclosure of relationship between directors inter-se:

Sri N. Ram Prasad, Director is spouse of Sri A. Indra Kumar's sister. None of the other directors are related to any other Director on the Board.

2.05 Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2016.

The details of the equity shares held by the Non-Executive Directors as on 31.3.2016 are as under:

Name of the Non-Executive Director S/Sri	Number of equity shares of Rs.2/- each held (as on 31.03.2016)
N. Ram Prasad	1,03,000
A. V. Achar	1,000
B.V. Kumar	NIL
M.S.P. Rao	863
K. Ramamohana Rao	NIL
N.V.D.S. Raju	NIL
K. Kiranmayee	1,850
Bunluesak Sorajjakit	NIL
Wai Yat Paco Lee	NIL
Shamsher Singh Rawat, IAS Nominee of APIDC	NIL

2.06 The following are the Independent Directors of the Company:

Sl No	Name S/Sri.	Designation
1	B.V. Kumar	Non-Executive Independent Director
2	A.V. Achar	Non-Executive Independent Director
3	M.S.P. Rao	Non-Executive Independent Director
4	K. Ramamohana Rao	Non-Executive Independent Director
5	N.V. D.S. Raju	Non-Executive Independent Director
6	K. Kiranmayee	Non-Executive Women Independent Director

The letter(s) of appointment to the above Independent Directors were issued by the Company after their appointment and the same are disclosed on the website of the Company i.e. [www.avantifeeds.com](http://www.avantifeeds.com)

2.07 Criteria of Independence of Independent Directors:

Sri A.V. Achar, Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju and Smt. K. Kiranmayee Independent Directors have furnished a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.08 Familiarization Programme for Independent Directors:

The Company familiarizes the independent directors of the Company on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model

of the Company etc., through various programmes. The details of the familiarization programme conducted on 12.3.2016 is disseminated on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).

### **3. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:**

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are under:

<b>Name of the Director</b>	<b>Mr. N. Ram Prasad</b>	<b>Mr. Bunluesak Sorajjakit</b>
Director Identification No.	00145558	2822828
Date of Birth	02.03.1956	09.02.1961
Date of appointment	07.04.1993	30.01.2010
Brief resume of the Director including nature of expertise in specific functional areas	He is MS (Chem.) from United States of America with vast industrial and management experience.	He is the Managing Director of Thai Union Feedmill Company, Bangkok. He is a Technocrat and instrumental in bringing in changes in shrimp farming methods and feed marketing methods.
No.of shares held in the Company	1,03,000 Equity Shares of Rs 2/- each.	NIL
Names of entities in which the person also holds the directorship and membership of the Committees of the Board	1. S E Gases Pvt. Ltd. - Managing Director 2. Srinivasa Cystine Pvt. Ltd.- Director. 3. Southern Electrodes Ltd.- Director. 4. Pumps India Pvt. Ltd.- Director.	1. Thai Union Feedmill Co.Ltd. Bangkok,Managing Director 2. TCM Fishery Co. Ltd., Bangkok, Director 3. TMAC Co. Ltd., Bangkok, Director 4. Thai Union Hatchery Co. Ltd, Bangkok. Director 5 TMK Farm Co. Ltd., Bangkok, Director
Inter-se relationship between Directors	He is the spouse of Sri A. Indra Kumar's sister.	NIL

#### 4. **SUBSIDIARY COMPANIES:**

The Company has two unlisted wholly owned subsidiary companies viz., Avanti Frozen Foods Pvt. Ltd. and Svimsan Exports & Imports Pvt. Ltd. Avanti Frozen Foods Pvt. Ltd., is material subsidiary of the Company.

In terms of Reg.24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company appointed Sri K. Ramamohana Rao, Independent Director of the Company, as Director on the Board of Avanti Frozen Foods Private Limited. The minutes of the meetings of the Board of Subsidiaries alongwith a report on the significant transactions during the year 2015-16 are placed before the meetings of the Audit Committee once in a quarter. The Company has formulated a policy for determining the Material subsidiary and the details of the policy is disseminated on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).

#### 5. **AUDIT COMMITTEE:**

##### 5.01 **Brief description and terms of reference:**

In addition to the matters provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of Companies Act, 2013, the Audit Committee reviews reports of the Internal Auditor, meets Statutory Auditors i.e. Kary & Company, Chartered Accountants, Hyderabad as and when required and discuss their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

##### 5.02 **Composition & Attendance at the Meeting:**

The composition of the Audit Committee and details of meetings attended by the Members of the Audit Committee during the financial year ended 2016 are as under:

Name	Category	Designation	Meetings held during the year	Meetings attended during the tenure
Sri A V Achar	Non-Executive Independent Director	Chairman	8	8
Sri K Ramamohana Rao	Non-Executive Independent Director	Member	8	6
Sri M S P Rao	Non-Executive Independent Director	Member	8	6
Sri. B.V. Kumar	Non-Executive Independent Director	Member	8	7
Sri. C. Ramachandra Rao	JMD, CS and CFO	Compliance Officer	8	8

### 5.03 Details of the Audit Committee Meetings held during the financial year 2015-16:

Eight Meetings of the Audit Committee were held during the year 2015-16. The dates on which the said Board Meetings were held during 2015-16 are as follows:

Sl.No.	Date of Meeting
01	01.05.2015
02	04.07.2015
03	01.08.2015
04	12.09.2015
05	31.10.2015
06	23.01.2016
07	30.01.2016
08	16.03.2016

### 5.04 General:

The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note. The Audit Committee considered and reviewed the accounts for the year 2015-16, before it was placed in the Board. The Committee periodically interacts with the independent auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

The Internal Auditor reports directly to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 8<sup>th</sup> August, 2015.

## 6. Nomination & Remuneration Committee:

### 6.01 Brief Description and Terms of Reference of Nomination & Remuneration Committee:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

## 6.02 Composition & Attendance at the Meeting:

The composition of the Nomination and Remuneration Committee and details of the Committee Meetings held on 02.05.2015 are given below:

Name	Category	Designation	Meetings held during the year	Meetings attended during the tenure
Sri B.V. Kumar	Non-Executive Independent Director	Chairman	1	1
Sri. A.V. Achar	Non-Executive Independent Director	Member	1	1
Sri A.Indra Kumar	Chairman & Managing Director	Member	1	1
Sri K. Ramamohana Rao	Non-Executive Independent Director	Member	1	1
Sri. C. Ramachandra Rao	JMD, Company Secretary and CFO	Compliance Officer	1	1

## 6.03 Performance Evaluation Criteria for Directors:

The Performance Evaluation Criteria for Directors formulated by Nomination and Remuneration Committee is as under:

Criteria for determining qualifications, positive attributes of directors:

(i) Qualifications of Non-Independent Director:

A Non-Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

(ii) Positive attributes of Non-Independent Directors:

A Non-Independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively, exercise his responsibilities in a bonafide manner in the interest of the Company, devote sufficient time and attention to his obligations as Director, for informed and balanced decision making and assist the Company in implementing the best Corporate governance practices.

(iii) Independence of Independent Directors:

In addition to (i) and (ii) above, an Independent Director should meet the requirements of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning the independence of directors.

## 7. Evaluation:

### 7.01 Nomination & Remuneration Committee:

Pursuant to the provisions of the Companies Act 2013 and of SEBI (Listing Obligations and Disclosure

Requirements) Regulations 2015, the Nomination and Remuneration Committee evaluated every director on the basis of criteria for evaluation of Directors formulated by it. A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the Company etc., and accordingly the evaluation was made. The Members of the Committee evaluated all the individual directors. Sri J.S.V. Prasad, IAS, and Sri Shamsher Singh Rawat, IAS, Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri J.S.V. Prasad, IAS could not attend the Board Meetings held during his tenure as Director and (ii) Sri Shamsher Singh Rawat, IAS could not attend the Board Meetings held after his appointment on 10.12.2015.

The Nomination and Remuneration Committee decided that since the performance of the directors has been excellent, it is decided to continue with the term of the directors, Managing Director and Joint Managing Director.

### **7.02 Separate Meeting of Independent Directors:**

A separate Meeting of the Independent Directors without the attendance of Non-Independent Directors and members of the management, was held on 07.05.2016. The Independent directors (a) reviewed the performance of the non-independent directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the Company etc., and accordingly, the evaluation was made. The Members of the Committee evaluated the non-Independent directors. Sri J.S.V. Prasad, IAS, and Sri Shamsher Singh Rawat, IAS, Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri J.S.V. Prasad, IAS could not attend the Board Meetings held during his tenure as Director and (ii) Sri Shamsher Singh Rawat, IAS could not attend the Board Meetings held after his appointment on 10.12.2015.

The Independent Directors decided that since the performance of the Non-Independent Directors (including Managing Director and Joint Managing Director) is excellent, the term of their appointment be continued.

The Independent Directors after review of the performance of the Chairman decided that the Chairman has good experience, knowledge and understanding of the Board's functioning and his performance is excellent. The Independent Directors decided that the information flow between the Company's Management and the Board is excellent.

### **7.03 Evaluation by Board:**

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the director being evaluated) as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, effectiveness in developing Corporate governance structure to fulfill its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of individual directors, its own performance and working of the committees is excellent.

Sri J.S.V. Prasad, IAS, and Sri Shamsher Singh Rawat, IAS, Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri J.S.V. Prasad, IAS could not attend the Board Meetings held during his tenure as Director and (ii) Sri Shamsher Singh Rawat, IAS could not attend the Board Meetings held after his appointment on 10.12.2015.

## **8. REMUNERATION OF DIRECTORS:**

### **8.01 Criteria for making payments to Non-Executive Directors:**

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available in the Nomination & Remuneration Policy disseminated on website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com)

### **8.02 Non Executive Directors' Compensation & disclosures:**

The Non-Executive Directors are entitled for (i) a sitting fee of Rs.15,000/- (Rupees fifteen thousand only) and (ii) reimbursement of travel and hotel accommodation and other expenses incurred by them, for attending Board/Committee Meetings.

Pursuant to Reg.34(3) and Sch.V of the SEBI(LODR) Regulations, 2015 the details of the remuneration paid to Chairman & Managing Director, Joint Managing Director, Company Secretary & CFO and Non-Executive Directors (including Independent Directors) are indicated in the Extract of MGT-9 enclosed to the Board's Report.

### **8.03 Nomination & Remuneration Policy & Policy on Board Diversity:**

The Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits and achievements and promote excellence in their performance. The Nomination and Remuneration Policy of the Company is disseminated on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com). The Policy on Board diversity of the Company was reviewed by the Nomination and Remuneration Committee and disseminated on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).



8.04 The remuneration paid/payable to the Managing Director, Joint Managing Director, Company Secretary & CFO of the Company for the year ended 31<sup>st</sup> March, 2016 is as under :- (Rs. in Lakhs)

Name and Designation S/Sri	All elements of remuneration package i.e., salary, benefits, pension, Commission on profits etc.	Fixed Component and performance linked incentives along with the performance criteria	Service Contract Notice Period and Severance Fees	Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable
A. Indra Kumar Chairman & Managing Director	1246.17	—	—	—
C. Ramachandra Rao Joint Managing Director, Company Secretary and CFO	912.95	—	—	—

## 9. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

### 9.01 **Composition :**

S.No.	Name	Designation	Chairman/ Members
1	Sri A. Indra Kumar	Chairman & Managing Director	Chairman
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer
3	Sri N. Ram Prasad	Non-Executive Non-Independent Director	Member
4	Sri A.V. Achar	Independent Director	Member
5	Sri B.V. Kumar	Independent Director	Member

### 9.01 **Terms of Reference:**

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

### 9.03 **CSR Policy:**

The Company's CSR Policy is disseminated at [www.avantifeeds.com](http://www.avantifeeds.com)

During the year 2015-16, two (2) meetings of the Corporate Social Responsibility Committee were held on 09.05.2015 and 16.03.2016.

As per Sec.135(5) of Companies Act 2013, an amount of 2 percent of the average Net Profits of the Company made during the three immediately preceding financial years which works out to Rs.303.08 lakhs, including unspent amount of Rs.63.68 lakhs of previous year is to be spent towards Corporate Social Responsibility Activities. The Company has spent Rs.427.97 lakhs towards the CSR activities in the financial year 2015-16, which is more than mandatory requirement by Rs.124.89 lakhs. The detailed Report on the CSR Activities is annexed to Board's Report.

## 10. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

### 10.01 Composition :

The Stakeholders Relationship Committee was constituted with Sri N. Ram Prasad (Non-Executive Director) as the Chairman and Sri K. Ram Mohan Rao (Non-Executive Independent Director) and Sri A.V. Achar (Non-Executive Independent Director) as members. All the three members of the Committee are non-executive Directors. Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and Chief Financial Officer, is the Compliance Officer.

### 10.02 Terms of Reference:

The Committee considers and resolves the grievances of shareholders, including the complaints related to transfer/transmission of shares, non-receipt of Balance Sheet and non-receipt of declared dividends.

### 10.03 Details of shareholders' requests/complaints received and resolved during the year 31.3.2016 are as under:

a.	No. of requests/complaints Received	:	288
b.	No. of requests/complaints Resolved:	:	288
c.	No. of requests/complaints not solved to the satisfaction of the Shareholders.	:	NIL
d.	No. of pending requests/complaints	:	NIL

## 11. **SUB-DIVISION OF SHARES:**

During the year 2015-16 the Company sub-divided 1 (one) Equity Share of Rs 10/- (Rupees ten only) each into 5 (five) Equity Shares of Rs 2/- (Rupees two only) each with approval of the members with requisite majority by way of Postal Ballot, the results of which were declared on 26.10.2015. The record date for the subdivision of equity shares was 27.11.2015.

## 12. **General Body Meetings:**

### 12.01 The details of location and time of the last three Annual General Meetings held are as follows:

Year	Location	Date	Time
2014-15	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam – 530 020. Andhra Pradesh	08.08.2015	11.00 A.M.
2013-14	K.L.N. Prasad Auditorium, FAPCCI Building FAPCCI Marg, Red Hills, Hyderabad	02.08.2014	11.00 A.M.
2012-13	Surana Udyog Hall, FAPCCI Building FAPCCI Marg, Red Hills, Hyderabad	27.07.2013	11.00 A.M.

### 12.02 Details of the Special Resolutions passed with requisite majority, in the previous three Annual General Meetings.:

SI No	Date of AGM	Details of Special Resolutions passed
1	08.08.2015	(a) Appointment of Sri N.V.D.S. Raju as Independent Director (b) Appointment of Smt. K. Kiranmayee as Independent Director.
2	02.08.2014	(a) Appointment of Sri B.V. Kumar as Independent Director (b) Appointment of Sri A.V. Achar as Independent Director (c) Appointment of Sri M.S.P. Rao as Independent Director (d) Appointment of Sri K. Ramamohana Rao as Independent Director (e) Appointment of Sri A. Indra Kumar, Managing Director as Chairman & Managing Director and approval to increase the Remuneration.
3	27.06.2013	NIL

### 13. Postal Ballot Resolutions :

#### 13.01 Details of Postal Ballot Resolutions passed during the year 2015-16.

During the year 2015-16, the Company has successfully completed the Postal Ballot process to seek the consent of its members for the following Special Business:

Resolution No.	Type of Resolution	Description
1.	Special	Transfer of Shrimp Processing Business of the Company to Avanti Frozen Foods Private Limited, a wholly owned subsidiary of the Company.
2.	Ordinary	Sub division of equity shares of the Company from Rs.10/- (Rupees ten only) each to Rs.2/- (Rupees two only) each.
3.	Ordinary	Alteration of Capital Clause of Memorandum of Association
4.	Special	Alteration of Capital Clause of Articles of Association.

Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad was appointed as Scrutinizer to conduct the said Postal Ballot process in a fair and transparent manner. The said process was completed on 24.10.2015 wherein all the resolutions as proposed in the Postal Ballot Notice were passed by way of requisite majority. The Postal Ballot results were announced on 26.10.2015. The details of the voting are as under:

Resolution No.1:

To accord approval for Transfer of Shrimp Processing Business of the Company to Avanti Frozen Foods Private Limited, a wholly owned subsidiary of the Company.

The details of Postal Ballot voting in respect of the above Resolution (Transfer of Shrimp Processing Business of the Company to Avanti Frozen Foods Private Limited) is as under:

(i) Voted in favour of the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	76	58373	0.89
Ballot	79	6529325	99.11
Total	155	6587698	100.00

(ii) Voted against the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	7	133	0.00
Ballot	0	0	0.00
<b>Total</b>	<b>7</b>	<b>133</b>	<b>0.00</b>

(iii) Invalid/Abstained votes:

Particulars	Number of members voted	Number of votes cast by them	% of total number of votes cast
Remote E-voting	0	0	-
Ballot	6	983	-
<b>Total</b>	<b>6</b>	<b>983</b>	<b>-</b>

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = $[(2)/(1)] * 100$	No. of Votes - in favour (4)	No. of Votes - against (5)	% of votes in favour on votes polled (6) = $[(4)/(2)] * 100$	% of Votes against on votes polled (7) = $[(5)/(2)] * 100$
Promoter and Promoter Group	3991602	3984002	99.81	3984002	0	100.00	-
Public Institutional holders	554292	14344	2.59	14344	0	100.00	-
Public-Others	4537148	2589485	57.07	2589352	133	99.99	0.01
<b>Total:</b>	<b>9083042</b>	<b>6587831</b>	<b>72.53</b>	<b>6587698</b>	<b>133</b>	<b>100.00</b>	<b>0.00</b>

Accordingly, the Resolution was passed with requisite majority.

Resolution No.2:

To accord consent of the Company for Sub-Division of One equity share of the Company from Rs.10/- (Rupees ten only) each to Five equity shares of Rs. 2/- (Rupees Two) each:

The details of the Postal Ballot voting in respect of above Resolution [sub-division of equity shares of Rs.10/- each to Rs.2/- (Rupees two only) each] are as under:

(i) Voted in favour of the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	80	58340	0.89
Ballot	79	6529325	99.11
<b>Total</b>	<b>159</b>	<b>6587665</b>	<b>100.00</b>

(ii) Voted against the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	3	166	0.00
Ballot	0	0	0.00
<b>Total</b>	<b>3</b>	<b>166</b>	<b>0.00</b>

(iii) Invalid/Abstained votes:

Particulars	Number of members voted	Number of votes cast by them	% of total number of votes cast
Remote E-voting	0	0	-
Ballot	6	983	-
<b>Total</b>	<b>6</b>	<b>983</b>	<b>-</b>

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = $[(2)/(1)] * 100$	No. of Votes - in favour (4)	No. of Votes - against (5)	% of votes in favour on votes polled (6) = $[(4)/(2)] * 100$	% of Votes against on votes polled (7) = $[(5)/(2)] * 100$
Promoter and Promoter Group	3991602	3984002	99.81	3984002	0	100.00	-
Public Institutional holders	554292	14344	2.59	14344	0	100.00	-
Public-Others	4537148	2589485	57.07	2589319	166	99.99	0.01
<b>Total:</b>	<b>9083042</b>	<b>6587831</b>	<b>72.53</b>	<b>6587665</b>	<b>166</b>	<b>100.00</b>	<b>0.00</b>

Accordingly, the Resolution was passed with requisite majority.

Resolution No.3:

To accord the consent of the Company for Alteration of Capital Clause of Memorandum of Association:

The details of Postal Ballot voting in respect of the above Resolution (Alteration of Capital Clause of Memorandum of Association consequent on sub-division of equity shares) are as under:

(i) Voted in favour of the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	77	58283	0.88
Ballot	79	6529325	99.11
<b>Total</b>	<b>156</b>	<b>6587608</b>	<b>100.00</b>

(ii) Voted against the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	5	221	0.00
Ballot	0	0	0.00
<b>Total</b>	<b>5</b>	<b>221</b>	<b>0.00</b>

(iii) Invalid/Abstained votes:

Particulars	Number of members voted	Number of votes cast by them	% of total number of votes cast
Remote E-voting	1	2	-
Ballot	6	983	-
<b>Total</b>	<b>7</b>	<b>985</b>	<b>-</b>

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = $[(2)/(1)] * 100$	No. of Votes - in favour (4)	No. of Votes - against (5)	% of votes in favour on votes polled (6) = $[(4)/(2)] * 100$	% of Votes against on votes polled (7) = $[(5)/(2)] * 100$
Promoter and Promoter Group	3991602	3984002	99.81	3984002	0	100.00	-
Public Institutional holders	554292	14344	2.59	14344	0	100.00	-
Public-Others	4537148	2589483	57.07	2589262	221	99.99	0.01
<b>Total:</b>	<b>9083042</b>	<b>6587829</b>	<b>72.53</b>	<b>6587608</b>	<b>221</b>	<b>100.00</b>	<b>0.00</b>

Accordingly, the Resolution was passed with requisite majority.

Resolution No.4:

To accord consent of the Company for Alteration of Capital Clause of Articles of Association:

The details of Postal Ballot voting in respect of the above Resolution (Alteration of Articles of Association consequent on sub-division of equity shares) are as under:

(i) Voted in favour of the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	77	58282	0.88
Ballot	79	6529325	99.11
<b>Total</b>	<b>156</b>	<b>6587607</b>	<b>100.00</b>

(ii) Voted against the resolution:

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	6	222	0.00
Ballot	0	0	0.00
<b>Total</b>	<b>6</b>	<b>222</b>	<b>0.00</b>

(iii) Invalid/Abstained votes:

Particulars	Number of members voted	Number of votes cast by them	% of total number of votes cast
Remote E-voting	1	2	-
Ballot	6	983	-
<b>Total</b>	<b>7</b>	<b>985</b>	<b>-</b>

Promoter/Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) = $[(2)/(1)] * 100$	No. of Votes - in favour (4)	No. of Votes - against (5)	% of votes in favour on votes polled (6) = $[(4)/(2)] * 100$	% of Votes against on votes polled (7) = $[(5)/(2)] * 100$
Promoter and Promoter Group	3991602	3984002	99.81	3984002	0	100.00	-
Public Institutional holders	554292	14344	2.59	14344	0	100.00	-
Public-Others	4537148	2589483	57.07	2589261	222	99.99	0.01
<b>Total:</b>	<b>9083042</b>	<b>6587829</b>	<b>72.53</b>	<b>6587607</b>	<b>222</b>	<b>100.00</b>	<b>0.00</b>

Accordingly, the Resolution was passed with requisite majority.

13.02 Whether any Special Resolution to be conducted through postal ballot – Nil.

13.03 Procedure for Postal Ballot – Not Applicable.

#### 14. **Means of Communication:**

S.No	Description	Remarks
1	Quarterly results	The quarterly and half-yearly unaudited/audited financial results are informed to Bombay Stock Exchange and National Stock Exchange as prescribed under SEBI(LODR) Regulations, 2015.
2	News papers wherein results are normally published	Financial Express (in English) and Andhra Prabha (in Telugu).
3	Any website where displayed	www.avantifeeds.com
4	Whether it also display official news releases	Yes.
5	Presentations made to institutional investors or to analysts.	Yes.

**15. General Shareholders' Information:**

S.No	Item	Details
(i)	Annual General Meeting Date, Time and Venue	Saturday 13 <sup>th</sup> August 2016 at 11.00 A.M. at Vedika Hall, Hotel Daspalla, Visakhapatnam.
(ii)	Financial Year	2016-17
(iii)	Dividend payment date:	Board of Directors recommended a dividend of Rs.7/- per Equity share of Rs.2/- each fully paid for the financial year 2015-16. On approval of the shareholders, the dividend warrants will be dispatched on or before 30.08.2016
(iv)	Dates of book closure	08.08.2016 to 13.08.2016 (Both days inclusive).
(v)	Name and address of Stock Exchange(s) at which the equity shares are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges.	<p>The Company's Shares are listed on Bombay Stock Exchange and National Stock Exchanges. The Address of these Exchanges is as under:</p> <ol style="list-style-type: none"> <li>1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.</li> <li>2. National Stock Exchange of India Limited Exchange Plaza , Bandra Kurla Complex Bandra (East), Mumbai-400 051</li> </ol> <p>The Company has duly paid the Listing fees for the year 2016-17 to the Stock Exchanges where the shares of the Company are Listed.</p>
(vi)	Stock Code:	<p>BSE : 512573 NSE : AVANTIFEED NSDL/CSDL ISIN No. : INE871C01020</p>
(vii)	Whether the securities are suspended from trading during the year 2015-16	The equity shares of the Company were not suspended at any point of time during the year 2015-16 and 2016-17 (till the date of the Report).
(viii)	Financial Calendar for the year 2016-17 (tentative)	<p>First Quarter Results - By 15<sup>th</sup> August, 2016. Second Quarter / Half Year Results - By 15<sup>th</sup> November, 2016 Third Quarter / Nine Months Results - By 15<sup>th</sup> February, 2017 Fourth Quarter / Year end Results - By 30<sup>th</sup> May, 2017</p>



**16. Market Price Data: \***

Month	Open	High	Low	Close
Apr-15	1590	1875	1472	1738
May-15	1746	1840	1570	1591
Jun-15	1591	1680	1475	1537
Jul-15	1523	2419	1516	2399
Aug-15	2425	3245	2151	2607
Sep-15	2560	3300	2472	3238
Oct-15	3260	3450	2715	2742
Nov-15	2715	2875	473	485
Dec-15	486	520	437	440
Jan-16	438	476	333	394
Feb-16	405	443	350	360
Mar-16	369	433	367	398

Source: BSE

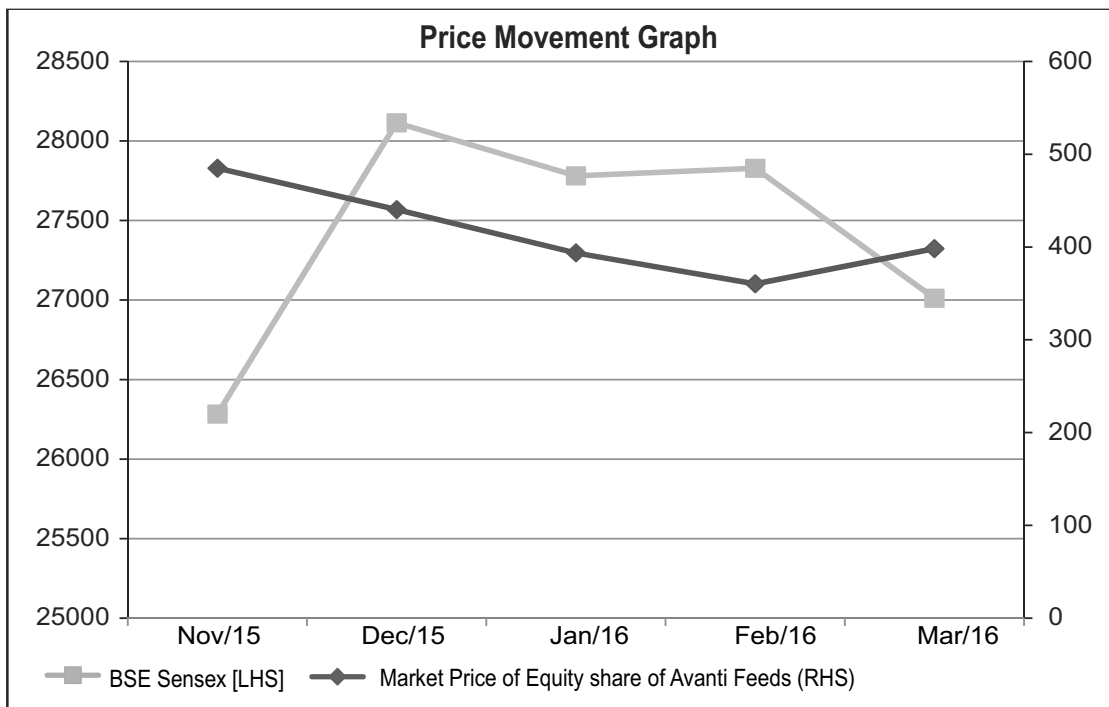
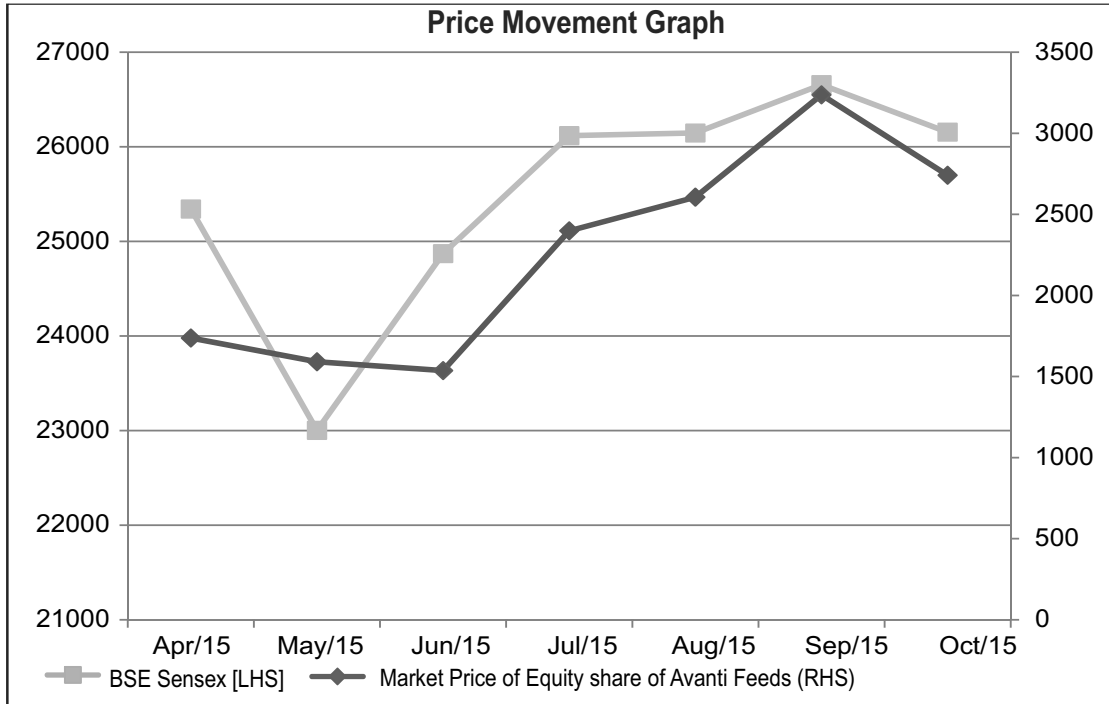
Performance comparison to BSE Sensex.\*

Sl. No	Name of the month and year	BSE Sensex	Avanti Feeds Market Price-Closing(Rs)
1	Apr-15	25342	1738
2	May-15	23002	1591
3	Jun-15	24871	1537
4	Jul-15	26118	2399
5	Aug-15	26146	2607
6	Sep-15	26657	3238
7	Oct-15	26155	2742
8	Nov-15	26283	485
9	Dec-15	28115	440
10	Jan-16	27781	394
11	Feb-16	27828	360
12	Mar-16	27011	398

\* One Equity Share of Rs 10/- each is sub-divided into 5 Equity Shares of Rs 2/- each with the approval of the members w.e.f., 27.11.2015.

**Price Movement Graph \***

April 2015 to October, 2015 (Equity share of Rs.10/- each)  
November 2015 to March 2016 (Equity share of Rs. 2/- each)



\* One Equity Share of Rs 10/- each is sub-divided into 5 Equity Shares of Rs 2/- each with the approval of the members w.e.f., 27.11.2015.

**17. Registrars and Transfer Agents:**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot No.31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad.500 032.  
Phone: 040-67162222 Fax No.040-23001153  
Email Id: einward.ris@karvy.com  
Website: www.karvycomputershare.com

**18. Share Transfer System:**

All transfers received are electronically processed and approved by the Share Transfer Committee which normally meets once in a fortnight or more depending upon the volume of transfers. The summary of transfers, transmissions etc., are placed before every Board Meeting and Stakeholders Relationship Committee Meeting. The Company obtains from Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad half-yearly Certificate of Compliance with share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said Certificate with Bombay Stock Exchange and National Stock Exchange.

**19. SCORES:**

SEBI vide Circular No.CIR/OIAE/2/2011 dt.3.6.2011 informed the Company that they had commenced processing of investor complaints in a web based complaints, redressal system, "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the Companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints under SCORES are processed directly by Registrars and Transfer Agents of the Company i.e. Karvy Computershare Private Limited, Gachibowli, Hyderabad. For any clarification/complaint the shareholders may contact :

Name : Sri Rajeev Kumar  
Designation : Manager, Karvy Computershare Private Limited  
Email id : scores@karvy.com  
Tele. No. : 040-44655000  
Fax No. : 040-23420814

**20. DISTRIBUTION SCHEDULE AS ON 31.03.2016:**

The details of distribution Schedule as on 31.03.2016 is as under :

S.No	Category	Cases	% of Cases	Amount (Rs.)	% Amount
1	1 - 5000	13887	95.70	7900186	8.70
2	5001 - 10000	299	2.06	2238436	2.46
3	10001 - 20000	162	1.12	2341366	2.58
4	20001 - 30000	56	0.39	1398364	1.54
5	30001 - 40000	27	0.19	934060	1.03
6	40001 - 50000	15	0.10	697360	0.77
7	50001 - 100000	31	0.21	2228364	2.45
8	100001 & ABOVE	33	0.23	73092284	80.47
Total:		14510	100.00	90830420	100.00

**21. DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The details of dematerialization of shares as on 31.3.2016 is as under:

S.No	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	1168	1206075	2.66
2	NSDL	8941	41255846	90.84
3	CDSL	4401	2953289	6.50
Total:		14510	45415210	100.00

The Company has entered into a tripartite agreements with NSDL and CDSL to establish electronic connectivity through Company's Electronic Registrar i.e. Karvy Computershare Private Limited, Hyderabad and facilitate scrip less trading. Trading in the equity shares of the Company is compulsory in dematerialized form for all investors. Investors are therefore advised to open a demat account with the Depository participant of their choice if not already done, to trade in demat form. The lists of depository participants is available with NSDL and CDSL. The ISIN allotted Company's scrip is INE871C01020.

**22. Outstanding GDRs or ADRs or warrants or convertible instruments:**

There were no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments during the year 2015-16.

**23. Reconciliation of Share Capital and Dematerialisation of Shares:**

A quarterly audit was conducted by Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by Investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31.3.2016, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 4,42,09,135 equity shares of Rs.2/- (Rupees two only) representing 97.34% (Previous year 87,96,402 equity shares of Rs.10/- each representing 96.84%) of the paid up equity capital of the Company have been dematerialized as on 31<sup>st</sup> March, 2016. Pursuant to Reg.40(9) of SEBI (LODR) Regulations, 2015, certificates have been issued on a half yearly basis by Sri V. Bhaskara Rao, Practising Company Secretary certifying due compliance of share transfer formalities by the Company.

**24. Commodity Price Risk or Foreign Exchange Risk and hedging activities:**

The major raw materials for shrimp feed manufacturing are fish meal, soya DOC and wheat flour (maida). Company has a policy of planning for raw material requirement for next 3 months based on estimated sales. Accordingly raw materials like fish meal and soya DOC are procured after considering the availability of these raw materials as both the raw materials are seasonal products. Wheat Flour having very low shelf life is purchased regularly. However, as a policy Company does not keep more than 90 days of stock of any indigenously available raw materials. This ensures availability of raw material for the culture season and ensures price stability during negative raw material price movements.

Company is exposed to foreign exchange fluctuation risk on the export receivables of Shrimp processing and Export Division and import payables for raw materials imported for manufacturing of shrimp feed. As per Company policy, export exposure are hedged as soon as the order is confirmed by the buyer. For import, Company hedges the exposure considering the trends and advise of bankers.

**25. Plant locations:**

The Shrimp Feed production plants at Kovvur and Vemuluru in West Godavari District of Andhra Pradesh and Plant at Valsad, Balda Village, Pardi Tq., Gujarat are ISO 9001:2008 (for Quality Management Systems) and certified for implementing Best Aqua Culture Practices by Global Aquaculture Alliance, USA.

Shrimp Feed Plant – I  
D. No.15-11-24, Kovvur – 534 350.  
West Godavari District. Andhra Pradesh

Shrimp Feed Plant – II  
Vemuluru, Kovvur – 534 350.  
West Godavari District, Andhra Pradesh.

Shrimp Feed Plant – III  
D. No.15-11-24, Kovvur – 534 350.  
West Godavari District. Andhra Pradesh

Wheat Flour Plant  
D. No.15-11-24, Kovvur – 534 350.  
West Godavari District. Andhra Pradesh

Shrimp Feed Plant  
Block No.498/1 & 501, Pardi-Nashik Road, Balda Village  
Pardi Taluk, Valsad Dist. Gujarat – 396 125. India.

Wind Mill:  
Lakkihalli Village, Hiriyur Taluk  
Chitradurga District. Karnataka State. India.

**26. Registered Office and Corporate Office:**

**26.01 Change of Registered Office within the City of Visakhapatnam:**

As per the decision of the Board of Directors of the Company on 16.03.2016 the Registered Office of the Company was changed within the City of Visakhapatnam from H.No.3, Plot No.3, Baymount, Rushikonda, Visakhapatnam-530 045, Andhra Pradesh to H.No.37, Plot No.37, Baymount, Rushikonda, Visakhapatnam-530 045, Andhra Pradesh, with effect from 1.4.2016.

Registered Office:  
Avanti Feeds Limited  
Plot No.37, H. No.37, Baymount  
Rushikonda, Visakhapatnam – 530 045.  
Andhra Pradesh. India.

**26.02 Corporate Office & address for correspondence:**

Avanti Feeds Limited  
G-2, Concorde Apartments  
6-3-658, Somajiguda, Hyderabad – 500 082.  
Telangana State. India.

**27. OTHER DISCLOSURES:**

S.No.	Details	Remarks
1	Disclosure on materially significant Related Party Transactions.	<p>(a) Loan given to Subsidiary i.e. Avanti Frozen Foods Private Ltd – Rs.4377.47 lakhs.</p> <p>(b) Investment made in equity of Avanti Frozen Foods Pvt Ltd, Subsidiary- Rs.8461.00 lakhs.</p> <p>(c) Interest received on loan to Avanti frozen Foods Pvt Ltd, Subsidiary – Rs.156.96 lakhs.</p>
2	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed by Stock Exchange(s) or the Board or any Statutory Authority on any matter related to Capital markets during last 3 years	NIL.
3	Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation.	The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Company affirms that no personnel has been denied access to the Audit Committee. The details of the whistle blower policy is disseminated on the website of the Company at <a href="http://www.avantifeeds.com">www.avantifeeds.com</a> .
4	Interse relationships between Directors and Key Managerial personnel of the Company.	Mr. N. Ram Prasad, Director is the spouse of Sri A. Indra Kumar's Sister.
5	Compliance of SEBI (LODR) Regulations, 2015.	<p>(a) Mandatory Requirements :</p> <p>It is confirmed that the Company has complied with the requirements under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.</p> <p>(b) Non-Mandatory Requirements:</p> <p>The Company has adopted the following non-mandatory (i.e. Discretionary) Requirements of Part-E of Scheduel-II of SEBI (LODR) Regulations, 2015:</p> <ol style="list-style-type: none"> <li>1. Audit Qualifications: The Company is in the regime of unqualified financial statements.</li> <li>2. Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.</li> </ol>

S.No.	Details	Remarks
6	Web-link where details of familiarization programme imparted to Independent Directors is disclosed.	<a href="http://www.avantifeeds.com/Policies/Familiarization%20Program%20for%20Independent%20Directors.pdf">http://www.avantifeeds.com/Policies/Familiarization%20Program%20for%20Independent%20Directors.pdf</a>
7	Web- link where policy determining the material subsidiaries is disclosed	<a href="http://www.avantifeeds.com/Policies/Policy%20on%20Material%20subsidiaries.pdf">http://www.avantifeeds.com/Policies/Policy%20on%20Material%20subsidiaries.pdf</a>
8	Web-link was policy on dealing with Related Party Transactions is disclosed.	<a href="http://www.avantifeeds.com/Policies/Policy%20on%20Related%20Party%20Transactions.pdf">http://www.avantifeeds.com/Policies/Policy%20on%20Related%20Party%20Transactions.pdf</a>
9	Disclosure of commodity price risks and commodity hedging activities	Nil

**28. Disclosure in respect of demat suspense account/unclaimed suspense account As on 31.03.2016.**

- |  |   |     |
|--|---|-----|
| a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year. | — | NIL |
| b) Number of shareholders who approached the Company for transfer of shares from suspense account during The year.         | — | NIL |
| c) Number of shareholders to whom shares were transferred from suspense account during the year.                           | — | NIL |
| d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the Year.       | — | NIL |
| e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares     | — | NIL |

**29. Transfer of Unpaid/unclaimed dividend to IEPF :**

Pursuant to the provisions of section 205A and 205C of the Companies Act, as amended, read with Investor education and Protection fund (awareness and Protection of Investors) Rules, 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders / Investors who have not en-cashed their dividend warrant(s) within 7 years from the date of the dividend warrant, are requested to make their claim to the Registrars & Transfer Agents i.e. Karvy Computershare Private Limited, Hyderabad or to the Company.

**30. Risk Management :**

In terms of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has developed and implemented a Risk Management Policy and the same is disseminated at the website of the Company [www.avantifeeds.com](http://www.avantifeeds.com).

**31. Policy for prohibition of Insider Trading:**

The Company has adopted a policy for Prevention of Insider Trading in the Shares pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

**32. Disclosure of Accounting Treatment :**

The Company in the preparation of financial statements has followed the treatment laid down in the Accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications in the Company's financial statements for the year under review.

**33. Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report is included elsewhere in this Annual Report.

**34. Business Responsibility Report:**

The Business Responsibility Report in terms of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is included elsewhere in this Annual Report.

**35. Scheduling and Selection of Agenda items for Board Meetings:**

35.01 Minimum four Board Meetings are held in each year, which are pre-scheduled after the end of each financial quarter. Apart from the pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

35.02 The minimum information placed before the Board is as per the schedule II (Part- A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and inter alia include.

- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the meetings of Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior personnel just below the Board Level, including appointment of Chief Financial Officer and the Company Secretary.
- Non compliance of any regulatory, statutory nature or listing requirements and shareholders services such as delay in share transfer etc.
- Show cause, demand prosecution notices and penalty notices which are materially important.
- General notice of interest of Directors.
- Terms of reference of Board Committees.
- Any material default in financial obligations to and by the Company etc.

**36. Orderly Succession for appointments to the Board and to Senior Management:**

The Company has laid down an orderly succession Plan for appointments to the Board and to Senior Management.

**37. Compliance Certificate from the Independent Auditors:**

The Compliance certificate from Karvy & Company, Chartered Accountants, Hyderabad, Independent Auditors of the Company on Compliance of conditions of Corporate Governance is annexed.

**38 DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management personnel of the Company which has been disseminated on the web site of the Company at [www.avantifeeds.com](http://www.avantifeeds.com). It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31<sup>st</sup> March, 2016, as envisaged in Reg.26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Place: Hyderabad  
Date :21.05.2016

A. INDRA KUMAR  
Chairman & Managing Director



**COMPLIANCE CERTIFICATE:**

**MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION**

We, A. Indra Kumar, Chairman & Managing Director and C. Ramachandra Rao, Joint Managing Director, Company Secretary and Chief Financial Officer of Avanti Feeds Limited certify that :

- a. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. Significant changes in internal controls over financial reporting during the year.
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - iii. That there have been no instances of significant fraud of which we have become aware, involving the management or an employee having a significant role in the Company's internal control system over financial reporting.

**A. Indra Kumar**  
Chairman & Managing Director

**C. Ramachandra Rao**  
Joint Managing Director,  
Company Secretary & CFO.

Place: Hyderabad

Date : 21.05.2016

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Avanti Feeds Limited

We have examined the compliance of conditions of Corporate Governance by Avanti Feeds Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2016 as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation on 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 the Corporate Governance as stipulated in the above mentioned Regulations.

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

For KARVY & CO.  
Chartered Accountants  
ICAI Firm Registration No: 01757S

(K. Ajay Kumar)  
Partner  
Membership No. 021989

Place: Hyderabad  
Date : 21.05.2016

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members of  
Avanti Feeds Limited  
CIN: L16001AP1993PLC095778  
H.No.37, Plot No.37, Baymount  
Rushikonda, Vishakapatnam,  
Andhra Pradesh-530045.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avanti Feeds Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Avanti Feeds Limited ("the Company") for the financial year ended on 31.03.2016, 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- viz
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not Applicable
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not Applicable
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not Applicable
  - g. 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;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not Applicable and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not Applicable
- (vi) Other applicable Acts :
- (a) Factories Act, 1948
  - (b) Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) Employee State Insurance Act, 1948
  - (f) Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - (g) The Payment of Bonus Act, 1965
  - (h) The Payment of Gratuity Act, 1972
  - (i) The Contract Labour (Regulation & Abolition) Act, 1970
  - (j) The Maternity Benefit Act, 1961
  - (k) The Child Labour (Prohibition & Regulation) Act, 1986
  - (l) The Industrial Employment (Standing Orders) Act, 1946
  - (m) The Employee Compensation Act, 1923
  - (n) The Apprentices Act, 1961
  - (o) Equal Remuneration Act, 1976
  - (p) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
  - (q) Trade Marks Act, 1999
  - (r) Customs Act, 1962
  - (s) Shops and Establishment Act, 1988
  - (t) The Water (Prevention and control of pollution) Act 1974

- (u) The Air (Prevention and control of pollution) Act 1981
- (v) The Environment Protection Act, 1986 and rules made there under
- (w) Explosive Act, 1884
- (x) Indian Boilers Act, 1923
- (y) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- (z) Hazardous Waste (Management and Handling and trans boundary Movement) Rules, 2008
  - (aa) Food Safety and Standards Act, 2006
  - (bb) Biological Diversity Act, 2002

We have relied on the representations made by the company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, Laws and regulations applicable to the company as mentioned above.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Applicable from 1<sup>st</sup> July, 2015).
- (ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period the company has taken following major actions bearing on the company affairs in pursuance of above referred acts, rules and regulations etc

- a). The Company has subdivided one equity shares face value of Rs.10/- each to five equity shares of Rs.2/- each and obtained necessary approval from members by way of postal ballot process.

- b). The company has acquired 100% shares of M/s. Avanti Frozen Foods Private Limited as a wholly owned subsidiary and the company has sold the Shrimp Processing Business to its wholly owned subsidiary on a going concern basis (slump sale) and obtained necessary approval from members by way of postal ballot process.

V. Bhaskara Rao and Co  
Company Secretaries

V. Bhaskara Rao  
Proprietor  
FCS No.5939, CP No.4182

Place : Hyderabad  
Date : 21.05.2016

## INDEPENDENT AUDITORS` REPORT

### To the Members of Avanti Feeds Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Avanti Feeds Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of 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 and presentation 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 statements 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 statements, 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. 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 31<sup>st</sup> March, 2016 and its PROFIT and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it 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 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- g) 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 34 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KARVY & CO.  
Chartered Accountants  
ICAI Firm Registration No: 017575

**(K. Ajay Kumar)**  
Partner  
Membership No. 021989

Place: Hyderabad  
Date : 21.05.2016



**Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements section of our report of even date**

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Avanti Feeds Limited ('the Company')**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
  - (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. The Company has granted unsecured loans to its wholly owned subsidiaries covered in the register maintained under section 189 of the Act.
  - (a) The outstanding loan to one of its subsidiary (Svimsan Exports and Imports Private Limited), aggregating to Rs. 90.56 Lacs which was considered doubtful of recovery had been provided for in the books of accounts.
  - (b) In respect of the loan to other subsidiary (Avanti Frozen Foods Private Limited), the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular.
  - (c) In respect of the aforesaid loans, there is no amount overdue for more than 90 days other than the loan of Rs. 90.56 Lacs, considered doubtful of recovery and provided for as referred to in para (iii) (a) above. In our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest in respect of other loans.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of production and processing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory dues:

- (a) According to the information and explanations given to us on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, customs duty, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of income-tax, sales-tax, service tax, customs duty, value added tax, electricity duty have not been deposited by the Company on account of disputes:

Nature of the Statute	Nature of the Dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty	2,999.18	1999-2002	Commissioner of Central Excise and Customs, Hyderabad, Telangana.
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
Income tax Act, 1961	Income-tax	5.13	2011-12	Commissioner (Appeals)
Electricity Act, 2003	Electricity duty	8.61	2011-12 to 2014-15	High Court of Andhra Pradesh
Customs Act, 1962	Customs duty	60.82	2009-12	CESTAT, Chennai
Income tax Act, 1961	Income-tax	57.33	2012-13	Commissioner (Appeals)

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, the company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the course of our audit.

- vi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For KARVY & CO.**

Chartered Accountants

ICAI Firm Registration No: 01757S

**(K. Ajay Kumar)**

Partner

Membership No. 021989

Place: Hyderabad

Date : 21.05.2016

## **Annexure - B to the Our Report of even date on the Standalone Financial Statements of Avanti Feeds Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Avanti Feeds Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For KARVY & CO.**

Chartered Accountants  
ICAI Firm Registration No: 01757S

### **(K. Ajay Kumar)**

Partner  
Membership No. 021989

Place: Hyderabad

Date : 21.05.2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(Rs. in Lakhs)

	<b>Note No.</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	3	908.30	908.30
b) Reserves and surplus	4	36,796.49	25,096.50
<b>2 Non-current liabilities</b>			
a) Long term borrowings	5	194.95	418.14
b) Deferred tax liability (net)	6	463.57	599.13
c) Other long term liabilities	7	374.50	374.50
d) Long term provisions	8	20.79	52.48
<b>3 Current liabilities</b>			
a) Short term borrowings	9	651.56	5,058.59
b) Trade payables	10	13,440.28	9,117.71
c) Other current liabilities	10	2,951.76	2,427.14
d) Short term provisions	8	4,805.49	3,180.30
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,607.69</b>	<b>47,232.79</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed assets :	11		
Tangible assets		7,910.45	8,948.04
Intangible assets		4.72	8.56
Capital work in progress		3,485.60	-
b) Non-current investments	12	11,209.54	2,848.54
c) Long - term loans and advances	13	982.02	259.90
d) Other non-current assets	14	76.51	97.34
<b>2 Current Assets</b>			
a) Current investments	15	-	7,645.92
b) Inventories	16	22,438.73	22,201.62
c) Trade receivables	17	1,533.26	3,356.04
d) Cash and bank balances	18	7,283.67	616.14
e) Short - term loans and advances	13	5,023.69	557.50
f) Other current assets	14	659.50	693.19
<b>TOTAL ASSETS</b>		<b>60,607.69</b>	<b>47,232.79</b>
<b>C Summary of Significant accounting policies</b>	2.1		

As per our Report of even date  
**for KARVY & CO**  
Chartered Accountants  
Firm Registration No. 017575

For and on behalf of the Board

**A. Indra Kumar**  
Chairman & Managing Director

**K. Ajay Kumar**  
Partner  
Membership No. 021989  
Place : Hyderabad  
Date : 21.05.2016

**C. Ramachandra Rao**  
Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. in Lakhs)

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>INCOME:</b>			
Revenue from operations	19	201,828.87	178,065.68
Other income	20	1,802.55	797.76
<b>Total revenue</b>		<b>203,631.42</b>	<b>178,863.44</b>
<b>EXPENDITURE :</b>			
Cost of materials consumed	21	154,296.61	138,306.19
(Increase)/ decrease in the inventories of finished goods and work in progress	22	(1,406.09)	(1,500.14)
Employee benefits expense	23	5,777.97	4,763.74
Depreciation and amortisation expense	24	935.47	879.67
Finance costs	25	133.94	137.19
Manufacturing expenses	26	6,026.56	6,329.64
Selling and distribution expenses	27	11,944.97	10,608.30
Other expenses	28	2,213.68	1,458.57
<b>Total expenses</b>		<b>179,923.11</b>	<b>160,983.16</b>
Profit before exceptional item		23,708.31	17,880.28
Exceptional item (net)	29	(450.68)	104.40
<b>Profit before tax</b>		<b>23,257.63</b>	<b>17,984.68</b>
<b>Profit from continuing operations</b>		<b>20,257.30</b>	<b>15,459.81</b>
Tax expenses			
Current tax		6,868.20	5,027.54
Earlier year taxes		(0.94)	-
Deferred tax		(135.57)	462.80
Total tax expense		6,731.69	5,490.34
<b>Profit /(Loss) from continuing operations after tax (A) :</b>		<b>13,525.61</b>	<b>9,969.46</b>
<b>Profit from discontinuing operations</b>		<b>3,000.33</b>	<b>2,524.87</b>
Less : Tax expense		999.71	836.48
<b>Profit/(Loss)from discontinuing operations after tax(B):</b>		<b>2,000.62</b>	<b>1,688.40</b>
<b>Profit for the year (A+B) :</b>		<b>15,526.23</b>	<b>11,657.86</b>
Earnings per equity share (face value Rs. 2/-) (refer note No. 30)			
<b>Basic &amp; Diluted</b>		34.19	25.67
Computed on the basis of profit/(loss) of the year	30		
<b>Summary of Significant accounting policies</b>	2.1		

As per our Report of even date  
**for KARVY & CO**  
Chartered Accountants  
Firm Registration No. 01757S

For and on behalf of the Board

**A. Indra Kumar**  
Chairman & Managing Director

**K. Ajay Kumar**  
Partner  
Membership No. 021989  
Place : Hyderabad  
Date : 21.05.2016

**C. Ramachandra Rao**  
Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	23,257.63	17,984.67
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation / amortization	935.47	879.67
Loss/ (Profit) on sale of fixed assets	(45.46)	1.16
Unrealised foreign exchange gain	(564.80)	(305.50)
Interest expenses	133.94	175.00
Interest income	(216.72)	(41.06)
Profit on sales of current month investments	(243.13)	(92.71)
Provision for bad debts written back	(62.25)	-
Provision for doubtful advances	90.57	-
Provision for deminution in the value of assets	100.00	-
Dividend received on investments	(495.96)	(230.16)
<b>Operating profit before working capital changes</b>	<b>22,889.29</b>	<b>18,371.07</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	4,322.57	(2,995.07)
Increase / (decrease) in long-term provisions	(31.69)	11.34
Increase / (decrease) in short-term provisions	59.02	82.45
Increase/ (decrease) in other current liabilities	756.52	517.61
Increase/ (decrease) in other long-term liabilities	-	100.00
Decrease / (increase) in trade receivables	1,885.99	1,145.89
Decrease / (increase) in inventories	(237.11)	(2,286.94)
Decrease / (increase) in long-term loans and advances	(722.12)	(133.35)
Decrease / (increase) in short-term loans and advances	(4,556.76)	(4.26)
Decrease / (increase) in other current assets	182.11	200.57
Decrease / (increase) in other non-current assets	20.83	(11.24)
<b>Cash generated from operations</b>	<b>24,568.65</b>	<b>14,998.07</b>
Direct taxes paid (net of refunds)	(7,121.65)	(6,025.57)
<b>Net cash flow from operating activities</b>	<b>17,447.00</b>	<b>8,972.50</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment (net)	7,889.05	(6,913.65)
Non current investment	(8,461.00)	-
Dividend received on investments	495.96	92.71
Interest received	68.29	41.06
Purchase of fixed assets	(4,938.46)	(1,637.75)
Bank balances not considered as cash and cash equivalents	(109.32)	54.43
Sale of fixed assets	1,604.29	11.36
<b>Net cash flow used in investing activities</b>	<b>(3,451.19)</b>	<b>(8,351.84)</b>



(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in borrowings	(4,803.83)	228.42
Interest paid	(192.24)	(175.00)
Profit on exchange fluctuations & forward contracts	564.80	305.50
Dividends paid including tax on dividend	(3,006.34)	(1,594.01)
<b>Net cash used in financing activities</b>	<b>(7,437.61)</b>	<b>(1,235.09)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>6,558.20</b>	<b>(614.43)</b>
Cash and cash equivalents at the beginning of the year	428.49	1,042.92
<b>Cash and cash equivalents at the end of the year</b>	<b>6,986.69</b>	<b>428.49</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	11.55	13.32
With banks- on current account	6,975.14	415.17
<b>Total cash and cash equivalents (note 18)</b>	<b>6,986.69</b>	<b>428.49</b>
<b>2.1 Summary of significant accounting policies</b>		

As per our Report of even date

**for KARVY & CO**

Chartered Accountants

Firm Registration No. 01757S

For and on behalf of the Board

**A. Indra Kumar**

Chairman &amp; Managing Director

**K. Ajay Kumar**

Partner

Membership No. 021989

Place : Hyderabad

Date : 21.05.2016

**C. Ramachandra Rao**Jt. Managing Director,  
Company Secretary & CFO**N. Ram Prasad**

Director

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 1. Corporate information

Avanti Feeds Limited, (the Company) is a listed public company under "The Companies Act, 1956", with its registered office in Visakhapatnam. Avanti Feeds Limited had started its commercial operations in 1993 and now stands as the leading manufacturer of Prawn Feed, Shrimp Processor and exporter from India catering to the quality standards of global shrimp customers and in providing best technical support to the farmer.

During the year the Company divested its Shrimp Processing & Export Division to its subsidiary M/S Avanti Frozen Foods Private Limited (AFFPL) under slump sale. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. Being a food products exporting company, Company has to transfer the statutory and regulatory licenses with in India and in USA to AFFPL so as to enable AFFPL to carry on the business in its name. The process of obtaining the approvals from all departments in India is a lengthy process. Once the inland approvals are obtained, Company has to approach US Department of Commerce for 'Changed Circumstances Review' to allow AFFPL to export to US at Anti Dumping Duty of 2.96% which is presently applicable to Company. In the absence of this, all exports to USA by AFFPL will attract 10.17% ADD. In order to maintain the continuity of the business during these statutory approvals period, your Company is continuing the Shrimp processing & Export business in its own name on behalf of AFFPL.

### 2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Company's (accounts) rules, 2014, and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.1 Summary of significant accounting policies

##### a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

**c) Depreciation on tangible fixed assets**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during the period is proportionately charges.

**d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

**e) Amortization of intangible assets**

Software acquired is measured at cost less accumulated amortisation and is amortised using the straight line method over a period of six years.

**f) Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction year is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto and represents the marginal increase in such expenditure as a result of the capital expansion. Other indirect expenditure (including borrowing costs) incurred during the construction year, which is not related to the construction activity nor is incidental thereto, are charged to the statement of profit and loss. Related income earned during construction period is adjusted against the total of the indirect expenditure.

**g) Leases**

**Company as a lessee**

**Operating leases**

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**h) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**i) Impairment of tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use,

the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalue tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalue amount, in which case the reversal is treated as a revaluation increase.

**j) Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

**k) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**l) Inventories**

- i. Raw Materials, Packing Materials and Stores & Spares are stated at weighted average cost.
- ii. Work-in-progress is valued at cost.
- iii. Stock in Transit is valued at lower of cost or net realizable value.
- iv. Finished goods are stated at lower of cost or net realizable value.

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress, stock-in-transit and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**m) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria is also met before revenue is recognized:

**Sale of product**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are the invoiced value of goods supplied after deducting discount and allowances.

**Interest**

Interest income is recognized 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.

**n) Foreign currency translation**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

**o) Retirement benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity is a defined benefit plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**p) Income taxes**

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that

sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**q) Segment reporting**

**Identification of segments**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**r) 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 preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights 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.

**s) Provisions**

A provision is recognized 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.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**t) Contingent liabilities**

A 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. A 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 recognize a contingent liability but discloses its existence in the financial statements.

**u) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**v) Derivatives instruments**

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from transactions in respect of which firm commitments are made or which are highly probable forecast transactions. As per the ICAI Announcement, derivative contracts, other than those covered under Accounting Standard-11, are accounted on the basis of hedging principles to the extent that the same does not conflict with the existing mandatory Accounting Standards, other Authoritative pronouncements and other regulatory requirements.



### 3 Share capital

(Rs.in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised Share Capital</b> 7,92,50,000 equity shares of Rs.2/- each (31st March, 2015:1,58,50,000 equity shares of Rs.10/- each)	1,585.00	1,585.00
<b>Issued, subscribed and fully paid up shares</b> 4,54,15,210 equity shares of Rs.2/- each (31st March, 2015: 90,83,042 equity shares of Rs.10/- each)	908.30	908.30
<b>Total issued, subscribed and fully paid up share capital</b>	<b>908.30</b>	<b>908.30</b>

#### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

(Rs.in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	No.s	Amount	No.s	Amount
Equity shares of Rs. 2/- each fully paid up (previous year Rs. 10/- each)				
At the beginning of the year	90,83,042	908.30	90,83,042	908.30
Issued during the year	-	-	-	-
Conversion on account of share split *	3,63,32,168	-		
Outstanding at the end of the year	4,54,15,210	908.30	90,83,042	908.30

#### 3.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2/- per share (previous year Rs. 10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of dividend recognised as distribution to equity shareholders was Rs. 7/- per share (31st March, 2015 Rs. 27.50).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 3.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No.s	% holding	No.s	% holding
<b>Equity shares of Rs. 2/- each fully paid up</b> (previous year Rs.10/- each)				
1. Srinivasa Cystine Private Limited	1,20,99,705	26.64%	24,17,785	26.62%
2. Thai Union Group PCL, Thailand	1,14,10,210	25.12%	22,82,042	25.12%
3. Alluri Indra Kumar	27,76,900	6.11%	5,53,380	6.09%
4. Alluri Indra Kumar (HUF)	27,29,750	6.01%	5,45,950	6.01%

As per records of the Company, including its register of shareholders/ members and other declaration

received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

The Members of the Company approved the Sub-Division of equity share of face value of Rs. 10/- (Rupees ten only) each into 5 (Five) equity shares of Rs. 2/- (Rupees two only) each fully paid up by way of Postal Ballot. Consequent upon this, the holders of the equity shares of the Company has received 5 (Five) equity shares of face value of Rs. 2/- each for every equity share of Rs. 10/- each, which resulted in increase in number of shares from 90,83,042 equity shares of Rs. 10/- each to 4,54,15,120 equity shares of Rs. 2/- each.

#### 4. Reserves and surplus

(Rs.in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>Capital reserve :</b>		
Balance at the beginning of the year	405.78	405.78
<b>Balance at the end of the year (a)</b>	<b>405.78</b>	<b>405.78</b>
<b>Securities premium account</b>		
Balance at the beginning of the year	438.00	438.00
<b>Balance at the end of the year (b)</b>	<b>438.00</b>	<b>438.00</b>
<b>General reserve :</b>		
Balance at the beginning of the year	6,405.69	5,205.69
Add: amount transferred from surplus balance in the statement of profit and loss	1,600.00	1,200.00
<b>Balance at the end of the year (c)</b>	<b>8,005.69</b>	<b>6,405.69</b>
<b>Surplus in the statement of profit and loss :</b>		
Balance at the beginning of the year	17,847.03	10,395.51
Profit for the year	15,526.23	11,657.86
	<b>33,373.26</b>	<b>22,053.37</b>
<b>Less : Appropriations</b>		
Proposed final equity dividend	3,179.06	2,497.84
Tax on proposed equity dividend	647.18	508.50
Transfer to general reserve	1,600.00	1,200.00
<b>Total appropriations</b>	<b>5,426.24</b>	<b>4,206.34</b>
<b>Net surplus in the statement of profit and loss</b>	<b>27,947.02</b>	<b>17,847.03</b>
<b>Total reserves and surplus</b>	<b>36,796.49</b>	<b>25,096.50</b>

**5. Long term borrowings**

(Rs.in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Long term	Current maturities	Long term	Current maturities
<b>Term loans :</b>				
Indian rupee loan from State Bank of India (secured)	-	-	-	85.40
	-	-	-	<b>85.40</b>
<b>Vehicle loans (secured):</b>				
a) Volkswagen Finance Limited	-	-	-	34.09
b) ICICI Bank Limited	-	16.46	23.83	57.10
c) HDFC Bank Limited	14.48	29.82	70.86	39.83
	<b>14.48</b>	<b>46.28</b>	<b>94.69</b>	<b>131.02</b>
<b>Other loans and advances</b>				
Deferred sales tax loan (unsecured)	180.47	142.98	323.45	146.45
	<b>180.47</b>	<b>142.98</b>	<b>323.45</b>	<b>146.45</b>
<b>Total</b>	<b>194.95</b>	<b>189.26</b>	<b>418.14</b>	<b>362.87</b>
The above amount includes				
Secured borrowings	14.48	46.28	94.69	216.42
Unsecured borrowings	180.47	142.98	323.45	146.45

- 5.1** The long term loan of Rs.935.00 Lakhs (Present outstanding is Nil ) was taken from State Bank of India, Industrial Finance Branch, Hyderabad for the implementation of shrimp feed manufacturing project at Gujarat. The loan is secured by first charge on fixed assets of the Company and personal guarantee of Mr. A. Indra Kumar, Chairman & Managing Director of the Company.
- 5.2** Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 6 months to 36 months.
- 5.3** Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers from 2001-02 to 2004-05 was converted in to interest free loan for period of 14 years repayable in yearly installments of Rs.142.98 lakhs and Rs.180.47 lakhs for March 2017 and March 2018 respectively.

**6. Deferred tax liability (net)**

(Rs.in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	463.57	620.29
<b>Gross deferred tax liability</b>	<b>463.57</b>	<b>620.29</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Provision for doubtful debts	-	21.16
<b>Gross deferred tax asset</b>	<b>-</b>	<b>21.16</b>
<b>Net deferred tax liability</b>	<b>463.57</b>	<b>599.13</b>

**7. Other long term liabilities**

(Rs.in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Others		
Security Deposits received from dealers	374.50	374.50
<b>Total</b>	<b>374.50</b>	<b>374.50</b>

**7.1** Security deposits taken from dealers for supplying them shrimp feed on credit terms. Interest is paid on these deposits @ 9% per annum (31st March, 2015: 9% p.a.).

**8. Provisions**

(Rs.in Lakhs)

	<b>As at 31st March, 2016</b>		As at 31st March, 2015	
	<b>Long term</b>	<b>Short term</b>	Long term	Short term
<b>Provision for employee benefits</b>				
Provision for gratuity (Ref. Note No.30)	8.88	13.75	-	34.19
Provision for leave encashment	11.91	114.11	52.48	34.65
	<b>20.79</b>	<b>127.86</b>	<b>52.48</b>	<b>68.84</b>
<b>Other provisions</b>				
Proposed dividend	-	3179.06	-	2,497.84
Tax on proposed dividend	-	647.18	-	508.50
Provision for income tax (net of advance tax)	-	851.39	-	105.12
	<b>-</b>	<b>4,677.63</b>	<b>-</b>	<b>3,111.46</b>
<b>Total</b>	<b>20.79</b>	<b>4,805.49</b>	<b>52.48</b>	<b>3,180.30</b>

## 9. Short term borrowings (Rs.in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Working capital loan from State Bank of India (secured)	651.56	5,058.59
Working capital loan from Rabo Bank (secured)	-	-
<b>Total</b>	<b>651.56</b>	<b>5,058.59</b>

- 9.1** Working Capital loans of Rs.651.56 Lakhs was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the company and personal guarantee of Mr.A.Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @ 10.55% p.a..
- 9.2** As at end of current year and previous year, working capital loan from Rabo Bank International, Mumbai is NIL. The loan is secured by first charge on all current assets and second charge on fixed assets of the Company. The loan is repayable on demand and carries interest @ 9.15% p.a.

## 10. Trade payables and other current liabilities (Rs.in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Trade payables</b> (including acceptances) (refer note 36 for details of dues to micro and small enterprises)	<b>13,440.28</b>	<b>9,117.71</b>
<b>Other current liabilities</b>		
Current maturities of long term borrowings (note 5)	189.26	362.87
Creditors for capital goods	257.44	-
Interest accrued but not due	-	58.30
Advance from customers	2,298.63	1,837.73
Unpaid dividends	67.76	45.12
Others		
Tax deducted at source payable	96.07	75.89
VAT payable	0.11	0.08
CST payable	-	3.56
Service tax payable	11.83	14.10
Professional tax payable	0.70	0.54
Employee state insurance payable	2.38	1.99
Provident fund payable	18.86	19.51
R and D cess payable	8.72	7.45
<b>Total other current liabilities</b>	<b>2,951.76</b>	<b>2,427.14</b>
<b>Total</b>	<b>16,392.04</b>	<b>11,544.85</b>

(Rs.in Lakhs)

**11. Fixed assets**

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Intangible assets	Total fixed assets	Capital work-in-progress	Grand Total
<b>Gross Block</b>																
As at 1st April, 2014	493.11	2,304.95	160.95	4,924.35	1,378.88	1,257.18	150.64	77.80	58.66	44.39	723.51	11,574.51	25.40	11,599.91	481.18	12,081.09
Additions	188.47	230.16	8.22	1,128.79	-	188.61	34.15	32.43	22.47	97.79	186.33	2,118.42	0.52	2,118.94	694.14	2,813.08
Disposals	-	-	-	6.25	-	28.16	-	0.25	5.75	-	25.24	65.65	-	65.65	1,775.32	1,240.97
As at 31st March, 2015	681.58	2,535.11	169.17	6,046.89	1,378.88	1,418.63	184.79	110.07	75.38	142.18	884.60	13,627.28	25.92	13,653.20	-	13,653.20
Additions	741.24	-	-	385.93	-	75.02	91.52	27.44	26.56	19.74	85.04	1,452.49	0.40	1,452.89	3,485.60	4,938.49
D- Merger	125.86	432.61	10.06	1,325.46	-	326.70	18.80	20.65	11.64	19.53	384.14	2,656.45	-	2,656.45	-	2,656.45
Disposals	-	2.50	-	6.71	-	15.01	2.18	1.42	9.67	0.08	12.55	50.12	-	50.12	-	50.12
As at 31st Mar 2016	1,268.96	2,100.00	159.11	5,100.65	1,378.88	1,151.94	254.33	115.44	80.65	142.31	592.95	12,373.20	26.32	12,399.52	3,485.60	15,885.12
<b>Depreciation</b>																
Up to 1st April, 2014	-	406.16	12.71	2,057.33	619.13	459.49	61.69	35.59	26.74	15.99	143.27	3,838.10	11.00	3,849.10	-	3,849.10
Change for the year	-	67.31	17.39	497.45	56.32	93.27	15.88	14.75	18.99	6.61	86.90	874.87	4.80	879.67	-	879.67
Disposals	-	-	-	6.25	-	28.16	-	0.25	4.72	-	13.77	53.15	-	53.15	-	53.15
Adjustment as per Schedule II	-	-	3.48	0.47	-	3.81	1.69	3.29	3.87	1.40	1.41	19.42	1.56	20.98	-	20.98
Up to 31st March, 2015	-	473.47	33.58	2,549.00	675.45	528.41	79.26	53.38	44.88	24.00	217.81	4,679.24	17.36	4,696.60	-	4,696.60
Change for the year	-	70.89	17.18	528.76	54.11	105.25	16.50	20.13	17.93	19.20	81.26	931.23	4.24	935.47	-	935.47
Disposals	-	2.50	-	3.66	-	6.81	2.18	1.19	9.57	0.08	5.15	31.14	-	31.14	-	31.14
D- Merger	-	133.73	10.06	608.58	-	189.11	6.79	11.61	8.33	5.20	143.17	1,116.58	-	1,116.58	-	1,116.58
Up to 31st Mar, 2016	-	408.13	40.70	2,465.52	729.56	437.74	86.79	60.71	44.91	37.92	150.77	4,462.75	21.60	4,484.35	-	4,484.35
<b>Net block</b>																
As at 31st March, 2015	681.58	2,061.64	135.59	3,497.89	703.43	890.22	105.53	56.69	30.50	118.18	666.79	8,948.04	8.56	8,956.60	-	8,956.60
As at 31st Mar, 2016	1,268.96	1,691.87	118.41	2,655.13	649.32	714.20	167.54	54.73	35.71	104.39	442.18	7,910.45	4.72	7,915.18	3,485.60	11,400.77

**12. Non-current investments**

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
<b>A) Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity shares</b>		
<b>Investment in subsidiary</b>		
Svimsan Exports and Imports Private Limited 10,00,000 (31st March, 2015: 10,00,000) equity shares of Rs.10/- each fully paid up	100.00	100.00
Less: Provision for diminution in the value of investment (refer note 29.1)	100.00	-
	-	100.00
Avanti Frozen Foods Private Limited (60,10,000 shares of Rs. 10/- each fully paid up )	8,461.00	-
<b>Investment in associates</b>		
Srivathsa Power Projects Private Limited 1,66,93,630 (31st March, 2015: 1,66,93,630) equity shares of Rs.10/- each fully paid up	1,670.54	1,670.54
Patikari Power Private Limited * 1,06,45,200 (31st March, 2015: 1,06,45,200) equity shares of Rs.10/- each fully paid up	1,064.52	1,064.52
* Out of 1,06,45,200 equity shares, 42,50,000 shares have been pledged with respect to loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.		
<b>Total (A)</b>	<b>11,196.06</b>	<b>2,835.06</b>
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (quoted)</b>		
IDBI Bank Limited 2,880 (31st March, 2015: 2,880) equity shares of Rs.10/- each fully paid up	0.54	0.54
UCO Bank Limited 7,800 (31st March, 2015: 7,800) equity shares of Rs.10/- each fully paid up	0.94	0.94
<b>Investment in equity instruments (unquoted)</b>		
<b>Bhimavaram Hospitals Limited</b> 1,20,000 (31st March, 2015: 1,20,000) equity shares of Rs.10/- each fully paid up	12.00	12.00
<b>Total (B)</b>	<b>13.48</b>	<b>13.48</b>
<b>Total (A+B)</b>	<b>11,209.54</b>	<b>2,848.54</b>
<b>Aggregate amount of quoted investments</b>		
Book Value	1.48	1.48
Market Value	5.03	7.58
<b>Aggregate amount of unquoted investments</b>		
Book Value	11,208.06	2,847.06

**13. Loans and advances**

(Rs.in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Long term	Short term	Long term	Short term
<b>Capital advances</b>				
Unsecured, considered good	658.94	-	13.79	-
	<b>658.94</b>	-	<b>13.79</b>	-
<b>Security deposits</b>				
Unsecured, considered good	279.74	-	178.53	-
	<b>279.74</b>	-	<b>178.53</b>	-
<b>Loans and advances to related parties</b>				
<b>Unsecured, considered good</b>				
Loans to wholly owned subsidiary (AFFPL)	-	4,377.21	-	-
	-	<b>4,377.21</b>	-	-
<b>Unsecured, considered doubtful</b>				
Loans to wholly owned subsidiary	-	90.56	-	-
Provision for doubtful advance (refer note 29-1)	-	(90.56)	-	-
	-		-	-
<b>Other loans and advances</b>				
Loans to employees	43.34	68.32	67.58	57.19
Advance for purchases	-	243.90	-	75.60
Other advances	-	334.26	-	424.71
	<b>43.34</b>	<b>646.48</b>	<b>67.58</b>	<b>557.50</b>
<b>Total</b>	<b>982.02</b>	<b>5,023.69</b>	<b>259.90</b>	<b>557.50</b>

**14. Other assets**

(Rs.in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Non-current	Current	Non-current	Current
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Non-current bank balances (note 18)</b>	<b>15.02</b>	-	<b>86.10</b>	-
<b>Unamortized expenditure</b>				
Pre operative expenses	61.49	-	11.24	-
	<b>61.49</b>	-	<b>11.24</b>	-
<b>Others</b>				
Export incentives receivable	-	-	-	380.80
MEIS licences on hand	-	489.57	-	241.05
Freight reimbursement receivable	-	-	-	49.83
Interest accrued on fixed deposits	-	28.67	-	21.51
Interest accrued on unsecured loans	-	141.26	-	-
	-	<b>659.50</b>	-	<b>693.19</b>
<b>Total</b>	<b>76.51</b>	<b>659.50</b>	<b>97.34</b>	<b>693.19</b>



**15. Current investments**

(valued at lower of cost and fair value, unless stated otherwise)

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Investment in unquoted mutual funds</b>		
SBI - Premier Liquid Fund - NIL (31st March, 2015: 7,08,594.979 of Rs. 1003.25 each) units fully paid up	-	7,108.98
Birla Sunlife Optimiser Fund - NIL ( 31st March,2015: 3,09,022.052 of Rs.173.7531 each) units fully paid up	-	536.94
<b>Total</b>	-	<b>7,645.92</b>
<b>Aggregate amount of unquoted investments</b>		
Book Value	-	7,645.92

**16. Inventories (valued at lower of cost and net realizable value)**

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Raw materials (refer note 21)		
In godowns	19,200.55	14,470.85
In transit	396.40	320.21
Packing materials (refer note 22)	367.21	313.53
Work-in-progress (refer note 22)	313.09	434.00
Finished goods (refer note 22)	1,450.55	5,782.66
Stores and spares	710.93	880.37
<b>Total</b>	<b>22,438.73</b>	<b>22,201.62</b>

**17. Trade receivables**

(Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Provision for doubtful receivables	-	-
<b>Other receivables</b>		
Secured, considered good	1,031.27	714.91
Unsecured, considered good	501.99	2,641.13
Doubtful	-	62.26
Provision for doubtful receivables	-	(62.26)
<b>Total</b>	<b>1,533.26</b>	<b>3,356.04</b>

**18. Cash and bank balances**

(Rs.in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Non-current	Current	Non-current	Current
<b>Cash and cash equivalents</b>				
Cash on hand	-	11.55	-	13.32
<b>Balances with banks:</b>				
- On current accounts	-	473.78	-	415.17
- Deposits with Bank	-	6,501.36	-	-
- On unpaid dividend accounts	-	67.76	-	45.12
<b>Total (A)</b>	-	<b>7,054.45</b>	-	<b>473.61</b>
<b>Other bank balances</b>				
- Deposits with banks	0.66	-	0.59	-
Margin money accounts (Refer Note No.18.1)	14.36	229.22	85.51	142.53
<b>Total (B)</b>	<b>15.02</b>	<b>229.22</b>	<b>86.10</b>	<b>142.53</b>
Amount disclosed under non-current assets (note 14) <b>(C)</b>	(15.02)	-	(86.10)	-
<b>Total (A+B-C)</b>	-	<b>7,283.67</b>	-	<b>616.14</b>

**18.1 Margin money deposits given as security**

Margin Money deposits with bank of a carrying amount of Rs. 243.57 Lakhs (31st March, 2015: 228.04 Lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

**19. Revenue from operations**

(Rs.in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Sale of products</b>		
Finished goods	199,530.37	176,309.66
<b>Other operating revenue</b>		
Export incentives	2,253.96	1,756.02
Income from sale of certified emission reductions	44.54	-
<b>Revenue from operations</b>	<b>201,828.87</b>	<b>178,065.68</b>
<b>Details of products sold</b>		
<b>Finished goods sold</b>		
<b>Domestic Sales;</b>		
i) Shrimp feed	172,944.31	150,654.18
ii) Shrimp seed	37.00	54.66
iii) Wheat bran	27.79	10.73
v) Electricity sales (from Wind mills)	169.66	188.26
<b>Total (A)</b>	<b>173,178.76</b>	<b>150,907.83</b>
<b>Export sales;</b>		
i) Processed shrimp	26,351.61	25,375.07
ii) Shrimp feed	-	26.76
<b>Total -(B)</b>	<b>26,351.61</b>	<b>25,401.83</b>
<b>Total (A+B)</b>	<b>199,530.37</b>	<b>176,309.66</b>

**20. Other income**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Interest income on:		
Bank deposits	37.11	24.27
Others	179.61	16.79
Dividend income from:		
Current investments	495.78	92.62
Non-current investments	0.18	0.09
Profit on sale of current investments	243.13	230.16
Exchange differences (net)	564.80	305.50
Profit on sale of fixed assets	-	2.72
Other non-operating income	219.69	125.61
Provision for doubtful debts written back	62.25	-
<b>Total</b>	<b>1,802.55</b>	<b>797.76</b>

**21. Cost of materials consumed**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Inventory at the beginning of the year	15,104.59	13,909.64
Add: Purchases	159,243.59	139,501.14
	<b>174,348.18</b>	<b>153,410.78</b>
Less: Inventory at the end of the year	20,051.57	15,104.59
<b>Cost of materials consumed</b>	<b>154,296.61</b>	<b>138,306.19</b>

**Details of materials consumed**

	<b>For the year ended As at 31st March, 2016</b>		For the year ended As at 31st March, 2015	
	<b>Qty in MT</b>	<b>Value</b>	Qty in MT	Value
Fish meal	52,667.97	55,475.32	51,282.83	43,797.97
Wheat and wheat flour	82,207.55	15,687.98	74,312.08	14,783.47
Soya DOC	98,533.84	39,168.10	90,554.36	38,777.14
Other materials	21,140.62	18,141.45	20,671.32	16,935.83
Shrimp	6,375.08	22,177.70	5,153.19	20,834.37
Packing material	-	3,646.05	-	3,177.41
<b>Total</b>	<b>260,925.06</b>	<b>154,296.61</b>	<b>241,973.78</b>	<b>138,306.19</b>

**Details of inventory of raw material**

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Fish meal	14,117.69	8,134.27
Wheat & Wheat flour	300.45	570.30
Soya DOC	2,955.67	3,927.59
Other materials	2,223.14	2,158.90
Packing material	454.62	313.53
<b>Total</b>	<b>20,051.57</b>	<b>15,104.59</b>

## 22. Changes in inventories of finished goods, stock-in-progress and stock-in-trade

(Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Inventories at the end of the year		
Finished goods	7,218.80	5,782.66
Work-in-progress	403.95	434.00
	<b>7,622.75</b>	<b>6,216.66</b>
Inventories at the beginning of the year		
Finished goods	5,782.66	4,147.47
Work-in-progress	434.00	569.05
	<b>6,216.66</b>	<b>4,716.52</b>
<b>(Increase)/decrease</b>	<b>(1,406.09)</b>	<b>(1,500.14)</b>
<b>Details of inventory</b>		
<b>Work-in-progress</b>		
i) Shrimp feed	299.87	363.86
ii) Wheat bran	13.22	-
iii) Processed shrimp*	90.86	70.14
<b>Total</b>	<b>403.95</b>	<b>434.00</b>
<b>Finished goods</b>		
i) Shrimp feed	1,341.97	1,551.36
ii) Wheat bran	108.58	75.25
iii) Processed shrimp*	5,768.25	4,156.05
<b>Total</b>	<b>7,218.80</b>	<b>5,782.66</b>

\* During the year the Shrimp Processing & Export Division has been transferred to Avanti Frozen Foods Private Limited (AFFPL) under a slump sale arrangement w.e.f 01.11.2015. As AFFPL is in the process of obtaining requisite statutory and regulatory approvals to carry on the processing and export business in its name, Company is carrying on the business on behalf of AFFPL. As such the closing inventory i.e. Finished Goods amounting to Rs.5,768.25 lakhs and WIP of Rs.90.86 lakhs of current year belonging to Shrimp processing & Export Division being assets of AFFPL, are not considered in the Balance Sheet of Company.

## 23. Employee benefits expense

(Rs.in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salaries, wages and bonus	5,327.47	4,401.93
Contribution to provident and other funds	340.29	266.54
Gratuity expense	28.49	34.19
Staff welfare expenses	81.72	61.08
<b>Total</b>	<b>5,777.97</b>	<b>4,763.74</b>

**24. Depreciation and amortization expense** (Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Depreciation of tangible assets	931.23	874.87
Amortization of intangible assets	4.24	4.80
<b>Total</b>	<b>935.47</b>	<b>879.67</b>

**25. Finance costs** (Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Interest	50.86	75.73
Other borrowing costs	83.08	61.46
<b>Total</b>	<b>133.94</b>	<b>137.19</b>

**26. Manufacturing expenses** (Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Power and fuel	2,555.24	2,782.22
Repairs and maintenance		
- Buildings	230.60	403.52
- Plant and machinery	139.92	137.15
- Electricals	51.67	93.94
Consumable stores	1,517.05	1,754.86
Other manufacturing expenses	1,532.08	1,157.95
<b>Total</b>	<b>6,026.56</b>	<b>6,329.64</b>

**27. Selling and distribution expenses** (Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Advertisement charges	13.79	7.33
Carriage outward	451.76	245.44
Ocean freight and export expenses	1,133.05	1,032.12
Marketing expenses	1,313.71	1,449.91
Royalty	735.58	672.14
Cash discount	8,297.08	7,201.36
<b>Total</b>	<b>11,944.97</b>	<b>10,608.30</b>

**28. Other expenses**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Rent	196.61	46.87
Rates and taxes	179.03	122.18
Insurance	239.80	258.12
Electricity charges	7.98	6.86
Repairs and maintenance		
Buildings	15.65	2.89
Others	10.39	8.75
Vehicle maintenance	39.50	39.02
Travelling and conveyance	381.54	380.27
Communication costs	64.00	51.47
Printing and stationery	33.83	31.10
Directors' sitting fees	14.25	4.40
Auditors Remuneration		
As auditors	18.32	12.36
Tax matters	4.58	4.49
Reimbursement of expenses	3.28	3.01
Professional charges	149.56	104.66
Corporate social responsibility	43.81	22.18
Agricultural extension projects	337.40	-
Donations	59.15	52.16
Loss on sale of fixed assets	0.05	3.88
Bank charges	202.33	130.17
General expenses	212.62	173.73
<b>Total</b>	<b>2,213.68</b>	<b>1,458.57</b>

**29. Exceptional items**

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Income :		
CVD Refund	493.68	104.40
Profit on slump sale (refer note no. 31)	45.51	-
	<b>539.19</b>	<b>104.40</b>
Less : Expenditure		
Stamp duty on slump sale	102.57	-
Provision for doubtful advance	90.57	-
Provision for diminution in the value of assets	100.00	-
Profit of shrimp processing division transferred to AFFPL (refer note no. 31)	696.73	-
	<b>989.87</b>	<b>-</b>
<b>Total</b>	<b>(450.68)</b>	<b>104.40</b>

29.1 Svimsan Exports and Imports Private Limited (SEIPL) is wholly owned subsidiary of the Company was incorporated during the Year 1998. As there are no operations in SEIPL from financial year 2002-2003

the SEIPL has incurred huge losses which has resulted in erosion of networth of SEIPL. As the net worth of the subsidiary company is negative and there is no scope for future operation in SEIPL, the company has decided to provide diminution of Rs. 100.00 Lakhs in the value of investment and also 100% provision against the advance of Rs. 90.56 Lakhs, given to the said subsidiary.

29.2 The Exceptional income is Countervailing Duty (CVD) of Rs. 493.68 Lakhs paid to U.S. Customs department in the year 2013-2014, now refunded by U.S. Customs.

29.3 An amount of Rs. 45.51 Lakhs exceptional income arised on account of Slump Sale of Processing & Export Division to company's wholly owned subsidiary Avanti Frozen Foods Private Limited and an amount of Rs. 102.57 Lakhs expenditure incurred towards stamp duty slump sale.

### 30. Earnings per share

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Net profit for calculation of basic and diluted EPS (Rs in lakhs)	15,526.23	11,657.86
Weighted average number of equity shares in calculating basic and diluted EPS (Nos.)	45,415,210	45,415,210
Basic and diluted earnings per share - Face value of Rs.2/- each (in Rs.)	34.19	25.67

For the previous year, the equity shares and basic and diluted earning per share has been presented to reflect the adjustment for split (sub division) in accordanced with accounting standard 20 earning per share.

### 31. Discontinuing operations :

During the year the Company divested its Shrimp Processing & Export Division to its subsidiary M/S Avanti Frozen Foods Private Limited (AFFPL) under slump sale. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. Being a food products exporting company, Company has to transfer the statutory and regulatory licenses with in India and in USA to AFFPL so as to enable AFFPL to carry on the business in its name. The process of obtaining the approvals from all departments in India is a lengthy process. Once the inland approvals are obtained, Company has to approach US Department of Commerce for 'Changed Circumstances Review' to allow AFFPL to export to US at Anti Dumping Duty of 2.96% which is presently applicable to Company. In the absence of this, all exports to USA by AFFPL will attract 10.17% ADD. In order to maintain the continuity of the business during these statutory approvals period, your Company is continuing the Shrimp processing & Export business in its own name on behalf of AFFPL.

As such, the revenue and related expenditures for the period from 01.11.2015 to 31.03.2016 of the transferred division i.e. Shrimp Processing & Export Division are shown in Statement of Profit & Loss of Company. However, the profit from operation for this 5 months period starting from 01.11.2015 to 31.03.2016 amounting to Rs.696.73 lakhs is transferred to AFFPL which is reflected in the standalone results as Extra Ordinary Expense. A detailed statement of the operations of Shrimp Processing & Export Division for the 7 months period from 01.04.2015 to 31.10.2015 and for 5 months period from 01.11.2015 to 31.03.2016 is given here under:

**31. Discontinuing operations (Contd.....):**

(Rs.in Lakhs)

Particulars	Continuing Operations		For the period from 01.04.2015 to 30.10.2015		For the period from 01.11.2015 to 31.03.2016		Discontinued operations		Total	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015	Business in AFL	Business done by AFL on behalf of AFFPL	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Profit / (Loss) from ordinary activities										
Revenue from operations	173,223.30	151,374.63	21,226.26	7,379.31	28,605.57	26,691.05	201,828.87	178,065.68		
Other income	1,049.64	428.17	364.88	388.03	752.91	369.59	1,802.55	797.76		
<b>Total revenue (A)</b>	<b>174,272.94</b>	<b>151,802.80</b>	<b>21,591.14</b>	<b>7,767.34</b>	<b>29,358.48</b>	<b>27,060.64</b>	<b>203,631.42</b>	<b>178,863.44</b>		
Cost of materials consumed	131,520.46	116,993.18	14,385.95	8,390.20	22,776.15	21,313.01	154,296.61	138,306.19		
Changes in inventories of finished goods work-in-progress and stock-in-trade	226.83	(1,154.77)	1,387.55	(3,020.47)	(1,632.92)	(345.37)	(1,406.09)	(1,500.14)		
Employee benefits expense	4,946.53	4,288.39	589.68	241.76	831.44	475.35	5,777.97	4,763.74		
Depreciation and amortisation expense	804.73	695.16	130.74	-	130.74	184.51	935.47	879.67		
Finance costs	125.02	80.28	4.08	4.84	8.92	56.91	133.94	137.19		
Manufacturing expenses	4,525.30	5,015.66	1,001.80	499.46	1,501.26	1,268.84	6,026.56	6,329.64		
Selling and Distribution expenses	9,885.48	10,235.37	1,270.94	788.55	2,059.49	1,313.98	11,944.97	10,608.30		
Other expenses	1,759.44	1,274.06	287.97	166.27	454.24	872.93	2,213.68	1,458.57		
<b>Total expenses (B)</b>	<b>153,793.79</b>	<b>136,343.00</b>	<b>19,058.71</b>	<b>7,070.61</b>	<b>26,129.32</b>	<b>24,640.16</b>	<b>179,923.10</b>	<b>160,983.16</b>		
Profit / (Loss) before tax and exceptional item (A-B)	20,479.16	15,459.81	2,532.43	696.73	3,697.06	2,420.48	23,708.31	17,880.28		
Exceptional item	(221.85)	-	4,467.90	(696.73)	(696.73)	104.40	(450.68)	104.40		
Profit before tax	20,257.31	15,459.81	3,000.33	-	3,000.33	2,524.88	23,257.64	17,984.68		
Tax expense	6,731.69	5,490.34	999.71	-	999.71	836.48	7,731.40	6,326.82		
<b>Profit / (Loss) after tax</b>	<b>13,525.62</b>	<b>9,969.46</b>	<b>2,000.62</b>	<b>-</b>	<b>2,000.62</b>	<b>1,688.40</b>	<b>15,526.23</b>	<b>11,657.86</b>		



### 32. Gratuity (post-employment benefit plan)

The company operates a defined plans, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

(Rs.in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Statement of profit and Loss</b>		
<b>Net employee benefit expenses recognised in employee cost</b>		
Current service cost	21.41	38.12
Interest cost on benefit obligation	18.42	14.68
Expected return on plan assets	(20.29)	(18.89)
Net actuarial (gain)/loss recognized in the year	8.95	0.29
<b>Net benefit expense</b>	<b>28.49</b>	<b>34.20</b>
<b>Balance sheet</b>		
<b>Benefit asset/liability</b>		
Present value of defined benefit obligation	278.86	230.31
Fair value of plan assets	250.37	196.11
<b>Plan liability</b>	<b>28.49</b>	<b>34.20</b>
<b>Changes in the present value of the defined benefit obligation are as follows</b>		
Opening defined benefit obligation	230.31	190.14
Current service cost	21.41	38.12
Interest cost	18.42	14.68
Benefits paid	(0.23)	(4.84)
Actuarial (gain)/losses on obligation	8.95	(7.79)
<b>Closing defined benefit obligation</b>	<b>278.86</b>	<b>230.31</b>
<b>Changes in the fair value of plan assets are as follows</b>		
Opening fair value of plan assets	196.12	82.84
Expected return	20.30	18.89
Contributions by employer	34.18	107.30
Benefits paid	(0.23)	(4.84)
Actuarial gains/(losses)	-	(8.08)
<b>Closing fair value of plan assets</b>	<b>250.37</b>	<b>196.12</b>

**32. Gratuity (post-employment benefit plan) (Contd...)**

	For the year ended 31st March, 2016	For the year ended 31st March, 2015			
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows</b>					
<b>Gratuity</b>					
Investments with insurer	100%	100%			
<b>The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:</b>					
Discount rate	8.00%	7.82%			
Expected rate of return on assets	8.35%	8.00%			
Increase in compensation cost	10.00%	10.00%			
<p>The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.</p> <p>The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario</p>					
<b>Amounts for the current and previous four periods are as follows:</b> (Rs.in Lakhs)					
	<b>For the year ended 31st March</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Gratuity</b>					
Defined benefit obligation	278.86	230.31	190.14	122.13	87.31
Plan assets	250.37	196.11	82.84	69.25	54.09
Surplus/(deficit)	(28.49)	(34.20)	(107.30)	(52.87)	(33.22)
Experience adjustment on plan liabilities	8.95	(7.79)	29.59	16.16	4.59
Experience adjustment on plan assets	-	8.08	(4.77)	(0.29)	(0.09)

On account of divestment of shrimp processing division, the employee benefit obligation amounting to Rs. 89.98 Lakhs and plan assets of Rs.74.15 Lakhs as on 31st March, 2016 included in the above statement has been transferred to Avanti Frozen Foods Private Limited in accordance with Business Transfer Agreement (refer note no. 31).

**33. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.1075.22 Lakhs (31st March,2015: Rs.17.59 Lakhs) which is net of capital advances of Rs.658.94 Lakhs (31st March,2015: Rs. 13.79 Lakhs).

**34. Contingent liabilities**

(Rs.in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company*	3160.29	3,102.96
B. Corporate guarantee given to Avanti Frozen Foods Private Limited	6,225.00	-

\* Details of demands raised by customs, service tax, sales tax, income tax and other authorities :

(A) Name of the Statute	Nature of the Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 and Customs Act, 1962	Customs Duty & Central Excise	2,999.18	1999 - 2002	CESTAT, Hyderabad
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
Income Tax Act, 1961	Income-tax	5.13	2011-2012	Commissioner (Appeals)
Electricity Act, 2003	Electricity duty	8.61	2011-2012 to 2014-2015	High Court of Andhra Pradesh
Customs Act, 1962	Customs duty	60.82	2009-2010 to 2011-2012	CESTAT, Chennai
Income Tax Act, 1961	Income-tax	57.33	2012-13	Commissioner (Appeals)
<b>Total</b>		<b>3,160.29</b>		

- 34.1 The Customs and Central Excise Department raised demand for Rs.1494.59 Lakhs and levied penalty of Rs.1504.59 Lakhs for customs duty forgone on duty free imports of raw materials and non-fulfilment of export obligation for the period 1999-2000 to 2001-2002 when the Company was operating as a 100% EOU. Company had achieved Net Foreign Exchange Earning in 2003-04 and the Development Commissioner of Visakhapatnam Export Processing Zone allowed Company to de-bond upon being satisfied with the fulfilment of exports made by the Company and foreign exchange earning obligations. Further, Company had paid Rs.1655.03 Lakhs excise duty on domestic sale of Shrimp feed in lieu of the duty free import of raw materials and spares. However, the Customs and Central Excise Department raised the demand without considering the amounts paid. This demand and levy of penalty was contested by the Company before CESTAT, Bangalore and Hon'ble CESTAT remanded the case back to The Commissioner for fresh adjudication after considering all the aspects raised by the Company. The Commissioner gave his order confirming the demand and Company again approached CESTAT against this order. The matter is pending before CESTAT, Hyderabad.
- 34.2 The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax

department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to Rs.29.22 Lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

- 34.3 For the Assessment Year 2011-2012 Assessing officer disallowed an amount of Rs. 17.95 Lakhs U/s. 14A for the Investments made by the Company and raised demand for Rs. 5.13 Lakhs. Company is contesting the same before Commissioner Appeals.
- 34.4 Company approached High Court of Andhra Pradesh against levy and collection of Electricity Duty on self generated power from DG sets. Honble High Court granted stay on recovery of the same and the matter is pending for final hearing.
- 34.5 Company is importing Squid Liver Powder (SLP) which is one of the raw materials for manufacturing of shrimp feed. SLP is imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.
- The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.
- 34.6 For the Assessment year 2012-2013 assessing officer disallowed an amount of Rs. 6.07 Lakhs U/s. 14A read with rule 8D of Income tax act and an amount of Rs.159.85 Lakhs U/s. 80 IA for the profits from wind mill division which has resulted in a demand of Rs. 57.33 lakhs. the company being aggrieved with the said demand, filed an appeal before Commissioner Income Tax (Appeals).
- (B) The Company has given guarantee of Rs. 6225.00 Lakhs to State Bank of India, Industrial Finance Branch, Sonmajiguda, Hyderabad for loans taken by the Avanti Frozen Foods Private Limited (a wholly owned subsidiary of the Company).

### 35. Derivative instruments and unhedged foreign currency exposures

#### Derivatives outstanding as at the reporting date

Particulars	Purpose
<u>Forward contract to sell US\$</u>	
US\$ 1,21,14,669 (US\$ 91,64,642 as at 31st March, 2015) Rs.8,188.40 Lakhs (Rs.5860.55 Lakhs as at 31st March 2015))	Hedge of export debtors and for confirmed export orders
<u>Forward contract to buy US\$</u>	
US\$ 25,62,897 (US\$ 1,87,000 as at 31st March, 2015) Rs. 700.04 Lakhs (Rs. 117.48 Lakhs as at 31st March, 2015))	Hedge for import liabilities

(a) Particulars of unhedged foreign currency exposure as at reporting date

	31st March, 2016		31st March, 2015	
	Foreign Currency	Amount (Rs. in lakhs)	Foreign Currency	Amount (Rs. in lakhs)
Trade payables USD	2,051,285	1,360.68	873,120	546.49
Euro	-	-	14,750	9.96

Closing rate as at 31st March, 2016 - 1 USD = Rs 66.3329 (31st March, 2015: 1 USD = Rs 62.5908, 1 Euro = Rs. 67.5104)

### 36. Details of dues to micro and small enterprises as defined under MSMED Act 2006.

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from the suppliers is still awaited. In view of this, the liability of interest cannot be reliably estimated nor the required disclosures could be made, Accounting in this regard will be carried out after the process is completed and reliable estimate made in this regard. However management is of the opinion that liability in any case will be insignificant having regard to the supplier's profile of the company.

### 37. Segmental information

#### I. Primary segment

The Company's business is organized into three main business segments mainly Shrimp Feed, Processing & Shrimp Exports (discontinued operations) and Wind Mills. Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organization structure, and the internal financial reporting system (refer note no. 31).

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp. Shrimp are purchased from the farmers and are further processed and exported to various countries.

Company had installed four wind mills of 3.2MW at Chitradurga, Karnataka. Power generated from wind mills is sold to BESCOM under Power Purchase agreement.

#### Segment revenue and results

All segment revenues & expenses that are directly attributable to the segments are reported under the respective segment. The revenues and expenses that are not directly attributable to any segments are shown as unallocated expenses.

#### Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally Fixed Assets, Debtors and Inventories. Segment liabilities primarily include creditors and other liabilities. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively.

#### II. Secondary segment:

##### Geographical segment:

Based on the Revenue attributable to the individual customers located in various parts of the world, the company's business is organized into three key geographic segments, viz., India, USA and Rest of World.

(Rs.in Lakhs)

Name of the Country	Revenue		Location of assets		Additions to fixed assets	
	For the year ended 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,		During the year ended 31 <sup>st</sup> March,	
	2016	2015	2016	2015	2016	2015
India	1,74,705.35	1,52,690.33	60,607.68	45,193.64	4,938.46	2,118.94
USA	14,081.22	13,950.47	-	336.27	-	-
Rest of the world	13,042.30	11,424.88	-	2,002.71	-	-
<b>Total</b>	<b>2,01,828.87</b>	<b>1,78,065.68</b>	<b>60,607.68</b>	<b>47,532.62</b>	<b>4,938.46</b>	<b>2,118.94</b>

**37.1 Information pursuant to AS - 17 issued by ICAI**

(Rs.in Lakhs)

	Shrimp Feed		Shrimp Processing		Wind Mills		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>										
External sales	173,009.10	150,746.33	28,605.57	26,691.05	214.20	188.26	-	-	201,828.87	1,78,065.68
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>173,009.10</b>	<b>150,746.33</b>	<b>28,605.57</b>	<b>26,691.05</b>	<b>214.20</b>	<b>188.26</b>	<b>-</b>	<b>-</b>	<b>201,828.87</b>	<b>1,78,065.68</b>
<b>Segment Result</b>										
Operating profit	19,441.97	15,058.51	2,485.17	2,107.79	112.56	91.22	-	-	22,039.70	17,257.53
Other income	132.46	78.55	727.13	473.99	-	-	942.95	349.62	1,802.55	902.16
Interest expense	125.02	118.09	8.92	56.91	-	-	-	-	133.94	175.00
Exceptional items	-	-	493.68	-	-	-	(944.36)	-	(450.68)	-
Income tax	-	-	-	-	-	-	-	-	-	-
- Current tax & PY taxes	-	-	-	-	-	-	7,866.97	5,864.02	7,866.97	5,864.02
- Deferred tax	-	-	-	-	-	-	(135.57)	462.80	(135.57)	462.80
<b>Net profit</b>	<b>19,449.42</b>	<b>15,018.97</b>	<b>3,697.06</b>	<b>2,524.87</b>	<b>112.56</b>	<b>91.22</b>	<b>(7,732.81)</b>	<b>(5,977.20)</b>	<b>15,526.23</b>	<b>11,657.86</b>
<b>Other information</b>										
Segment assets	36,294.79	26,028.83	-	9,001.81	744.18	792.47	23,568.71	11,709.51	60,607.69	47,532.62
Segment liabilities	21,322.44	18,105.53	-	2,203.71	49.09	48.04	1,531.36	1,170.53	22,902.90	21,527.82
<b>Capital employed</b>	<b>14,972.35</b>	<b>7,923.30</b>	<b>-</b>	<b>6,798.10</b>	<b>695.09</b>	<b>744.43</b>	<b>22,037.35</b>	<b>10,538.98</b>	<b>37,704.79</b>	<b>26,004.80</b>
Capital expenditure	3,485.59	-	-	-	-	-	-	-	3,485.59	-
Depreciation	709.28	604.71	130.74	171.36	57.32	76.12	37.47	43.86	934.81	896.05

Note : Since the Shrimp Processing division has been transferred to Avanti Frozen Foods Private Limited under slump sale w.e.f. 01.11.2015, the capital employed in the said segment as on 31.03.2016 is NIL refer Note No. 31

### 38. Related party disclosures

#### 38.1 Names of related parties and related party relationship:

Subsidiary	Avanti Frozen Foods Private Limited Svimsan Exports and Imports Private Limited
Key Managerial Personnel	Sri A. Indra Kumar, Chairman and Managing Director Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
Relatives of Key Managerial Personnel	Sri N.V. Bhanu Prasad Sri A. Venkata Sanjeev
Associate Companies	Srivathsa Power Projects Private Limited Patikari Power Private Limited
Companies over which Significant Influence is exercised	Srinivasa Cystine Private Limited SCL Trading Private Limited Sanjeev Agro Vet Private Limited Laxai-Avanti Life Sciences Private Limited Sri Sai Srinivasa Agro Farms and Developers Private Limited

#### 38.2 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in Lakhs)

Particulars	Key management personnel / their relatives		Companies over which significant influence is exercised		Subsidiary	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2016	2015	2016	2015	2016	2015
Remuneration	2178.03	1694.27	-	-	-	-
Rent paid	3.25	3.00	2.05	2.02	-	-
Rent Received	-	-	1.60	1.60	-	-
Dividend paid	302.87	164.90	1370.69	746.78	-	-
Loan given	-	-	-	-	4,377.46	0.03
Interest received	-	-	-	-	156.96	-
Investments	-	-	-	-	8461.00	-

**38.3 Balance as on 31st March 2016**

(Rs. in Lakhs)

Particulars	Key management personnel		Associate companies		Companies over which significant influence is exercised		Subsidiary	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2016	2015	2016	2015	2016	2015	2016	2015
Investment	-	-	2,735.06	2,735.06	-	-	8,561.00	100.00
Remuneration payable	1796.30	1375.78	-	-	-	-	-	-
Rent payable	0.25	0.25	-	-	-	0.16	-	-
Loan given	-	-	-	-	-	-	4467.79	90.32
Interest receivable	-	-	-	-	-	-	-	-

**39. Foreign currency inflow & outflow**

(Rs.in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>i) Value of imports made by the Company during the financial year calculated on CIF basis in respect of</b>		
Capital goods	1,493.59	533.86
Spares and consumables	854.74	489.17
Raw materials	5,213.18	3,193.24
<b>ii) Earnings in foreign exchange</b>		
Shrimp exports on FOB basis	25,214.95	24,302.57
CVD refund received	493.68	104.40
Shrimp feed exports on FOB basis	-	26.47
<b>iii) Expenditure in foreign currency on account of</b>		
Travelling	48.17	27.44
Royalty	735.58	672.14
Quality insurance premium	119.36	144.01
Dividend	627.56	342.52
Other expenditures	271.38	230.21

**40. Imported and indigenous raw materials consumed**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value	Percentage	Value	Percentage
Imported	6,565.14	4.25	4,246.02	3.07
Indigenous	1,47,731.47	95.75	1,34,111.86	96.93
<b>Total</b>	<b>1,54,296.61</b>	<b>100.00</b>	<b>1,38,357.88</b>	<b>100.00</b>



**41. Net dividend remitted in foreign exchange**

Year of Remittance	Period to which it relates	No. of Non-resident shareholders	Number of equity shares held on which dividend was due	Amount of dividend USD (In lakhs)	Amount of dividend remitted in INR (In lakhs)
2015-2016	2015-2016	2	22,82,042	9.43	627.56
2014-2015	2014-2015	2	22,82,042	5.60	342.52

**42. Previous year figures**

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification

**STATEMENT UNDER SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES:**

1	Name of the Subsidiary Company	Svimsan Exports and Imports Private Limited	Avanti Frozen Foods Private Limited
2	Financial year of the subsidiary ended on	31.03.2016	31.03.2016
3	Holding Company's Interest	100%	100%
4	The net aggregate amount of the subsidiary's profits after deducting losses or vice versa so far as it concern members of the holding company and is not dealt with in the Company's accounts: Profit/(Loss) for the current financial year and Profit/(Loss) for the previous financial years since it became the holding company's subsidiary	(0.61) (190.84)	380.77 -
5	The net aggregate amount of the subsidiary profit after deducting losses or vice versa so far as those profits are dealt with in the company's accounts: for the current financial year and for the previous financial year since it became the holding company's subsidiary	NIL NIL	NIL NIL
6	Change in the interest of the Company between the end of last financial year and 31 <sup>st</sup> March, 2015	NIL	NIL
7	Material changes between the end of the of last financial year and 31 <sup>st</sup> March, 2015	NIL	NIL

Place: Hyderabad  
Date : 21.05.2016

For and on behalf of the board

A. Indra Kumar  
Chairman & Managing Director

## INDEPENDENT AUDITORS` REPORT

### To the Members of Avanti Feeds Limited

#### Report on the “Consolidated” Financial Statements

We have audited the accompanying consolidated financial statements of Avanti Feeds Limited ('the Holding Company'), and its subsidiaries and associates (collectively referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, 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 (hereinafter referred to as “the consolidated financial statements”).

#### Management's Responsibility for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, 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 on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016, and their consolidated PROFIT and their consolidated cash flows for the year ended on that date.

### **Other Matters**

The consolidated financial statements also include the Group's share of net loss of Rs. 148.30 lacs for the year ended 31<sup>st</sup> March, 2016, as considered in the consolidated financial statements, in respect of the two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated 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 written representations received from the directors of the Holding Company and its subsidiary companies as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the Group incorporated in India is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

*\* (Associate companies are not included in this report as the same are unaudited as on the date of this report.)*

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure - A".
- g) 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 Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33 to the financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company, its subsidiary companies and associates incorporated in India.

**For KARVY & CO.**

Chartered Accountants

ICAI Firm Registration No: 01757S

**(K. Ajay Kumar)**

Partner

Membership No. 021989

Place: Hyderabad

Date : 21.05.2016

**Annexure - A to the Our Report of even date on the Consolidated Financial Statements of Avanti Feeds Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Avanti Feeds Limited ("the Holding Company"), its subsidiary companies and its associate companies which are companies incorporated in India (collectively referred to as "the Group"), as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **For KARVY & CO.**

Chartered Accountants

ICAI Firm Registration No: 01757S

### **(K. Ajay Kumar)**

Partner

Membership No. 021989

Place: Hyderabad

Date : 21.05.2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

(Rs. in Lakhs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	3	908.30	908.30
b) Reserves and Surplus	4	37,545.05	25,621.29
<b>2 Non-current liabilities</b>			
a) Long term borrowings	5	207.28	418.14
b) Deferred tax liability (net)	6	469.23	599.13
c) Other long term liabilities	7	374.50	374.50
d) Long term provisions	8	32.59	52.48
<b>3 Current liabilities</b>			
a) Short term borrowings	9	651.56	5,058.59
b) Trade payables	10	14,293.49	9,117.84
c) Other current liabilities	10	2,986.13	2,427.12
d) Short term provisions	8	4,791.64	3,180.30
<b>Total Equity and Liabilities</b>		<b>62,259.77</b>	<b>47,757.69</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed assets :	11		
Tangible assets		10,386.41	8,948.04
Intangible assets		12.26	8.56
Capital work in progress		4,162.29	-
b) Non-current investments	12	3,315.26	3,463.56
c) Long-term loans and advances	13	2,832.93	259.90
d) Other non-current assets	14	383.04	97.34
<b>2 Current Assets</b>			
a) Current investments	15	-	7,645.92
b) Inventories	16	28,554.93	22,201.62
c) Trade receivables	17	3,496.93	3,356.04
d) Cash and bank balances	18	7,353.35	616.18
e) Short-term loans and advances	13	771.64	467.34
f) Other current assets	14	990.73	693.19
<b>TOTAL ASSETS</b>		<b>62,259.77</b>	<b>47,757.69</b>
<b>C Summary of significant accounting policies</b>	2.1		

As per our Report of even date  
for **KARVY & CO**  
Chartered Accountants  
Firm Registration No. 01757S

For and on behalf of the Board

**A. Indra Kumar**  
Chairman & Managing Director

**K. Ajay Kumar**  
Partner  
Membership No. 021989  
Place : Hyderabad  
Date : 21.05.2016

**C. Ramachandra Rao**  
Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**  
Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. in Lakhs)

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>INCOME</b>			
Revenue from operations	19	201,828.87	178,065.68
Other income	20	1,655.23	797.76
<b>Total revenue</b>		<b>203,484.10</b>	<b>178,863.44</b>
<b>EXPENDITURE :</b>			
Cost of materials consumed	21	154,296.63	138,306.19
Changes in inventories of finished goods, stock-in-process and stock-in-trade	22	(1,406.09)	(1,500.14)
Employee benefits expense	23	5,807.92	4,763.74
Depreciation and amortisation expense	24	1,022.67	879.67
Finance costs	25	135.14	137.19
Manufacturing expenses	26	6,026.56	6,329.64
Selling and Distribution expenses	27	11,944.97	10,608.30
Other expenses	28	2,229.07	1,459.00
<b>TOTAL EXPENSES</b>		<b>180,056.87</b>	<b>160,983.59</b>
Profit before exceptional items		23,427.23	17,879.85
Exceptional items		391.11	104.40
<b>Profit after exceptional items and before tax</b>		<b>23,818.34</b>	<b>17,984.25</b>
Tax expenses			
Current tax		8,050.88	5,864.02
Earlier year taxes		(0.94)	-
Deferred tax		(129.90)	462.80
<b>Total tax expense</b>		<b>7,920.04</b>	<b>6,326.82</b>
<b>Profit/(Loss) for the year before minority interest and share of results of associates</b>		<b>15,898.30</b>	<b>11,657.43</b>
Add/(Less); share of net profit/(loss) of associates current year		(103.54)	(59.82)
Add/(Less); share of net profit/(loss) of associates previous year		(44.76)	(5.40)
<b>Profit/(Loss) for the year</b>		<b>15,750.00</b>	<b>11,592.21</b>
Earnings per equity share (face value Rs. 2/-) (refer note No.30)			
<b>Basic &amp; Diluted</b>	29	<b>34.68</b>	<b>25.52</b>
<b>Summary of significant accounting policies</b>	2.1		

As per our Report of even date

**for KARVY & CO**

Chartered Accountants

Firm Registration No. 01757S

**K. Ajay Kumar**

Partner

Membership No. 021989

Place : Hyderabad

Date : 21.05.2016

For and on behalf of the Board

**A. Indra Kumar**

Chairman & Managing Director

**C. Ramachandra Rao**

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs.in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	23,670.04	17,984.25
<b>Adjustments to reconcile profit before tax</b> to net cash flows:		
Depreciation / amortization	1,022.67	879.67
Loss on sale of fixed assets	0.05	1.15
Unrealised foreign exchange gain	(564.80)	(305.50)
Interest expenses	135.14	137.19
Interest income	(69.40)	(41.06)
Profit on sale of current investments	(243.13)	(230.16)
Provision for bad debts written back	(62.26)	
Dividend received on Investments	(495.96)	(92.71)
<b>Operating profit before working capital changes</b>	<b>23,392.35</b>	<b>18,332.83</b>
Movements in working capital :		
Increase/ (decrease) in trade payables	5,175.65	(2,995.05)
Increase / (decrease) in long-term provisions	(19.89)	11.34
Increase / (decrease) in short-term provisions	62.05	82.44
Increase/ (decrease) in other current liabilities	790.83	517.55
Increase/ (decrease) in other long-term liabilities	-	100.00
Decrease / (increase) in trade receivables	(78.63)	1,145.89
Decrease / (increase) in inventories	(6,353.31)	(2,286.94)
Decrease / (increase) in long-term loans and advances	(2,573.03)	(133.34)
Decrease / (increase) in short-term loans and advances	(304.30)	(4.19)
Decrease / (increase) in other current assets	(285.46)	200.56
Decrease / (increase) in other non-current assets	(285.70)	(11.24)
<b>Cash generated from operations</b>	<b>19,520.56</b>	<b>14,959.85</b>
Direct taxes paid (net of refunds)	(7,320.56)	(6,025.57)
<b>Net cash flow from operating activities</b>	<b>12,200.00</b>	<b>8,934.28</b>
<b>B. Cash flow from investing activities</b>		
Investment (net)	8,037.35	(6,913.65)
Dividend received on investments	495.96	92.71
Interest received	57.32	41.06
Purchase of fixed assets	(6,651.15)	(1,637.76)
Bank balances not considered as cash and cash equivalents	(150.97)	54.43
Sale of fixed assets	24.17	11.36
<b>Net cash flow used in investing activities</b>	<b>1,812.68</b>	<b>(8,351.85)</b>

(Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in long term borrowings	(384.47)	(618.53)
Increase/(decrease) in short term borrowings	(4,407.03)	846.96
Interest paid	(193.44)	(137.19)
Profit on exchange fluctuations & forward contracts	564.80	305.50
Dividends paid including tax on dividend	(3,006.34)	(1,594.01)
<b>Net cash used in financing activities</b>	<b>(7,426.48)</b>	<b>(1,197.27)</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	6,586.20	(614.83)
Cash and cash equivalents at the beginning of the year	428.53	1,043.36
<b>Cash and cash equivalents at the end of the year</b>	<b>7,014.73</b>	<b>428.53</b>
Components of cash and cash equivalents		
Cash on hand	17.64	13.35
With banks- on current account	6,997.09	415.18
<b>Total cash and cash equivalents (note 18)</b>	<b>7,014.73</b>	<b>428.53</b>
<b>2.1 Summary of significant accounting policies</b>		

As per our Report of even date

**for KARVY & CO**

Chartered Accountants

Firm Registration No. 01757S

**K. Ajay Kumar**

Partner

Membership No. 021989

Place : Hyderabad

Date : 21.05.2016

For and on behalf of the Board

**A. Indra Kumar**

Chairman & Managing Director

**C. Ramachandra Rao**

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards specified Under Section 133 of the Companies Act, read with rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.A. Principles of Consolidation

The consolidated financial statements relate to Avanti Feeds Limited and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i. The Financial statements of the company and its subsidiary are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions, except wherever otherwise stated in accordance with accounting standard (AS-21) "Consolidated Financial Statements" notified under the Companies (Accounts) Rules, 2014.
- ii. The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of the shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separately from liabilities and equity of company's shareholders.
- iv. Minority Interest in the assets of consolidated subsidiaries consists of:
  - a) The amount of equity attributable to minority at the date on which investment in subsidiaries is made; and
  - b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- v. Minority Interest's share of net profit for the year of consolidated subsidiaries is identified and against the profit after tax of the group. Investment in equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidation Financial Statements".
- vi. The company accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share, through its Profit and Loss Account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.
- vii. The difference between the costs of investments in the associates and the share of net assets at the time of acquisition of the shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- viii. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar and are presented in the same manner as the Company's separate financial statements.

**2.B. The subsidiary companies considered in the consolidated financial statements are:**

<b>Name of the subsidiary</b>	<b>Country of incorporation</b>	<b>Proportion of ownership interest</b>
Avanti Frozen Foods Pvt Ltd	India	100%
Svimsan Exports and Imports Private Limited	India	100%

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

**c) Depreciation on tangible fixed assets**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

**d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

**e) Amortization of intangible assets**

Software acquired is measured at cost less accumulated amortisation and is amortised using the straight line method over a period of six years.

**f) Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction year is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto and represents the marginal increase in such expenditure as a result of the capital expansion. Other indirect expenditure (including borrowing costs) incurred during the construction year, which is not related to the construction activity nor is incidental thereto, are charged to the statement of profit and loss. Related income earned during construction period is adjusted against the total of the indirect expenditure.

**g) Leases**

**Company as a lessee**

**Operating leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**h) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**i) Impairment of tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**j) Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

**k) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**l) Inventories**

- i. Raw Materials, Packing Materials and Stores & Spares are stated at weighted average cost.
- ii. Work in progress is valued at cost.
- iii. Stock in Transit is valued at lower of cost or net realizable value.
- iv. Finished goods are stated at lower of cost or net realizable value.

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress, stock-in-transit and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**m) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of product**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are the invoiced value of goods supplied after deducting discount and allowances.

**Interest**

Interest income is recognized 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.

**n) Foreign currency translation**

**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

**o) Retirement Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity is a defined benefit plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**p) Income taxes**

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**q) Segment reporting**

**Identification of segments**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**r) 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 preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights 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.

**s) Provisions**

A provision is recognized 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.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**t) Contingent liabilities**

A 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. A 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 recognize a contingent liability but discloses its existence in the financial statements.

**u) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**v) Derivatives instruments**

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from transactions in respect of which firm commitments are made or which are highly probable forecast transactions. As per the ICAI Announcement, derivative contracts, other than those covered under Accounting Standard-11, are accounted on the basis of hedging principles to the extent that the same does not conflict with the existing mandatory Accounting Standards, other Authoritative pronouncements and other regulatory requirements.

**3 Share capital**

(Rs.in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>Authorised Share Capital</b> 7,92,50,000 equity shares of Rs. 2/- each (31st March, 2015: 1,58,50,000 equity shares of Rs. 10/- each)	1,585.00	1,585.00
<b>Issued, subscribed and fully paid up shares</b> 4,54,15,210 equity shares of Rs. 2/- each ( 31st March, 2015: 90,83,042 equity shares of Rs. 10/- each)	908.30	908.30
<b>Total issued, subscribed and fully paid up share capital</b>	<b>908.30</b>	<b>908.30</b>

### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

(Rs.in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	No.s	Amount	No.s	Amount
Equity shares of Rs. 2/- each fully paid up (previous year Rs.10/- each)	90,83,042	908.30	90,83,042	908.30
At the beginning of the year Issued during the year	-	-	-	-
Conversion on account of shares split *	3,63,32,168	-	-	-
Outstanding at the end of the year	4,54,15,210	908.30	90,83,042	908.30

### 3.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2/- per share ( previous year Rs. 10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the amount of dividend recognised as distribution to equity shareholders was Rs. 7/- per share ( 31st March, 2015 Rs. 27.50).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3.3 Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No.s	% holding	No.s	% holding
<b>Equity shares of Rs. 2/- each fully paid up (previous year Rs. 10/- each)</b>				
1. Srinivasa Cystine Private Limited	1,20,99,705	26.64%	24,17,785	26.62%
2. Thai Union Group PCL, Thailand	1,14,10,210	25.12%	22,82,042	25.12%
3. Alluri Indra Kumar	27,76,900	6.11%	5,53,380	6.09%
4. Alluri Indra Kumar (HUF)	27,29,750	6.01%	5,45,950	6.01%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

The Members of the Company approved the sub-division of equity share of face value of Rs. 10/- (Rupees ten only) each into 5 (Five) equity shares of Rs. 2/- (Rupees two only) each fully paid up by way of Postal Ballot. Consequent upon this, the holders of the equity shares of the Company has received 5 (Five) equity shares of face value of Rs. 2/- each for every equity share of Rs. 10/- each, which resulted in increase in number of shares from 90,83,042 equity shares of Rs. 10/- each to 4,54,15,120 equity shares of Rs. 2/- each.

**4. Reserves and surplus**

(Rs. in Lakhs)

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Capital reserve :</b>		
Balance at the beginning of the year	609.66	609.66
<b>Balance at the end of the year (a)</b>	<b>609.66</b>	<b>609.66</b>
Securities premium account		
Balance at the beginning of the year	456.85	456.85
<b>Balance at the end of the year (b)</b>	<b>456.85</b>	<b>456.85</b>
<b>General reserve :</b>		
Balance at the beginning of the year	6,448.10	5,248.10
Add: amount transferred from surplus balance in the statement of profit and loss	1,600.00	1,200.00
<b>Balance at the end of the year (c)</b>	<b>8,048.10</b>	<b>6,448.10</b>
<b>Surplus in the statement of profit and loss :</b>		
<b>Balance at the beginning of the year</b>	<b>18,106.68</b>	<b>10,720.81</b>
<b>Profit for the year</b>	<b>15,750.00</b>	<b>11,592.21</b>
	33,856.68	22,313.02
<b>Less : Appropriations</b>		
Proposed final equity dividend	3,179.06	2,497.84
Tax on proposed equity dividend	647.18	508.50
Transfer to general reserve	1,600.00	1,200.00
Total appropriations	5,426.24	4,206.34
<b>Net surplus in the statement of profit and loss</b>	<b>28,430.44</b>	<b>18,106.68</b>
<b>Total reserves and surplus</b>	<b>37,545.05</b>	<b>25,621.29</b>

## 5. Long term borrowings

(Rs. in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Long term	Current maturities	Long term	Current maturities
<b>Term loans :</b>				
Indian rupee loan from State Bank of India (secured)	-	-	-	85.40
	-	-	-	<b>85.40</b>
<b>Vehicle loans (secured):</b>				
a) Volkswagen Finance Limited	-	-	-	34.09
b) ICICI Bank Limited	-	25.11	23.83	57.10
c) HDFC Bank Limited	26.81	44.05	70.86	39.83
	<b>26.81</b>	<b>69.16</b>	<b>94.69</b>	<b>131.02</b>
<b>Other loans and advances</b>				
Deferred sales tax loan (unsecured)	180.47	142.98	323.45	146.45
	<b>180.47</b>	<b>142.98</b>	<b>323.45</b>	<b>146.45</b>
<b>Total</b>	<b>207.28</b>	<b>212.14</b>	<b>418.14</b>	<b>362.87</b>
The above amount includes				
Secured borrowings	26.81	69.16	94.69	216.42
Unsecured borrowings	180.47	142.98	323.45	146.45

- 5.1** The long term loan of Rs.935.00 Lakhs (Present outstanding is Nil ) was taken from State Bank of India, Industrial Finance Branch, Hyderabad for the implementation of shrimp feed manufacturing project at Gujarat. The loan is secured by first charge on fixed assets of the Company and personal guarantee of Mr. A. Indra Kumar, Chairman & Managing Director of the Company.
- 5.2** Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 6 months to 36 months.
- 5.3** Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers from 2001-02 to 2004-05 was converted in to interest free loan for period of 14 years repayable in yearly installments of Rs.142.98 lakhs and Rs.180.47 lakhs for March 2017 and March 2018 respectively.

## 6. Deferred tax liability (net) (Rs. in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	469.23	620.29
<b>Gross deferred tax liability</b>	<b>469.23</b>	<b>620.29</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Provision for doubtful debts	-	21.16
<b>Gross deferred tax asset</b>	<b>-</b>	<b>21.16</b>
<b>Net deferred tax liability</b>	<b>469.23</b>	<b>599.13</b>

## 7. Other long term liabilities (Rs. in lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Security deposits received from dealers	374.50	374.50
<b>Total</b>	<b>374.50</b>	<b>374.50</b>

**7.1** Security deposits taken from dealers for supplying them shrimp feed on credit terms. Interest is paid on these deposits @ 9% per annum (31st March, 2015: 9% p.a.).

## 8. Provisions (Rs. in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Long term	Short term	Long term	Short term
<b>Provision for employee benefits (Note 30)</b>				
Provision for gratuity	12.51	16.78	-	34.19
Provision for leave encashment	20.08	114.11	52.48	34.65
	<b>32.59</b>	<b>130.89</b>	<b>52.48</b>	<b>68.84</b>
<b>Other provisions</b>				
Proposed dividend	-	3,179.07	-	2,497.84
Tax on proposed dividend	-	647.18	-	508.50
Provision for income tax (net of advance tax)	-	834.50	-	105.12
	-	<b>4,660.75</b>	-	<b>3,111.46</b>
<b>Total</b>	<b>32.59</b>	<b>4,791.64</b>	<b>52.48</b>	<b>3,180.30</b>

**9. Short term borrowings**

(Rs. in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Working capital loan from State Bank of India (secured)	651.56	5,058.59
Working capital loan from Rabo Bank (secured)	-	-
<b>Total</b>	<b>651.56</b>	<b>5,058.59</b>

- 9.1** Working Capital loans of Rs.651.56 Lakhs was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the company and personal guarantee of Mr. A. Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @ 10.55% p.a..
- 9.2** As at end of current year and previous year, working capital loan from Rabo Bank International, Mumbai is NIL. The loan is secured by first charge on all current assets and second charge on fixed assets of the Company. The loan is repayable on demand and carries interest @9.15% p.a.

**10. Trade payables and Other current liabilities**

(Rs. in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>Trade payables</b> (including acceptances) (refer note 35 for details of dues to micro and small enterprises)	<b>14,293.49</b>	<b>9,117.84</b>
<b>Other current liabilities</b>		
Current maturities of long term borrowings (note 5)	212.14	362.87
Creditors for capital goods	257.44	-
Interest accrued but not due	-	58.30
Advance from customers	2,298.63	1,837.73
Unpaid dividends	67.76	45.12
Others		
Tax deducted at source payable	102.70	75.87
VAT payable	0.11	0.08
CST payable	-	3.56
Service tax payable	11.83	14.10
Professional tax payable	0.71	0.54
Employee state insurance payable	2.55	1.99
Provident fund payable	23.54	19.51
R and D cess payable	8.72	7.45
<b>Total other current liabilities</b>	<b>2,986.13</b>	<b>2,427.12</b>
<b>Total</b>	<b>17,279.62</b>	<b>11,544.96</b>

(Rs. in Lakhs)

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equip-ment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Intangible assets	Total fixed assets	Capital work - in - progress	Grand Total
As at 31st March, 2014	493.11	2,304.95	160.95	4,924.35	1,378.88	1,257.18	150.64	77.89	58.66	44.39	723.51	11,574.51	25.40	11,599.91	481.18	12,081.09
<b>Gross Block</b>																
Additions	188.47	230.16	8.22	1,128.79	-	189.61	34.15	32.43	22.47	97.79	186.33	2,118.42	0.52	2,118.94	694.14	2,813.08
Disposals	-	-	-	6.25	-	28.16	-	0.25	5.75	-	25.24	65.65	-	65.65	1,175.32	1,240.97
<b>As at 31st March, 2015</b>	<b>681.58</b>	<b>2,535.11</b>	<b>169.17</b>	<b>6,046.89</b>	<b>1,378.88</b>	<b>1,448.63</b>	<b>184.79</b>	<b>110.07</b>	<b>75.38</b>	<b>142.18</b>	<b>884.60</b>	<b>13,627.28</b>	<b>25.92</b>	<b>13,653.20</b>	<b>-</b>	<b>13,653.20</b>
Additions	1,732.58	-	-	387.63	-	83.23	91.52	34.80	27.90	23.00	99.93	2,480.59	8.27	2,488.86	4,162.29	6,651.15
Disposals	-	2.50	-	6.72	-	15.82	2.18	2.21	10.07	0.08	16.03	55.61	-	55.61	-	55.61
<b>As at 31st Mar 2016</b>	<b>2,414.16</b>	<b>2,532.61</b>	<b>169.17</b>	<b>6,427.80</b>	<b>1,378.88</b>	<b>1,486.03</b>	<b>274.13</b>	<b>142.66</b>	<b>93.22</b>	<b>165.10</b>	<b>968.50</b>	<b>16,052.26</b>	<b>34.19</b>	<b>16,086.45</b>	<b>4,162.29</b>	<b>20,248.74</b>
<b>Depreciation</b>																
Upto 31st March, 2014	-	406.16	12.71	2,057.33	619.13	459.49	61.69	35.59	26.74	15.99	143.27	3,838.10	11.00	3,849.10	-	3,849.10
Charge for the year	-	67.31	17.39	497.45	56.32	93.27	15.88	14.75	18.99	6.61	86.90	874.87	4.80	879.67	-	879.67
Disposals	-	-	-	6.25	-	28.16	-	0.25	4.72	-	13.77	53.15	-	53.15	-	53.15
Adjustment as per Schedule III	-	-	3.48	0.47	-	3.81	1.69	3.29	3.87	1.40	1.41	19.42	1.56	20.98	-	20.98
<b>Upto 31st March, 2015</b>	<b>-</b>	<b>473.47</b>	<b>33.58</b>	<b>2,549.00</b>	<b>675.45</b>	<b>528.41</b>	<b>79.26</b>	<b>53.38</b>	<b>44.88</b>	<b>24.00</b>	<b>217.81</b>	<b>4,679.24</b>	<b>17.36</b>	<b>4,696.60</b>	<b>-</b>	<b>4,696.60</b>
Charge for the year	-	76.86	17.18	581.49	54.11	112.75	17.10	21.80	18.81	19.85	98.16	1,018.10	4.57	1,022.67	-	1,022.67
Disposals	-	2.50	-	3.66	-	6.89	2.18	1.23	9.64	0.08	5.31	31.49	-	31.49	-	31.49
<b>Upto 31st March, 2016</b>	<b>-</b>	<b>547.83</b>	<b>50.76</b>	<b>3,126.83</b>	<b>729.56</b>	<b>634.27</b>	<b>94.18</b>	<b>73.96</b>	<b>54.04</b>	<b>43.76</b>	<b>310.66</b>	<b>5,665.85</b>	<b>21.93</b>	<b>5,687.78</b>	<b>-</b>	<b>5,687.78</b>
<b>Net block</b>																
As at 31st March, 2015	681.58	2,061.64	135.59	3,497.89	703.43	890.22	105.53	56.69	30.50	118.18	666.79	8,948.04	8.56	8,956.60	-	8,956.60
As at 31st Mar, 2016	2,414.16	1,984.78	118.41	3,300.97	649.32	851.77	179.95	68.70	39.17	121.34	657.84	10,398.61	12.26	10,398.67	4,162.29	14,560.96

**12. Non-current investments**

(Rs. in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>A) Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity shares</b>		
<b>Investment in associates</b>		
Srivathsa Power Projects Private Limited 1,66,93,630 (31st March 2015: 1,66,93,630) equity shares of Rs.10/- each fully paid up	2296.33	2,440.99
Patikari Power Private Limited * 1,06,45,200 (31st March, 2015: 1,06,45,200) equity shares of Rs.10/- each fully paid up	1005.45	1,009.09
* Out of 1,06,45,200 equity shares, 42,50,000 shares have been pledged with respect to loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.		
<b>Total (A)</b>	<b>3301.78</b>	<b>3,450.08</b>
<b>B) Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (quoted)</b>		
IDBI Bank Limited 2,880 (31st March, 2015: 2,880) equity shares of Rs.10/- each fully paid up	0.54	0.54
UCO Bank Limited 7,800 (31st March, 2015: 7,800) equity shares of Rs.10/- each fully paid up	0.94	0.94
<b>Investment in equity instruments (unquoted)</b>		
Bhimavaram Hospitals Limited 1,20,000 (31st March, 2015: 1,20,000) equity shares of Rs.10/- each fully paid up	12.00	12.00
<b>Total (B)</b>	<b>13.48</b>	<b>13.48</b>
<b>Total (A+B)</b>	<b>3,315.26</b>	<b>3,463.56</b>
<b>Aggregate amount of quoted investments</b>		
Book Value	1.48	1.48
Market Value	5.03	7.03
<b>Aggregate amount of unquoted investments</b>		
Book Value	3313.78	3,462.08



**13. Loans and advances**

(Rs. in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Long term	Short term	Long term	Short term
<b>Capital advances</b>				
Unsecured, considered good	2,429.05	-	13.79	-
	<b>2,429.05</b>	<b>-</b>	<b>13.79</b>	<b>-</b>
<b>Security deposits</b>				
Unsecured, considered good	359.87		178.53	
	<b>359.87</b>		<b>178.53</b>	
<b>Other loans and advances</b>				
Loans to employees	44.01	71.03	67.58	57.19
Advance for purchases	-	280.22	-	75.60
Other advances	-	420.39	-	334.55
	<b>44.01</b>	<b>771.64</b>	<b>67.58</b>	<b>467.34</b>
<b>Total</b>	<b>2,832.93</b>	<b>771.64</b>	<b>259.90</b>	<b>467.34</b>

**14. Other non-current assets**

(Rs. in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Non-current	Current	Non-current	Current
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Non-current bank balances (note 18)</b>	<b>164.71</b>	<b>-</b>	<b>86.10</b>	<b>-</b>
Unamortized expenditure				
Pre operative expenses	218.33	-	11.24	-
	<b>218.33</b>	<b>-</b>	<b>11.24</b>	<b>-</b>
<b>Others</b>				
Export incentives receivable	-	420.45	-	380.80
MEIS licences on hand	-	489.57	-	241.05
Freight reimbursement receivable	-	47.12	-	49.83
Interest accrued on fixed deposits	-	33.59	-	21.51
	-	990.73	-	693.19
<b>Total</b>	<b>383.04</b>	<b>990.73</b>	<b>97.34</b>	<b>693.19</b>

**15. Current investments**

(valued at lower of cost and fair value, unless stated otherwise)

(Rs. in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
<b>Investment in unquoted mutual funds</b>		
SBI - Premier Liquid Fund - NIL (31st March, 2015: 7,08,594.979 of Rs. 1003.25 each) units fully paid up	-	7,108.98
Birla Sunlife Optimiser Fund - NIL (31st March, 2015: 3,09,022.052 of Rs. 173.7531 each) units fully paid up	-	536.94
<b>Total</b>	<b>-</b>	<b>7,645.92</b>
<b>Aggregate amount of unquoted investments</b>		
Book Value	-	7,645.92

**16. Inventories (valued at lower of cost and net realizable value)**

(Rs. in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Raw materials (refer note 21)		
In godowns	19,200.55	14,470.85
In transit	396.40	320.21
Packing materials (refer note 21)	454.61	313.53
Work-in-progress (refer note 22)	403.95	434.00
Finished goods (refer note 22)	7,218.80	5,782.66
Stores and spares	880.62	880.37
<b>Total</b>	<b>28,554.93</b>	<b>22,201.62</b>

**17. Trade receivables**

(Rs. in Lakhs)

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Provision for doubtful receivables	-	-
<b>Other receivables</b>		
Secured, considered good	1,031.27	714.91
Unsecured, considered good	2,465.66	2,641.13
Doubtful	-	62.26
	<b>3,496.93</b>	<b>3,418.30</b>
Provision for doubtful receivables	-	(62.26)
	<b>3,496.93</b>	<b>3,356.04</b>
<b>Total</b>	<b>3,496.93</b>	<b>3,356.04</b>

**18. Cash and bank balances**

(Rs. in Lakhs)

	As at 31st March, 2016		As at 31st March, 2015	
	Non-current	Current	Non-current	Current
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
- On current accounts	-	495.07	-	415.18
- On unpaid dividend accounts	-	67.76	-	45.12
- Deposits with Bank	-	6,502.02	-	-
Cash on hand	-	17.64	-	13.35
	-	<b>7,082.49</b>	-	<b>473.65</b>
<b>Other bank balances</b>				
- Deposits with banks	-	-	0.59	-
Margin money accounts (refer Note 18.1)	164.71	270.86	85.51	142.53
	<b>164.71</b>	<b>270.83</b>	<b>86.10</b>	<b>142.53</b>
Amount disclosed under non-current assets (Note 14)	(164.71)	-	(86.10)	-
<b>Total</b>	-	<b>7,353.35</b>	-	<b>616.18</b>

**18.1 Margin money deposits given as security**

Margin Money deposits with bank of a carrying amount of Rs. 435.57 Lakhs (31st March, 2015: Rs.228.04 Lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

**19. Revenue from operations**

(Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Sale of products</b>		
Finished goods	199,530.37	176,309.66
<b>Other operating revenue</b>		
Export incentives	2,253.96	1,756.02
Income from sale of certified emission reductions	44.54	-
<b>Revenue from operations</b>	<b>201,828.87</b>	<b>178,065.68</b>
<b>Detail of products sold</b>		
<b>Finished goods sold</b>		
<b>Domestic Sales</b>		
i) Shrimp feed	172,944.31	150,654.18
ii) Shrimp seed	37.00	54.66
iii) Wheat bran	27.79	10.73
iv) Electricity sales (Wind mills)	169.66	188.26
<b>Total (A)</b>	<b>173,178.76</b>	<b>150,907.83</b>
<b>Export sales</b>		
i) Processed shrimp	26,351.61	25,375.07
ii) Shrimp feed	-	26.76
<b>Total (B)</b>	<b>26,351.61</b>	<b>25,401.83</b>
<b>Total (A+B)</b>	<b>199,530.37</b>	<b>176,309.66</b>

**20. Other income**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Interest income on		
Bank deposits	46.74	24.27
Others	22.66	16.79
Dividend from current investments	495.78	322.78
Dividend from	0.18	0.09
Profit on sale current investment	243.13	-
Exchange differences (net)	564.80	305.50
Profit on sale of fixed assets	-	2.72
Other non-operating income	219.69	125.61
Provision for doubtful debts written back	62.25	-
<b>Total</b>	<b>1,655.23</b>	<b>797.76</b>

**21. Cost of materials consumed**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Inventory at the beginning of the year	15,104.59	13,909.64
Add: Purchases	1,59,243.61	139,501.14
	<b>1,74,348.20</b>	<b>153,410.78</b>
Less: Inventory at the end of the year	20,051.57	15,104.59
<b>Cost of materials consumed</b>	<b>154,296.63</b>	<b>138,306.19</b>

**Details of materials consumed**

	<b>For the year ended As at 31st March, 2016</b>		For the year ended As at 31st March, 2015	
	<b>Qty in MT</b>	<b>Value</b>	Qty in MT	Value
Fish meal	52,667.97	55,475.32	51,282.83	43,797.97
Wheat and wheat flour	82,207.55	15,687.98	74,312.08	14,783.47
Soya DOC	98,533.84	39,168.10	90,554.36	38,777.14
Other materials	21,140.62	18,141.48	20,671.32	16,935.83
Shrimp	6,375.08	22,177.70	5,153.19	20,834.37
Packing material	-	3,646.05	-	3,177.41
<b>Total</b>	<b>260,925.06</b>	<b>154,296.63</b>	<b>241,973.78</b>	<b>138,306.19</b>

**Details of inventory of raw material**

	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Fish meal	14,117.69	8,134.27
Wheat and wheat flour	300.45	570.30
Soya DOC	2,955.67	3,927.59
Other materials	2,223.14	2,158.90
Packing material	454.62	313.53
<b>Total</b>	<b>20,051.57</b>	<b>15,104.59</b>

**22. Change in inventories of finished goods, stock-in-process and stock-in-trade** (Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Inventories at the end of the year		
Finished goods	7,218.80	5,782.66
Work-in-progress	403.95	434.00
	<b>7,622.75</b>	<b>6,216.66</b>
Inventories at the beginning of the year		
Finished goods	5,782.66	4,147.47
Work-in-progress	434.00	569.05
	<b>6,216.66</b>	<b>4,716.52</b>
(Increase) / decrease	<b>(1,406.09)</b>	<b>(1,500.14)</b>
<b>Details of inventory</b>		
<b>Work-in-progress</b>		
i) Shrimp feed	299.87	363.86
ii) Wheat flour	13.22	-
iii) Processed shrimp	90.86	70.14
<b>Total</b>	<b>403.95</b>	<b>434.00</b>
<b>Finished goods</b>		
i) Shrimp feed	1,341.97	1,551.36
ii) Wheat flour	108.58	75.25
iii) Processed shrimp	5,768.25	4,156.05
<b>Total</b>	<b>7,218.80</b>	<b>5,782.66</b>

**23. Employee benefits expense** (Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salaries, wages and bonus	5,357.43	4,401.93
Contribution to provident and other funds	332.11	266.54
Gratuity expense	36.66	34.19
Staff welfare expenses	81.72	61.08
<b>Total</b>	<b>5,807.92</b>	<b>4,763.74</b>

**24. Depreciation and amortization expenses** (Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Depreciation of tangible assets	1,018.10	874.87
Amortization of intangible assets	4.57	4.80
<b>Total</b>	<b>1,022.67</b>	<b>879.67</b>

**25. Finance costs**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Interest	50.94	75.73
Other borrowing costs	84.20	61.46
<b>Total</b>	<b>135.14</b>	<b>137.19</b>

**26. Manufacturing expenses**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Power and fuel	2,555.24	2,782.22
Repairs and maintenance		
- Buildings	230.60	403.52
- Plant and machinery	139.92	137.15
- Electricals	51.67	93.94
Consumable stores	1,517.05	1,754.86
Other manufacturing expenses	1,532.08	1,157.95
<b>Total</b>	<b>6,026.56</b>	<b>6,329.64</b>

**27. Selling and distribution expenses**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Advertisement charges	13.79	7.33
Carriage outward	451.76	245.44
Ocean freight and export expenses	1,133.05	1,032.12
Marketing expenses	1,313.71	1,449.91
Royalty	735.58	672.14
Cash discount	8,297.08	7,201.36
<b>Total</b>	<b>11,944.97</b>	<b>10,608.30</b>

**28. Other expenses**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Rent	197.31	46.87
Rates and taxes	184.10	122.33
Insurance	239.80	258.12
Electricity charges	7.98	6.86
Repairs and maintenance		
Buildings	15.65	2.89
Others	10.39	8.75
Vehicle maintenance	39.50	39.02
Traveling and conveyance	381.54	380.27
Communication costs	64.00	51.47
Printing and stationery	33.95	31.10
Directors' sitting fees	14.25	4.40
Auditors Remuneration :		
As auditors	24.33	12.47
Tax matters	4.58	4.49
Reimbursement of expenses	3.28	3.01
Professional charges	150.43	104.83
Corporate social responsibility	43.81	23.14
Donations	337.40	-
Loss on sale of DEPB	59.15	51.20
Loss on sale of fixed assets	0.05	3.88
Bank charges	202.88	130.17
General expenses	214.69	173.73
<b>Total</b>	<b>2,229.07</b>	<b>1,459.00</b>

**29. Exceptional items**

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Income : CVD Refund	493.68	104.40
	493.68	104.40
Less : expenditure		
Stamp duty on slump sale	102.57	-
<b>Total</b>	<b>391.11</b>	<b>104.40</b>

The Exceptional income is Countervailing Duty (CVD) of Rs. 493.68 Lakhs paid to U.S. Customs department in the year 2013-2014, now refunded by U.S. Customs.

**30. Earnings per share**

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
Net profit for calculation of basic and diluted EPS	15,750.00	11,592.21
Weighted average number of equity shares in calculating basic and diluted EPS (Nos.)	45,415,210	45,415,210
Basic and diluted earnings per share - Face value of Rs.2/- each (in Rs.)	<b>34.68</b>	<b>25.52</b>

For the previous year, the equity shares and basic and diluted earning per share has been presented to reflect the adjustment for split ( sub division) in accordance with accounting standard 20 earning per share

### 31. Gratuity (post-employment benefit plan)

The company operates a defined plans, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

(Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Statement of profit and Loss</b>		
<b>Net employee benefit expense recognised in employee cost</b>		
Current service cost	21.41	38.12
Interest cost on benefit obligation	18.42	14.68
Expected return on plan assets	(20.29)	(18.89)
Net actuarial (gain) / loss recognized in the year	8.95	0.29
<b>Net benefit expense</b>	<b>28.49</b>	<b>34.19</b>
<b>Balance sheet</b>		
<b>Benefit asset/ liability</b>		
Present value of defined benefit obligation	278.86	230.31
Fair value of plan assets	250.37	196.11
<b>Plan liability</b>	<b>28.49</b>	<b>34.20</b>
<b>Changes in the present value of the defined benefit obligation are as follows</b>		
Opening defined benefit obligation	230.31	190.14
Current service cost	21.41	38.12
Interest cost	18.42	14.68
Benefits paid	(0.23)	(4.84)
Actuarial losses on obligation	8.95	(7.79)
<b>Closing defined benefit obligation</b>	<b>278.86</b>	<b>230.31</b>
<b>Changes in the fair value of plan assets are as follows</b>		
Opening fair value of plan assets	196.12	82.84
Expected return	20.30	18.90
Contributions by employer	34.18	107.30
Benefits paid	(0.23)	(4.84)
Actuarial gains / (losses)	-	(8.08)
<b>Closing fair value of plan assets</b>	<b>250.37</b>	<b>196.12</b>



**31. Gratuity (post-employment benefit plan) (Contd...)**

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows</b>		
<b>Gratuity</b>		
Investments with insurer	100%	100%
<b>The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:</b>		
Discount rate	8.00%	7.82%
Expected rate of return on assets	8.35%	8.00%
Increase in compensation cost	10.00%	10.00%

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario

**Amounts for the current and previous four periods are as follows:**

(Rs. in Lakhs)

	For the year ended 31st March				
	2016	2015	2014	2013	2012
<b>Gratuity</b>					
Defined benefit obligation	278.86	230.31	190.14	122.13	87.31
Plan assets	250.37	196.11	82.84	69.25	54.09
Surplus / (deficit)	(28.49)	(34.20)	(107.30)	(52.87)	(33.22)
Experience adjustment on plan liabilities	8.95	(7.79)	29.59	16.16	4.59
Experience adjustment on plan assets	-	8.08	(4.77)	(0.29)	(0.09)

**32. Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.6,323.27 Lakhs (31st March,2015: Rs.17.59 Lakhs) which is net of capital advances of Rs.2429.05 Lakhs (31st March,2015: Rs. 13.79 Lakhs).

**33. Contingent liabilities**

(Rs. in Lakhs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company *	3,160.29	3,102.96
B. Corporate guarantee given to Avanti Frozen Foods Private Limited	6,225.00	-

\* Details of demands raised by customs, service tax, sales tax, income tax and other authorities :

### 33. Contingent liabilities (Contd.....)

(Rs.in Lakhs)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 and Customs Act, 1962	Customs Duty & Central Excise	2,999.18	1999 - 2002	CESTAT, Hyderabad
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
Income tax Act, 1961	Income-tax	5.13	2011-12	Commissioner (Appeals)
Electricity Act, 2003	Electricity duty	8.61	2011-12 to 2014-15	High Court of Andhra Pradesh
Customs Act, 1962	Customs duty	60.82	2009-11 & 2011-12	CESTAT, Chennai
Income tax Act, 1961	Income-tax	57.33	2012-13	Commissioner (Appeals)
<b>Total</b>		<b>3,160.29</b>		

- 33.1 The Customs and Central Excise Department raised demand for Rs. 1494.59 Lakhs and levied penalty of Rs. 1504.59 Lakhs for customs duty forgone on duty free imports of raw materials and non-fulfilment of export obligation for the period 1999-2000 to 2001-2002 when the Company was operating as a 100% EOU. Company had achieved Net Foreign Exchange Earning in 2003-04 and the Development Commissioner of Visakhapatnam Export Processing Zone allowed Company to de-bond upon being satisfied with the fulfilment of exports made by the Company and foreign exchange earning obligations. Further, Company had paid Rs. 1655.03 Lakhs excise duty on domestic sale of shrimp feed in lieu of the duty free import of raw materials and spares. However, the Customs and Central Excise Department raised the demand without considering the amounts paid. This demand and levy of penalty was contested by the Company before CESTAT, Bangalore and Hon'ble CESTAT remanded the case back to The Commissioner for fresh adjudication after considering all the aspects raised by the Company. The Commissioner gave his order confirming the demand and Company again approached CESTAT against this order. The matter is pending before CESTAT, Hyderabad.
- 33.2 The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to Rs. 29.22 Lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
- 33.3 For the Assessment Year 2011-2012 Assessing officer disallowed an amount of Rs. 17.95 Lakhs U/s. 14A for the Investments made by the Company and raised demand for Rs. 5.13 Lakhs. Company is contesting the same before Commissioner Appeals.

- 33.4 Company approached High Court of Andhra Pradesh against levy and collection of Electricity Duty on self generated power from DG sets. Honble High Court granted stay on recovery of the same and the matter is pending for final hearing.
- 33.5 Company is importing Squid Liver Powder (SLP) which is one of the raw materials for manufacturing of shrimp feed. SLP is imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.
- The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.
- 33.6 Company is given corporate guarantee Rs. 6250.00 Lakhs, to its wholly owned subsidiary Avanti Frozen Foods Pvt. Ltd., for loans taken by it from State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad.
- 33.7 For the Assessment year 2012-2013 assessing officer disallowed an amount of Rs. 6.07 Lakhs U/s. 14A read with rule 8D of Income tax act and an amount of Rs.159.85 Lakhs U/s. 80 IA for the profits from wind mill division which has resulted in a demand of Rs. 57.33 lakhs. the company being aggrieved with the said demand, filed an appeal before Commissioner Income Tax (Appeals).
- 33.8 The company has given guarantee of Rs. 6225.00 Lakhs to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad for loans taken by the Avanti Frozen Foods Private Limited (a wholly owned subsidiary of the company).

#### 34. Derivative instruments and unhedged foreign currency exposures

##### Derivatives outstanding as at the reporting date

Particulars	Purpose
<u>Forward contract to sell US\$</u>	
US\$ 1,21,14,669 (US\$ 91,64,642 as at 31st March, 2015) Rs.8,188.40 Lakhs (Rs.5860.55 Lakhs as at 31st March 2015))	Hedge of export debtors and for confirmed export orders
<u>Forward contract to buy US\$</u>	
US\$ 25,62,897 (US\$ 1,87,000 as at 31st March, 2015) Rs. 700.04 Lakhs (Rs. 117.48 Lakhs as at 31st March, 2015))	Hedge for import liabilities

(a) Particulars of unhedged foreign currency exposure as at reporting date

		31st March, 2016		31st March, 2015	
		Foreign Currency	Amount (Rs. in Lakhs)	Foreign Currency	Amount (Rs. in Lakhs)
Trade payables	USD	2,051,285	1360.68	873,120	546.49
	Euro	-	-	14,750	9.96

Closing rate as at 31st March, 2016 - 1 USD = Rs 66.3329 (31st March, 2015: 1 USD = Rs 62.5908, 1 Euro = Rs. 67.5104)

### 35. Details of dues to micro and small enterprises as defined under MSMED Act 2006.

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from the suppliers is still awaited. In view of this, the liability of interest cannot be reliably estimated nor the required disclosures could be made, Accounting in this regard will be carried out after the process is completed and reliable estimate made in this regard. However management is of the opinion that liability in any case will be insignificant having regard to the supplier's profile of the company.

### 36. Segmental information

#### I. Primary segment

The Company's business is organized into three main business segments mainly Shrimp Feed, Processing & Shrimp Exports and Wind Mills. Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organization structure, and the internal financial reporting system.

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp. Shrimp are purchased from the farmers and are further processed and exported to various countries.

Company had installed four wind mills of 3.2MW at Chitradurga, Karnataka. Power generated from wind mills is sold to BESCO under Power Purchase agreement.

#### Segment revenue and results

All segment revenues & expenses that are directly attributable to the segments are reported under the respective segment. The revenues and expenses that are not directly attributable to any segments are shown as unallocated expenses.

#### Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally Fixed Assets, Debtors and Inventories. Segment liabilities primarily include creditors and other liabilities. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively.

#### II. Secondary segment:

##### Geographical segment:

Based on the Revenue attributable to the individual customers located in various parts of the world, the company's business is organized into three key geographic segments, viz., India, USA and Rest of World.

(Rs. in Lakhs)

Name of the Country	Revenue		Location of assets		Additions to fixed assets	
	For the year ended 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,		During the year ended 31 <sup>st</sup> March,	
	2016	2015	2016	2015	2016	2015
India	1,74,705.35	1,52,690.33	62,259.76	45,418.71	6,651.15	2,118.94
USA	14,081.22	13,950.47	-	336.27	-	-
Rest of the world	13,042.30	11,424.88	-	2,002.71	-	-
<b>Total</b>	<b>2,01,828.87</b>	<b>1,78,065.68</b>	<b>62,259.76</b>	<b>47,757.69</b>	<b>6,651.15</b>	<b>2,118.94</b>

**36.1 Information pursuant to AS - 17 issued by ICAI**

(Rs. in Lakhs)

	Shrimp Feed		Shrimp Processing		Power		Unallocated		Total	
	current year	previous year	current year	previous year	current year	previous year	current year	previous year	current year	previous year
<b>Revenue</b>										
External sales	173,009.10	150,746.33	28,605.57	27,131.09	214.20	188.26			201,828.87	1,78,065.68
Inter-segment sales		-		-		-				-
<b>Total Revenue</b>	<b>173,009.10</b>	<b>150,746.33</b>	<b>28,605.57</b>	<b>26,691.05</b>	<b>214.20</b>	<b>188.26</b>			<b>201,828.87</b>	<b>177,625.64</b>
<b>Segment result</b>										
Operating profit	19,441.97	15,058.51	2,352.61	2,107.79	112.56	91.22		(0.43)	21,907.14	17,257.09
Share of profit/(Loss) from associates	-	-	-	-	(148.30)	(65.22)			(148.30)	(65.22)
Other income	132.46	78.55	736.78	369.59	-	-	785.99	349.62	1,655.23	797.76
Interest expense	125.02	118.09	10.12	56.91	-	-	-	-	135.14	175.00
Exceptional items	-	-	493.68	104.40	-	-	(102.57)	-	391.11	104.40
Income tax - current										
Tax & PY taxes									8,049.94	5,864.02
- Deferred Tax									(129.90)	462.80
<b>Net Profit</b>	<b>19,449.41</b>	<b>15,018.97</b>	<b>3,572.95</b>	<b>2,524.74</b>	<b>(35.74)</b>	<b>26.00</b>	<b>(7,236.62)</b>	<b>(5,977.20)</b>	<b>15,750.00</b>	<b>11,592.21</b>
<b>Other information</b>										
Segment assets	41,355.29	26,028.83	9,621.39	9,001.81	744.18	4,242.55	10,538.91	8,484.50	62,259.77	47,757.69
Segment liabilities	22,390.24	18,105.53	1,038.82	2,203.71	49.09	48.04	328.27	870.82	23,806.42	21,228.10
<b>Capital employed</b>	<b>18,965.05</b>	<b>7,923.30</b>	<b>8,582.57</b>	<b>6,798.10</b>	<b>695.09</b>	<b>4,194.51</b>	<b>10,210.64</b>	<b>7,613.68</b>	<b>38,453.35</b>	<b>26,529.59</b>
Capital expenditure	1,428.80	1,544.66	1,035.99	559.12	-	-	24.07	15.16	2,488.86	2,118.94
Depreciation	709.94	604.82	217.94	171.36	57.32	59.63	37.47	43.86	1,022.67	879.67

### 37. Related party disclosures

#### 37.1 Names of related parties and related party relationship:

Subsidiary	Avanti Frozen Foods Private Limited Svimsan Exports and Imports Private Limited
Key Managerial Personnel	Sri A. Indra Kumar, Chairman and Managing Director Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
Relatives of Key Managerial Personnel	Sri N.V. Bhanu Prasad Sri A. Venkata Sanjeev
Associate Companies	Srivathsa Power Projects Private Limited Patikari Power Private Limited
Companies over which Significant Influence is exercised	Srinivasa Cystine Private Limited SCL Trading Private Limited Sanjeev Agro Vet Private Limited Laxai-Avanti Life Sciences Private Limited Sri Sai Srinivasa Agro Farms and Developers Private Limited

#### 37.2 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year: (Rs. in Lakhs)

Particulars	Key management personnel/their relatives		Companies over which significant influence is exercised	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2016	2015	2016	2015
Remuneration	2178.03	1694.27	1008.55	-
Rent paid	3.25	3.00	2.05	2.02
Rent Received			1.60	1.60
Dividend paid	302.87	164.90	1370.69	746.78

#### 37.3 Balance as on 31st March 2015

(Rs. in Lakhs)

Particulars	Key management personnel		Associate companies		Companies over which significant influence is exercised	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2016	2015	2016	2015	2016	2015
Investment	-	-	3,450.08	3,515.30	-	-
Remuneration	1796.30	1375.78	-	-	-	-
Rent payable	0.25	0.15	-	-	0.16	0.15

**38. Foreign currency inflow & outflow**

(Rs. in Lakhs)

	<b>For the year ended 31st March, 2016</b>	For the year ended 31st March, 2015
<b>i) Value of imports made by the company during the financial year calculated on CIF basis in respect of</b>		
Capital goods	1,493.59	533.86
Spares & consumables	854.74	489.17
Raw Materials	5,213.18	3,193.24
<b>ii) Earnings in foreign exchange</b>		
Shrimp exports on FOB basis	25,214.95	24,302.57
CVD Refund received	493.68	104.40
Shrimp feed exports on FOB basis	-	26.47
<b>iii) Expenditure in foreign currency on account of</b>		
Travelling	48.17	27.44
Royalty	735.58	672.14
Quality insurance premium	119.36	144.01
Dividend	627.56	342.52
Other expenditures	271.38	230.21

**39. Imported and indigenous raw materials consumed**

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value	Percentage	Value	Percentage
Imported	6,565.14	4.25%	4,246.02	3.07
Indigenous	147,731.47	95.75%	1,34,111.86	96.93
<b>Total</b>	<b>154,296.61</b>	<b>100.00%</b>	<b>138,357.88</b>	<b>100.00</b>

**40. Net dividend remitted in foreign exchange**

Year of Remittance	Period to which it relates	No. of Non-resident shareholders	Number of equity shares held on which dividend was due	Amount of dividend USD (In lakhs)	Amount of dividend remitted in INR (In lakhs)
2015-2016	2015-2016	2	22,82,042	9.43	627.56
2014-2015	2014-2015	2	22,82,042	5.60	342.52

**41. Previous year figures**

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

**Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/Associates**  
(Rs. in Lakhs)

	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
Avanti Feeds Limited	98.05%	37,704.79	98.58%	15,526.23	98.02%	26,004.80	100.57%	11,657.86
<b>Subsidiaries:</b>								
<b>Indian</b>								
1 Svimsan Exports and Imports Private Limited	-0.50%	-190.83	0.00%	-0.61	-0.72%	-190.21	0.00%	-0.43
2 Avanti Frozen Foods Private Limited	23.07%	8,871.57	2.42%	380.76	-	-	-	-
<b>Minority Interests in all subsidiaries</b>								
<b>Associates (Investment as per the equity method);</b>								
<b>Indian</b>								
1 Srivathsa Power Projects Private Limited	5.97%	2,296.33	-0.68%	-106.45	9.20%	2,440.99	-0.71%	-82.24
2 Patikari Power Private Limited	2.61%	1,005.45	0.02%	2.91	3.80%	1,009.09	0.19%	22.42



**Salient features of financial statements of subsidiary/associates as per the Companies Act, 2013.**

(Rs. in Lakhs)

S.No	Name of the subsidiary/associates	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover/total income	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	% of share-holding
	<b>Subsidiaries:</b>												
1	Svimsan Exports and Imports Private Limited	INR	100.00	-	0.02	90.44	-	-	0.61	-	0.61	-	100.00
2	Avanti Frozen Foods Private Limited	INR	601.00	8,240.77	14,280.36	5,438.59		706.36	569.39	188.63	380.76	-	100.00
	<b>Associates;</b>												
2	Srivathsa Power Projects Pvt. Ltd.	INR	3,339.71	1,241.39	4,759.58	178.48	-	570.02	-212.96	-	-212.96	-	49.99
3	Patikari Power Pvt. Ltd.	INR	4,112.02	-228.14	7,072.79	3,188.91	0.84	1,306.63	12.35	1.11	11.24	-	25.89

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**AVANTI FEEDS LIMITED**

CIN: L16001AP1993PLC095778

Regd. Office: H.No.37, Plot No.37, Baymount, Rushikonda,  
Visakhapatnam – 530045, Andhra Pradesh.

Email: [avantiho@avantifeeds.com](mailto:avantiho@avantifeeds.com).

Website: [www.avantifeeds.com](http://www.avantifeeds.com)

**ATTENDANCE SLIP**

23<sup>rd</sup> ANNUAL GENERAL MEETING

13<sup>th</sup> August, 2016

DP ID – Clinet ID No. / Folio No. :

No. of shares held :

Name of the Member / Proxy :

Address of the Member :

I/We, hereby record my/our presence at the 23<sup>rd</sup> Annual General Meeting of Avanti Feeds Limited on Saturday, the **13<sup>th</sup> August, 2016** at **11.00 A.M.**, at **Hotel Daspalla, Jagadamba Junction, Visakhapatnam-530 020.**

Signature of Member/Proxy

Note:

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are informed that no duplicate slips will be issued at the venue of the meeting and are requested to bring this slip.



**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 : CIN: L16001AP1993PLC095778  
 Name of the Company : Avanti Feeds Limited  
 Registered Office : Plot No.37, H.No.37, Baymount, Rushikonda, Visakhapatnam - 530045, Andhra Pradesh.  
 Name of the member(s) : \_\_\_\_\_  
 Registered Address : \_\_\_\_\_  
 Email ID : \_\_\_\_\_  
 Folio No./Client ID : \_\_\_\_\_  
 DPID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him
2. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him
3. 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 23<sup>rd</sup> Annual General Meeting of the Company, to be held on the 13<sup>th</sup> day of August, 2016 at 11.A.M., at Hotel Dasapalla, Jagadamba Junction, Visakhapatnam-530020 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolutions:**

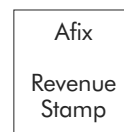
**Ordinary Business:**

1. To receive, consider and adopt :
  - a. The audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, the Report of Board of Directors and the Report of the Auditors thereon.
  - b. The audited Consolidated Financial Statement of the Company for Financial Year ended 31<sup>st</sup> March, 2016 and the Report of the Auditors thereon.
2. To declare dividend of Rs.7/- per equity share of Rs.2/- each fully paid up for the year 2015-16.
3. Reappointment of Mr. Bunluesak Sorajjakit, (DIN:02822828) as Director, who retires by rotation.
4. Reappointment of Mr. N Ram Prasad (DIN: 00145558) as Director, who retires by rotation,
5. Ratification of appointment of Karvy & Co., Chartered Accountants as Independent Auditors from the 23<sup>rd</sup> Annual General Meeting to the conclusion of 24<sup>th</sup> Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors on the recommendations of the Audit Committee.

**Special Business:**

6. Appointment of Sri A. Indra Kumar as Chairman & Managing Director for a further period of 5 years.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.



Signature of shareholder

Signature of Proxy holder(s)

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.

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Medical Camp held at Kovvur



Blood Donation Camp by staff at Kovvur



Plantation of trees in village



Tree plantation on both sides of road



*In the business of quality Prawn feed and Prawn Exports*

**Registered Office:** Plot No.37, H.No.37, Baymount,  
Rushikonda, Visakhapatnam-530 045. Andhra Pradesh. India

**Corporate Office:** G-2, Concorde Apartments,6-3-658, Somajiguda,  
Hyderabad-500 082. Telangana State, India.

Email: [investors@avantifeeds.com](mailto:investors@avantifeeds.com)