25th
Annual Report 2017-18

Avanti®
Feeds Limited

Partnering Prosperity and Sustainability.

Co-creating Value.

Contents

Consolidated Financial highlights of FY 2017-18

Gross sales
₹**3,392.90** crore
29.71% y-o-y growth

EBITDA
₹**730.89** crore
79.10% y-o-y growth

Profit after tax
₹**466.48** crore
106.13% y-o-y growth

Net worth
₹**1,149.85** crore
56.69% y-o-y growth

Equity share information

512573 BSE code	**AVANTIFEED** NSE code	**₹6** Total Dividend per share	**₹10,137.13 crore** Market capitalisation	**600%** Dividend pay-out ratio

OUR INSPIRATION

Late Sri. Alluri Venkateshwara Rao

Founder Chairman

7th July 1933 - 25th June 2002

"Vision, Truth, Hard Work and Prosperity of all Stakeholders were his four guiding principles"

We, at AFL, continue to carry on his legacy on these principles.

We have invested in the wellbeing and prosperity of shrimp farmers and committed for sustainable growth of India's shrimp farming.

As a part of our overarching objective, we are continuously undertaking measures to create holistic value for this activity with the help and support of all our stakeholders.

From ramping up capacity, engaging more with shrimp farmers to internalise global expertise for improving quality and productivity, we are on track to achieve our growth ambitions.

We are partnering farmers and other stakeholders in the journey towards sustainable growth and value creation.


FEED NO. 3S

Know more about us

Incorporated in 1993, we were the first to manufacture scientifically formulated shrimp feed in India, with quality standards that are among the best in the world. We have now emerged as a leading manufacturer of shrimp feed.

Our subsidiary **Avanti Frozen Foods Pvt. Limited** processes and exports shrimps from India.

Our vision

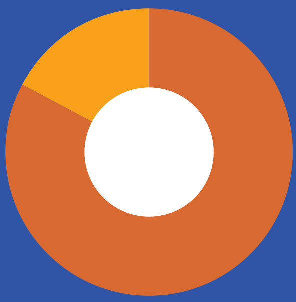
To be a

1 billion USD

company by 2022

Our businesses

- Shrimp Feed Revenue share: **82.87%** in FY 2017-18
- Shrimp processing Revenue share: **17.13%** in FY 2017-18
- Shrimp hatchery (upcoming)



Our operations

Shrimp feed manufacturing
We have five shrimp feed manufacturing units in India, located two at Kovvur, Vemuluru and Bandapuram in West Godavari District, Andhra Pradesh and at Pardi in Valsad District, Gujarat. All the units are ISO 9001:2015 and also BAP certified. Avanti Feeds produces nutritionally well-balanced and high-quality feed, consistently catering to the requirements of India's shrimp farmers across geographies.

Shrimp processing and exports by subsidiary Avanti Frozen Foods Pvt. Limited

Our shrimp processing and exports units, certified ISO 22000:2005, are at Gopalapuram near Ravulapalem and at Yerravaram in East Godavari District of Andhra Pradesh, India. The facilities conform to Hazard Analysis and Critical Control Points (HACCP), US Food and Drug Administration (USFDA), EU and British Retail Consortium (BRC) Global Standards. We are also certified by the Aquaculture Certification Council (ACC) for Best Aquaculture Practices (BAP).

Our market leadership

43%

We enjoy a 43% market share in the overall domestic pie of shrimp feed.

Our capacities

6,00,000 MT per annum

Shrimp feed manufacturing

22,000 MT per annum

Shrimp processing and exports

Collaboration for growth

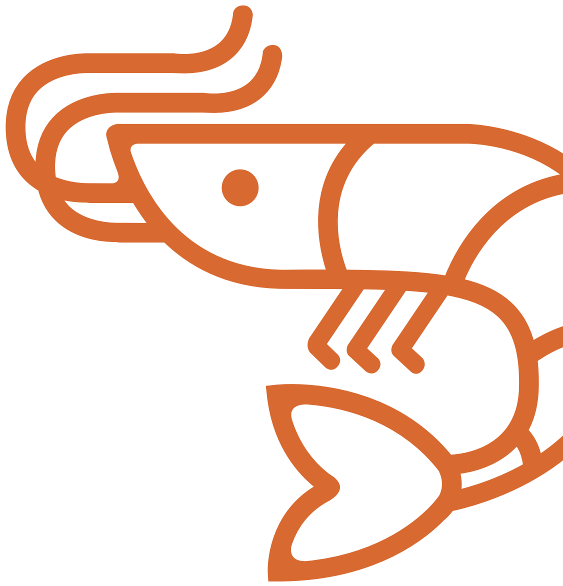
In 2002, we entered into a technical collaboration with Thai Union Feed Mills Limited, Thailand (TUFM), subsidiary of Thai Union Group PCL, for technical upgradation and development of feed for L.Vannamei species.

Thai Union Group PCL. (TUG), Thailand is the world's largest seafood manufacturers, processors and exporters. TUG also has Feed Mill and Prawn Shrimp Hatchery in Thailand. Today, Thai Union Group is closely associated with Avanti Feeds with equity participation of 25% in the Company, technical collaboration and marketing tie-up in India.

The shrimp processing & export division was carved out from the Company, to form Avanti Frozen Foods Private Limited (AFFPL) as a subsidiary of the Company with 60% equity. Thai Union (TU) joined AFFPL with 40% equity in 2016.

Salient feature

- Collaboration with TUG is contributing significantly in our growth across both businesses.
- We work together closely in shrimp feed formulation, improving shrimp productivity for the farmer by reducing FCR and by undertaking research and development (R&D).
- Our new state-of-the-art shrimp processing plant in AFFPL at Yerravaram has been established in consultation with technical expertise of TU. TU is also helping us in producing high value-added and cooked products and expand our exports to new markets.
- We are setting up shrimp hatchery with a capacity of 400 million seeds in Andhra Pradesh with the technical expertise of TU.



Expansion roadmap

We are in the process of setting up a shrimp seed hatchery with a capacity of 400 million seeds. The plant will be operational in two phases of 200 million seeds in each phase. A good quality seed ensures good quality shrimp and successful crop for the farmer.

We are exploring the possibility of diversifying into fish feed and other feeds manufactured for the cultivation of fish species like Seabas, which has great export potential. TUFM has proven technology for producing feed for these species that can be readily adopted by the Company.

A sustainable journey

1994
Began our journey with shrimp feed manufacturing capacity of 10,000 MT per annum at Kovvur.

1999
Started shrimp processing and export with 3,000 MT per annum capacity at Gopalapuram.

2002
Commissioned our 2nd shrimp feed plant in Vemuluru.

2002
Installated Individually Quick-Frozen (IQF) facility in shrimp processing unit at Gopalapuram.

2003
Entered in to technical collaboration agreement with Thai Union Feed Mill Co. Ltd. for upgradation and development of feed for L.Vannamei species.

2006
Commissioned four wind mills with 3.2 MW capacity in Karnataka.

2009
Introduced cost-effective P. Vannamei shrimp culture to make Indian aquaculture globally competitive.

2012
Commissioned 3rd shrimp feed manufacturing plant at Pardi in Valsad district of Gujarat to cater to the demands of India's west coast.

2012

Enhanced our shrimp processing capacity from 3,000 MT per annum to 7,000 MT per annum at Gopalapuram.

2014

Commissioned Unit-II shrimp feed manufacturing plant at Kovvur, adjacent to the 1st plant.

2016

Divested shrimp processing and export division to subsidiary AFFPL to secure global recognition for the shrimp processing and export.

2017

Commissioned shrimp feed manufacturing plant at 4th location in Bandapuram.

2018

Doubled the feed manufacturing capacity at Bandapuram.

2018

Commissioned state-of-the-art shrimp processing and export plant at Yerravaram in subsidieary AFFPL with 15,000 MT capacity per annum.

Robust value creation model

What We Do

We are India's largest manufacturer of shrimp feed.

428,452MT
Shrimp feed produced in FY 2017-18

9,376MT
Shrimp processed and exported in FY 2017-18, by our subsidiary Avanti Frozen Foods Pvt. Ltd. (AFFPL).

How We Do It

Experience
We have around 25 years of rich experience in the shrimp culture industry.

Feed Formulation
We have ideal feed formulation which gives best feed conversion ratio (FCR) to the farmer

Brand
We have high brand recognition due to Avanti's quality focus, leading to strong market demand.

Scale
We enjoy economies of scale, lowering average overhead and strengthening margins.

We have the expertise for quick capacity upscale to cater to market demand.

Reach
We have a strong sales force and wide dealer network, covering all shrimp culture areas.

Support
We have a robust technical team to advise farmers on culture and disease management.

Control
We have put in place prudent inventory management system, thereby reducing overstocking of finished products and raw materials.

Quality
We supply good quality feed that suits local soil and water conditions and also climate changes with industry's lowest feed conversion ratio (FCR).

Team
Our strong and dedicated 1200 member team is driven by a culture of efficiency, integrity and ethical business practices.

Capability
We have the largest integrated shrimp processing plant in India with facility to process advanced, value-added and cooked products.

What Value We Create

Investors
- Prudent financial management with internal accruals for funding expansions and not resorting to high-cost borrowing
- Regular dividend payouts
- Sound corporate governance

Customers
- Best quality feed with lowest Feed Conversion Ratio (FCR)
- Timely technical support to farmers during culture

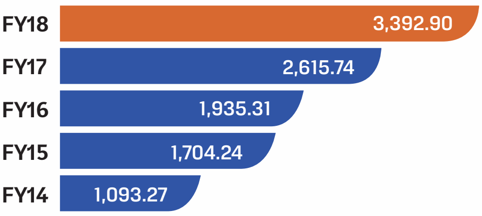
Employees
- Supportive people policies, almost zero staff turnover,
- Highly motivated team with experience
- Continuous learning and upgradation of technical and commercial knowhow and adoption of emerging technologies

Suppliers
- Timely payment to raw-material suppliers and investing in long-term relationships with them

Communities (CSR)
- Reaching out to communities through various programmes on health, education, environment and infrastructure.

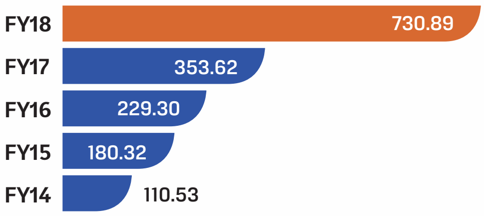
Key performance indicators

Revenue
` in Crore



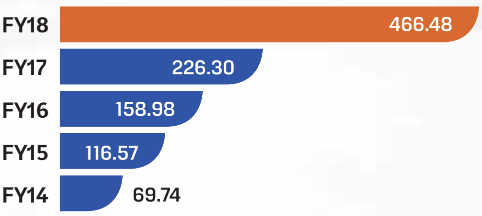
5-year CAGR 33%
y-o-y growth 30%

EBITDA
` in Crore



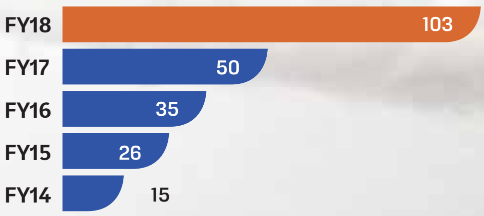
5-year CAGR 58%
y-o-y growth 107%

PAT
` in Crore



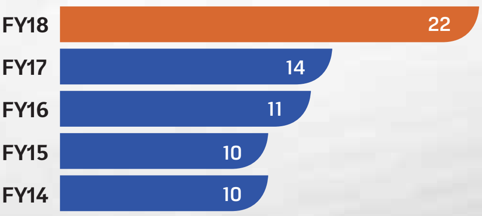
5-year CAGR 61%
y-o-y growth 106%

Earnings per share
`



5-year CAGR 61%
y-o-y growth 106%

EBITDA margin
%



PAT margin
%

Key ratios

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Return on capital employed (ROCE) (%)	59%	69%	57%	54%	76%
Return on equity (ROE) (%)	39%	44%	38%	35%	49%
Net debt to equity (x)	0.08	0.03	0.01	0.02	0.00
Interest coverage (x)	20	67	118	75	157
Inventory days	52	48	51	51	68
Receivables days	14	8	6	4	5

Building a sustainable growth paradigm

Our PAT surged by 106.1% from ` 226.3 Crore in FY 2016-17 to ` 466.5 Crore in FY 2017-18.

Dear Shareholders,

I am privileged to share with you our Company's performance during the year under review; and provide key insights of the shrimp aquaculture industry. I think it is pertinent to provide an appropriate context before I discuss our performance for the year gone by.

Towards the end of 1980s, the Government of India started promoting shrimp aquaculture in coastal areas. The objective was to put to use brackish waterbodies and idle land of the vast coastal regions to generate rural employment; and earn foreign exchange by the export of shrimps. The initiative was a win-win proposition as the brackish water and coastal lands, which were not of much productive use became a source for foreign earnings and provided rural employment.

India's shrimp aquaculture has already gained momentum with the introduction of P. Vannamei species of shrimp in 2009. The country has now emerged as one of the largest producers of shrimp in the world. A significant portion of shrimps cultivated in India is primarily exported to the US, followed by Europe, Japan and South East Asian countries.

A long coastline across West Bengal, Orissa, Andhra Pradesh, Tamil Nadu, Puducherry, Kerala, Karnataka, Goa, Maharashtra and Gujarat have major brackish waterbodies. Out of total potential of 11.90 lakh hectors of land available, shrimp culture is undertaken in only 1.53 lakh hectors. With low penetration of shrimp culture, a significant scope exists for farmers to adopt shrimp culture as their primary source of livelihood.

As a leading manufacturer of shrimp feed we have always maintained high quality and consistency; and our credentials among farmers have helped us strengthen reputation among farmers.

FY 2017-18 in retrospect

We reported an encouraging performance during the year. We registered a 29.7% growth in consolidated revenues from ` 2,615.7 Crore in FY 2016-17 to ` 3,392.9 Crore in FY 2017-18, owing to the growing scale of our business. Our EBITDA grew by 106.7% from ` 353.7 Crore in FY 2016-17 to ` 730.9 Crore in FY 2017-18. Our EBITDA margins stood at 21.5% in FY 2017-18 (13.5% in FY 2016-17).

Simultaneously, our PAT surged by 106.1% from ` 226.3 Crore in FY 2016-17 to ` 466.5 Crore in FY 2017-18. We focuseds on high-growth geographies with a robust portfolio of products to drive profitable growth. We rewarded our shareholder with a proposed dividend of ` 6/- per share of face value ` 1/-each.

Our feeds business grew by 26.20% from ` 2,230.8 Crore in FY 2016-17 to ` 2,815.3 Crore in FY 2017-18. Our PBT increased by 112% from ` 296.4 Crore in FY 2016-17 to ` 629.2 Crore in FY 2017-18. Moreover, our shrimp processing and export business grew by 51.33% from ` 384.1 Crore in FY 2016-17 to ` 581.2 Crore in FY 2017-18. Our PBT increased by 75.40% from ` 42.1 Crore in FY 2016-17 to `73.8 Crore in FY 2017-18.

Our market leadership is based on the quality of our products and the technical assistance we provide to our farmers. Farmers prefer our feed because they get best-in-class Feed Conversion Ratio (FCR) ensuring higher yield. Our team of more that 250 technical team of graduates in fisheries science visit shrimp culture ponds of farmers and advise them during the progress of the culture. In addition to this our Technical Assistance After Sales Service (TASS), who are all graduates in fisheries science with practical training in all aspects of shrimp culture also visit shrimp culture ponds and educate farmers on appropriate practices to get the best harvest.

Expansion roadmap

Our new shrimp feed plant at Bandapuram, Andhra Pradesh commenced commercial production in August 2016. As the demand for our feed products are growing year after year, we have further expanded the capacity by 1,75,000 MT per annum at the existing feed plant at Bandapuram and operations of expanded capacity started in March 2018. Post expansion, the total feed production capacity of all the units put together is 600,000 MT per annum in FY 2018-19.

We commissioned our new state-of-the-art shrimp processing plant (Unit-2) established at Yerravaram, Andhra Pradesh with 15,000 TPA capacity in subsidiary AFFPL and started commercial production and exports from August 2017. This plant is equipped with the facility to process cooked high-value products, in addition to traditional block freezing of raw shrimps. Now we have cumulative capacity of 22,000 TPA for shrimp processing.

We have planned to set up shrimp hatchery of 400 million capacity; and commercial production is planned by 2019. This will be implemented in phased manner with 200 million in the first phase. This project is totally funded from internal accruals. The commercial production is scheduled in early 2019.

We have further expanded the capacity by 1,75,000 MT per annum at the existing feed plant at Bandapuram and operations of expanded capacity started in March 2018.

Road ahead

We cannot afford to be complacent, we have many milestones to cross. Our future priorities comprise the following:

- Increase market share of shrimp feed sales
- Explore the possibility of exporting feed to other countries
- Expand to other feeds like fish feed and other feeds
- Increase shrimp exports with focus on high value-added products and ready to eat
- Operationalise the first phase of shrimp hatchery with 200 million capacity

At Avanti Feeds, we will continue to invest in our capabilities to capture a larger market share and create value on a sustainable basis for all stakeholders. On behalf of the Board of Directors, I express my gratitude to our shareholders, customers, business associates and employees for their continued trust and support.

Warm Regards

Mr. Alluri Indra Kumar
Chairman and Managing Director

Delivering prosperity through operational excellence

We are consistently improving our processes to attain a very high level of operational excellence. This, we are doing with the right mix of scientific acumen, technical knowhow and innovation.

Our feed is most preferred by farmers, as it offers one of the lowest FCRs in the industry. For the manufacture of our quality products, we focus on multiple aspects, starting from production planning with superior raw material procurement, efficient operations for the maintenance of high-quality standards. We are also focussing on efficient packaging, storage and distribution of the product.

Quality excellence

The following measures are undertaken to ensure that the products meet international quality standards:

- Stringent tests for evaluation of raw material quality
- Close monitoring and testing at every stage - right from the raw materials to the finished products
- Proper storage facilities
- Rigorous process controls
- Excellent packing and handling facilities
- Transportation of finished product with proper handling and timely delivery
- Resolving farmer complaints within 48 hours
- Adequate traceability system
- Assisting farmers to maintain periodic records and advising farmers for better outcomes
- Constant interaction with farmers to take feedback and improve performance

We will continue to elevate the quality standards in our operations in order to set new industry benchmarks.

Shaping sustainable livelihoods through knowledge transfer

The quality of shrimp feed is critical for a shrimp farmer, because poor or inconsistent quality may impact the entire culture; and jeopardise his investment. We engage with our farmers, share knowledge and insight and assist them in their farming. We are guiding farmers in pond preparation, in seed selection and culture practices till successful harvest through qualified and experienced technical personnel.

Technical support & marketing network
We have a 250+ strong technical team, reaching to all shrimp cultivating regions across India that advices farmers right from pond preparation till harvest of shrimps. We are consistently identifying new areas, which are brought under cultivation and covering it with technical support team and creating dealership base. Around 80% of the sales made to farmers are through our robust dealership network; and 20% of sales are made directly to large and corporate farmers.

Technical support
Over the regular technical team, we have formed a group called Technical after Sales Service (TASS) team, which constantly monitor shrimp farms, along with local teams and render technical advice to the farmer.

We conduct periodic meetings with farmers to educate and advise them on contemporary developments in culture practices and disease prevention measures to achieve best outcomes. We organise farmer sessions with experts in shrimp culture and disease management from Thailand, France and other countries. We also publish at regular intervals educational books on shrimp culture practices and disease management in regional languages for farmers.

We have set up well equipped quality testing laboratories across shrimp culture areas for the benefit of farmers for testing at different states of culture.

Brand relevance
We organise seminars to spread awareness about our products and its benefits. We encourage farmers who have used our feed and have got desirable yields to speak about their experience with Avanti Feeds and its technical support.

Going global
We are exploring opportunities for exporting feed to others countries.

Our markets
Our products are available in Andhra Pradesh, Gujarat, West Bengal, Tamil Nadu, Maharashtra, Karnataka, Goa, Telangana, Haryana, Punjab, Daman and Diu, Kerala and Puducherry.

Delivering value to global markets

We have emerged as a reliable supplier of processed shrimps to global customers. Shrimps are purchased from farmers and are processed and exported to various countries. During FY 2017-18, we added 15,000 MT annual capacity, taking our total processing capacity to 22,000 MT annually. Our reputation across geographies is driven by processes that are best-in-class, quality standards that can match global benchmarks and logistical capabilities that are robust. We have loyal customers from USA, Europe, Japan, Australia and the Middle East.

Impressive range

The range of products, in addition to client's specific requirements, include the following:

- Head on
- Easy peel
- Raw headless shell-on
- Raw peeled and deveined tail-on
- Raw peeled and deveined tail-off
- Butterfly cut peeled and deveined tail-on
- Skewers
- Cooked tail on
- Cooked tail off
- Cooked in shell
- Shrimp rings
- Marinated products

We are expanding our portfolio of value-added and cooked products.

Stringent quality

- Quality is monitored at every level and is maintained throughout the process, right from the shrimp's transportation from farms to the export of the finished product.
- We have an in-house laboratory to conduct special tests to detect the presence of micro-organisms and antibiotics to ensure the end product is absolutely contamination free
- We have a well-qualified, highly experienced and motivated team, ensuring seamless operations
- We ensure that every step is taken to make our products entirely free of antibiotics
- We have adopted a system of traceability, tracking our products from hatchery to the consumer

Logistical strength

We have a fleet of insulated vehicles to transport the harvested shrimp from farms to the processing plant.

To export processed goods to the port and to the ultimate customer, we engage reefer containers, which maintain the freshness and quality of the products.

A force for good

Our brand ambassadors speak volumes for us.

I have entered into shrimp farming business in 2015 from sand mining business. Right from farm design to pond construction Avanti technical team helped me. I am very happy with the feed quality and technical service rendered by Avanti Feeds. I also supply shrimp to Avanti Frozen and my farm is a BAP certified farm.

K.V.V.Satyanarayana
Kanuru, West Godavari Dist.

We did a trial with Avanti Feeds during the third quarter of 2007 in a few ponds for the first time. With the performance observed during the trials, we decided to completely switch over to Avanti Feeds in 2008. Thereafter we did compare Avanti Feeds with competitor feeds, but always we got best performance from Avanti. Our production has grown from a meager 200 MT per annum to over 1000MT during the last 10 years. Avanti Feeds was always willing to listen to all our suggestions for improvement from time to time to enhance the feed quality. They are ever ready for providing technical support and training to us by bringing experts from Thailand and other countries and taking our staff members to visit shrimp farms in other countries. For sure, we did grow together and will continue the journey together to take our ventures to greater heights.

Saji Chacko
Onaway Industries, Billimora, Gujurat

We are one of the biggest farm in West Bengal, we are into shrimp exports with two processing factories. When it comes to feed we use Avanti's feed only because of their good quality and good FCR. We have used latest innovations in shrimp culture with the help of Avanti team. All our farm workers, supervisors and farm technicians are trained by Avanti's technical team. The Company supports me regularly when I ask for any help they are always there for me and my farm staff.

Mir Mustak Ali
KNC Agro Ltd. Farm, Mondermani, Contai, West Bengal

We are into shrimp farming since 2010. Earlier we use to do only shrimp procurement. We started our farming in Amalapuram area with the help of Avanti technical team. Now we have expanded and taken 150 acres land in Cherukumilli of West Godavari District. We developed this farm as a model farm with all the latest technology and innovation with the help of technical team of Avanti. We got very good results and harvested bigger size shrimp (40 to 30 gms shrimp) with best FCR. Now our farm has become a model farm in this farming area.

Ramakrishna Raju
SSR Farms, Cherukumilli,
West Godavari Dist.

I have 5 acres of Shrimp Farming. I am a strong supporter of Avanti Feeds. I like the feed as it is available fresh at my door step. Avanti Staff regularly visit my farm and give valuable suggestion. Their technical knowledge is very good. My success is because of good feed and good technical support from Avanti. I have motivated many farmers in my area to use Avanti Feed.

K.Thirupathi
Srirampuram (Kavali)

My farm is 5.5 acres. Avanti Technician regularly visits my pond. Whenever I get any problem Avanti technician is immediately available for me. I had 5 continuous good yields because of very good quality feed and Avanti Technician of my area. I always say to all my neighboring farmers east or west Avanti is the best.

P. Pedababu Rajugaru
Kesanakurru

Community counts for us

We believe a business can be truly sustainable when it fulfils its environmental and social responsibilities. By its very nature, our business depends on India's natural resources; and we are committed to empower the disadvantaged communities we work with.

We drive initiatives in the areas of health, education, environment and infrastructure in the communities where we operate.

Education

Promoting primary to higher education
We have established a college with graduation and postgraduation courses in commerce and science streams. The college has a strength of 1,750 students, 60% of whom are women. The college caters to students from rural areas. Moreover, we contributed towards the construction of new buildings in ABN & PRR College, Kovvur and JKC College, Guntur in Andhra Pradesh to accommodate the increasing number of students.

We are upgrading infrastructure in Panchayat-run primary and secondary schools in rural communities near us. We primarily provided school furniture, books and uniforms for the children. We also repaired the buildings and constructed toilets in government-run schools. During FY 2017-18, we contributed towards schools in Kumaradevaram, Pasivedala, Arikirevula and Madduru villages in Andhra Pradesh and Balda and Kelvani in Gujarat.

Helping children with special needs

We are also contributing towards the education of children with special needs. During FY 2017-18, we partnered with Shankar Foundation, which runs schools for children with mild to moderate intellectual impairment, attention deficit disorders, autism spectrum disorders, cerebral palsy, genetic disorders and syndromes and development delays.

Encouraging sports in rural and semi-urban India

We are promoting sports among children and youth in rural India. We sponsored World Ranking Snooker Tournament at Visakhapatnam and Federation Cup Volleyball Championship at Bhimavaram, Andhra Pradesh and village cricket tournament at Kossamba in Gujarat.

We further organise coaching camps for children for sports like volleyball and badminton, while conducting volleyball, badminton and cricket tournaments. We also upgraded infrastructure at badminton indoor court at Kovvur, Andhra Pradesh during the reporting period.

Health

We conduct free medical camps for economically backward population in communities near our factories at regular intervals and medicines are distributed free of cost to patients. We organised free eye check-up camp at Kovvur and contributed to Indian Red Cross Society for upgradation and establishment of Thalassemia, sickle cell and haemophilia Transfusion Centre at Eluru, Andhra Pradesh.

We further committed to 'Hrudaya Cure - A Little Heart Foundation', which provides complete medical care to infants with heart problems from economically weak families in Andhra Pradesh and Telangana. We also helped to improve infrastructure at the maternity ward of Kovvur Government Hospital and the Government Veterinary Hospital in Kovvur, Andhra Pradesh.

Infrastructure

We have established an old age home in Kannapuram near Kovvur in Andhra Pradesh, which has 100 residents.

We have deployed water treatment RO plants in a number of villages in the coastal areas of Gujarat and Andhra Pradesh for providing safe drinking water.

We provided equipment aerators, sludge removing pumps and weighing scales to shrimp farmers in Andhra Pradesh, Gujarat, Odisha, Tamil Nadu and West Bengal under Agricultural Extension project, besides providing training and educational tour to shrimp farmers.

Environment

For protecting and promoting local breed cows, we have developed a Goshala (shelter for cows) with 50 cows at Kovvur and maintain it.

We conduct extensive plantation on both sides of village roads and highway roads as part of the development of green belt and environment protection. We extend help to other organisations who take up urban forestry.

Award and recognition

FORBES INDIA LEADERSHIP AWARD 2017 received by Sri Alluri Indra Kumar

Corporate information

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

Solomon Arokia Raj, IAS, Nominee-APIDC

M.S.P. Rao

N.V.D.S. Raju

Smt.K. Kiranmayee

Bunluesak Sorajjakit

Wai Yat Paco Lee

Auditors

Tukaram & Co.

Chartered Accountants
3-6-69, Flat No.209, Venkatarama Towers
Opp: Talwalkars, Basheerbagh
Hyderabad – 500 029.

Bankers

State Bank of India

Rabo Bank International

Registrars & ShareTransfer Agents

Karvy Computershare Private Limited
Karvy Selenium Towers B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500032

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-500082.

www.avantifeeds.com

Board's Report

Dear Members,

Your Directors have pleasure in presenting their 25th Annual Report together with the Audited Financial Statements of your Company and its subsidiaries for the year ended 31st March 2018.

Financial Highlights

The summarised standalone and consolidated results of your Company and its subsidiary are given in the table below:

(₹ in Lakh)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Total Revenue	2,81,532.89	2,23,085.10	3,39,290.31	2,61,574.40
Profit/(Loss) Before Interest, Depreciation & Tax (PBITDA)	64,506.43	31,045.90	72,997.10	3,53,613.84
Finance Charges	124.43	257.94	279.24	300.34
Depreciation	1,466.82	1,151.89	2,375.75	1,368.95
Provision for Income Tax (including for earlier years)	21,421.33	10,001.14	23,802.36	11,043.23
Net Profit/(Loss) After Tax	41,493.86	19,634.93	46,522.50	22,601.32
Profit/(Loss) brought forward from previous year	46,902.76	33,107.48	53,053.09	33,576.87
Profit/(Loss) carried to Balance Sheet	79,360.56	46,902.76	92,658.54	53,053.09

Summary of Operations and State of Company's Affairs

The profit for the year under consideration i.e. FY 2017-18, before depreciation, finance charges and tax is ₹ 64,506.44 Lakh as compared to a profit of ₹ 31,045.90 Lakh in the previous financial year. The profit for the year after tax is ₹ 41,493.86 Lakh as against a profit of ₹ 19,634.93 Lakh during the previous financial year.

The industry during the year reported a growth of 20% due to the consistently favourable shrimp prices coupled with an increase in shrimp production and exports from India. Your Company reported 4,30,314 MT sales of shrimp feed during FY 2017-18 as compared to 3,41,660 MT shrimp feed sales in the immediate preceding FY 2016-17, an increase of 26% in volume. For the 6th consecutive year, your Company posted higher growth than the industry, which reflects your Company's uncompromising commitment to product quality and technical support to farmers, making it the farmer's first choice.

The four windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 49.13 Lakh units as against 31.44 Lakh units in the previous year. The power generated during the year was sold to Karnataka Power Transmission Corporation Limited under the Power Purchase Agreement. The Operation and Maintenance (O&M) issues that arose with Wind World India Limited in the previous year were resolved and the machines operated well during FY 2017-18.

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 the 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.

Dividend

Your Directors have recommended a dividend of ₹ 6/- per equity share of ₹ 1/- each fully paid up, for FY 2017-18. The dividend, if declared by the Members at the 25th Annual General Meeting to be held on 7th August 2018, will be paid on or before 31st August 2018.

Reserves

The Company proposes to transfer ₹ 4,000 Lakh to the General Reserve out of the profits available for appropriation.

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

Sl. No	Name	Designation
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	Sri Bunluesak Sorajjakit	Director
11	Sri Wai Yat Paco Lee	Director
12	Sri Kartikeya Misra, IAS (from 20.09.2016 to 03.07.2017)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)
13	Siddarth Jain, IAS (from 04.07.2017 to 31.01.2018)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)
14	Sri Solomon Arokia Raj IAS (from 01.02.2018)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)

1.1 Number of Board Meetings

During FY 2017-18, 4 Board meetings were held. The details are as under:

Sl. No.	Date of Board Meeting	No. of Directors Attended
1	13.05.2017	8
2	11.08.2017	11
3	11.11.2017	11
4	09.02.2018	9

1.2 Committees of the Board

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

1.3 Meeting of Independent Directors

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

1.4 Familiarisation Programme for Independent Directors

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

2. Changes in Directors and Key Managerial Personnel

During the year under review, Andhra Pradesh Industrial Development Corporation Limited has withdrawn the nomination of Sri. Kartikeya Misra, IAS, on 03.07.2017 and appointed Sri Siddartha Jain, IAS on 04.07.2017 as Nominee Director and it withdrew the nomination of Sri Siddartha Jain on 31.01.2018 and appointed Sri. Solomon Arokia Raj, IAS on 01.02.2018 as a Director.

In terms of Articles 105 and 106 of the Articles of Association of the Company, Sri N. Ram Prasad and Sri 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.

3. 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 in Annexure-1.

4. 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.

5. Internal Financial Controls

The internal financial controls with reference to the Financial Statements for the year ended 31st March 2018 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.

6. 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.

7. 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), and the criteria for determining qualifications, positive attributes, independence of directors are included in the 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 eith the Board's Report.

8. Independent Auditors, their Report and Notes to Financial Statements

At the 24th Annual General Meeting held on 12th August 2017, Tukaram & Company, Chartered Accountants, Hyderabad have been appointed as Statutory Auditors of the Company for a period of 5 years, to hold the office from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held in the year 2022. The ratification of the appointment of M/S Tukaram & Company, Chartered Accountants as Statutory Auditors for FY 2018-19 is not required as per the Companies (Amendment) Act, 2017 notified on 07.05.2018.

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

9. Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s.V. Bhaskara Rao & Co., Hyderabad Practicing Company Secretary has been appointed as the Secretarial Auditor of the Company for FY 2017-18, on a remuneration of ₹ 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.

10. Internal Audit

In terms of Section 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.

11. Explanations on Qualifications Made by the Auditors

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

12. Particulars of Loans, Guarantees or Investments

The details of the Loans, Guarantees and Investments as on 31.03.2018 are as under :

a)	Guarantees	:	₹	11,506.00 Lakh
b)	Investments	:	₹	11,211.82 Lakh
			₹	22,717.82 Lakh

13. Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in Annexure-2 to this Report.

The Company formulated the Policy on dealing with Related Party Transactions. The details of the policy may be seen on the Company's website : www.avantifeeds.com

14. 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	100 kvar capacitors installed for C-Automisers ETP plant auto machine admittance level sensors are installed
(ii)	The steps taken by the Company for utilising alternate sources of energy	Company studying feasibility of installing solar panels on the rooftops of its factory godowns to harness solar power
(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

Inflow - NIL
Outflow - ₹ 14,713.81 Lakhs

15. 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. the Audit Committee and the Board review the same periodically. The details of the Policy are available on the Company's website: www.avantifeeds.com

16. Corporate Social Responsibility Committee

Composition:

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

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

During FY 2017-18, one meeting of the Corporate Social Responsibility Committee was held on 27th March 2018.

CSR Expenditure during FY 2016-17:
As per Section 135(5) of The Companies Act, 2013, an amount of 2 percent of the average Net Profits of the Company made during the 3 immediately preceding financial years, which works out to ₹ 515.40 Lakh, is to be spent towards CSR Activities. The Company has spent ₹ 605.03 Lakh towards CSR activities in FY 2017-18, which is more than a mandatory requirement by ₹ 89.63 Lakh. The detailed Report on the CSR Activities is annexed to the Board's Report.

17. Manner in which 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of (i) its own performance, (ii) the Directors individually and (iii) the 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.

18. Subsidiaries and Associate Companies

18.1 Report on the Performance of Subsidiaries and Associates:
The report on the business of the Subsidiaries and Associate companies as on 31.03.2018 is as follows:

18.2 Subsidiaries:

(a) Avanti Frozen Foods Private Limited (AFFPL)
During the year, AFFPL reported a turnover of ₹ 58,117.96 Lakh and Profit before Tax of ₹ 7383.89 Lakh. The Profit after Tax reported by AFFPL is ₹ 4994.02 Lakh for FY 2017-18.

Further, AFFPL completed the implementation of a 15,000 MTA capacity shrimp processing plant at Yerravaram in East Godavari District of Andhra Pradesh with a Capex of ₹ 12,159.38 Lakh and started operations from 31.08.2017.

(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 and Companies Amendment Rules, 2016, form 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 SEBI (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

18.3 Joint Ventures:
During the year under review, there were no joint ventures.

18.4 Associate Companies:

1. Srivathsa Power Projects Private Limited:
   Srivathsa Power Projects Pvt Ltd. is a 17.2 MW gas-based independent power project situated in Andhra Pradesh in which the Company holds 49.99% of equity shares.

   During FY 2017-18, the gas supply by GAIL was 37,172 SCMD as against the nominated quota of 65,000 SCMD. As a result, the power generation was limited to 549.26 Lakh units as against a capacity of 1,100.00 Lakh units. During FY 2017-18, the Company reported a turnover of ₹ 1738.70 Lakh and a profit of

₹ 32.51 Lakh after charging interest and depreciation as per un-audited financials.

2. **Patikari Power Private Limited:**
The Company holds 25.88% equity shares of Patikari Power Private Limited, which has a 16 MW Hydel Power Project in Himachal Pradesh. During FY 2017-18, as per un-audited financials, the Company generated 502 Lakh saleable energy units, yielding a gross sales income of ₹ 1129.37 Lakh, and resulted in a net profit of ₹ 372.32 Lakh after charging interest, depreciation and tax.

18.5 Names of companies that have become or ceased to be subsidiaries, joint ventures or associate companies:
There were no companies that have become or ceased to be joint ventures or associate companies.

18.6 Statement containing subsidiaries 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 in Annexure-4 of the Board's Repot.

19. Public Deposits

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

19.1 Details of Deposits that are not in compliance with the requirements of Chapter V of the Companies Act, 2013:
The Company has not accepted any deposits from the public and as such there were no deposits wthat are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

20. Significant and Material Orders Passed by the Regulators

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

21. 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 part of the Board's Report.

22. Management Discussion & Analysis

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

23. Business Responsibility Report

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

24. Corporate Governance

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

There are no loans, advances and investments to subsidiary companies during the year under review.

Related Party Disclosure as per Schedule V of SEBI (LODR) Regulations, 2015:

25. Whistle Blower Policy

The Company established a 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 the 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: www.avantifeeds.com

26. Remuneration to 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:

(₹ in Lakh)

Details	Sri A Indra Kumar CMD	Sri C Ramachandra Rao JMD,CS & CFO
Pay	268.36	140.43
Exgratia	30.96	16.20
Perks	2.40	--
Super Annuation	23.15	12.33
Commission on Profits	2631.27	1973.46
Total	**2956.14**	**2142.42**

27. Human Resources

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

28. Particulars of Employees

The statement containing particulars of employees as required under Section 197(12) of the 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) a statement showing the details of employees who are in receipt of remuneration of ₹ 102 Lakh or more are given in Annexure-5 forming part of this Report.

29. 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. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

During the year ended 31.03.2018, 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 their convey thanks and appreciation to the valued customers and dealers for their continued patronage.

For and on behalf of the Board
Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place: Hyderabad
Date: 26.05.2018

Annexure – 1

Form No. MGT-9

(Extract of Annual Return as on the Financial year ended on 31st March 2018)

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, Rushi Konda
		Visakhapatnam-530 045, Andhra Pradesh
	b. Corporate Office	G-2, Concorde Apartments, Somajiguda
		Hyderabad.500 082, Telangana State
	Phone Nos	040-23310260/61
	Email Id	avantiho@avantifeeds.com
	Website	www.avantifeeds.com
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact Deails of Registrars & 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: 040-6716222 Fax 040-23001153
		Email Id: einward.ris@karvy.com

II. Principal Business Activities of the Company:

Sl.No.	Name and description of the main Products/Services	NIC Code of the Product/Service	% of total turnover of the Company
1	Shrimp Feed	15339	100

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl.No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section under the Companies Act, 2013
1	Avanti Frozen Foods Pvt Ltd	U05000AP2015PTC096509	Subsidiary	1	Sec.2(87)(ii)
2	Svimsan Exports & Imports Ltd	U24239TG1998PTC030063	Subsidiary	1	Sec.2(87)(ii)
3	Srivathsa Power Projects Ltd	U40109TG1995PLC020411	Associate	0	Sec.2(6)
4	Patikari Power Private Limited	U40103HP2000PTC024074	Associate	0	Sec.2(6)

IV. Share Holding Pattern Between 31/03/2017 and 31/03/2018

(i) Category-wise Shareholding

Category Code		No. of shares held at the beginning of the year 31/03/2017				No. of shares held at the end of the year 31/03/2018					% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during the year	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)		(XI)
(A)	**Promoter and Promoter Group**										
(1)	**Indian**										
(a)	Individual /HUF	6407050	37500	6444550	14.19	6347956	25000	6372956	14.03	(71594.00)	(0.16)
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00		0.00
(c)	Bodies Corporate	13511460	0	13511460	29.75	13511460	0	13511460	29.75	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00		0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00		0.00
	Sub-Total A(1) :	**19918510**	**37500**	**19956010**	**43.94**	**19859416**	**25000**	**19884416**	**43.78**	**(71594.00)**	**(0.16)**
(2)	**Foreign**										
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**19918510**	**37500**	**19956010**	**43.94**	**19859416**	**25000**	**19884416**	**43.78**		**(0.16)**
(B)	**Public Shareholding**										
(1)	**Institutions**										
(a)	Mutual Funds /UTI	639500	20500	660000	1.45	694520	20500	715020	1.57	55020.00	(0.12)
(b)	Financial Institutions /Banks	13812	4500	18312	0.04	18158	4500	22658	0.05	4346.00	0.01
(c)	Central Government / State Government(s)	1236515	0	1236515	2.72	1236515	0	1236515	2.72	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(f)	Foreign Institutional Investors	1905180	500	1905680	4.20	6422229	500	6422729	14.14	4517049.00	9.95
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00	0.00
	Sub-Total B(1) :	**3795007**	**25500**	**3820507**	**8.41**	**8371422**	**25500**	**8396922**	**18.49**		**9.83**
(2)	**Non-Institutions**										
(a)	Bodies Corporate	1096991	39500	1136491	2.50	1285991	39030	1325021	2.92		0.42
(b)	Individuals										
	(i) Individuals holding nominal share capital upto ₹ 1 Lakh	5884127	857075	6741202	14.84	6053302	714600	6767902	14.90		0.06
	(ii) Individuals holding nominal share capital in excess of ₹ 1 Lakh	1675917	0	1675917	3.69	1353534	0	1353534	2.98		(0.71)
(c)	Others										
	Clearing Members	21221	0	21221	0.05	60699	0	60699	0.13		0.09
	Foreign Bodies	11410210	0	11410210	25.12	7010210	0	7010210	15.44		(9.69)
	Non-Resident Indians	408103	104000	512103	1.13	364448	95000	459448	1.01		(0.12)
	Nri Non-Repatriation	128794	0	128794	0.28	144271	0	144271	0.32		0.03
	Trusts	12755	0	12755	0.03	12787	0	12787	0.03		0.00
	Sub-Total B(2) :	**20638118**	**1000575**	**21638693**	**47.65**	**16285242**	**848630**	**17133872**	**37.73**		**(9.92)**
	Total B=B(1)+B(2) :	**24433125**	**1026075**	**25459200**	**56.06**	**24656664**	**874130**	**25530794**	**56.22**		**0.00**
	Total (A+B) :	**44351635**	**1063575**	**45415210**	**100.00**	**44516080**	**899130**	**45415210**	**100.00**		**0.00**
(C)	**Shares held by custodians, against which**										
	Depository Receipts have been issued										
(1)	Promoter and Promoter Group										
(2)	Public	0	0	0	0.00	0	0	0	0.00		0.00
	GRAND TOTAL (A+B+C) :	**44351635**	**1063575**	**45415210**	**100.00**	**44516080**	**899130**	**45415210**	**100.00**		

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year				% change in shareholding during the year
		No. of Shares (equity shares of ₹ 10/- each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares (equity shares of ₹ 10/- each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	Change during the year	
1	Sri Indra Kumar Alluri	27,76,900	6.11		27,76,900	6.11	0	0	0.00
2	Sri Alluri Indra Kumar - HUF	27,29,750	6.01		27,29,750	6.01	0	0	0.00
3	Srinivasa Cystine Private Limited	1,20,99,705	26.64	0	1,20,99,705	26.64	0	0	0.00
4	Sanjeeva Agro-Vet Pvt. Ltd	14,11,755	3.11	0	14,11,755	3.11	0	0	0.00
5	Sri N. Ram Prasad	1,03,000	0.23	0	1,03,000	0.23	0	0	0.00
6	Sri Venkata Sanjeev Alluri	2,36,900	0.52	0	2,36,900	0.52	0	0	0.00
7	Sri Alluri Nikhilesh Chowdary	2,30,550	0.51	0	2,30,550	0.51	0	0	0.00
8	Smt N Naga Ratna	1,00,000	0.22	0	31,674	0.07	0	(68,326)	(0.15)
9	Sri G Venkatesh	1,72,400	0.38	0	1,70,732	0.38	0	(1,668)	0.00
10	Sri Bommidala Srimannarayana	5,000	0.01	0	3,400	0.01	0	(1,600)	0.00
11	Smt Geda Sai Padmini	14,550	0.03	0	14,550	0.03	0	0	0.00
12	Smt Ratna Manikyamba Katneni	12,500	0.03	0	12,500	0.03	0	0	0.00
13	Sri Katneni Jagan Mohan Rao	12,500	0.03	0	12,500	0.03	0	0	0.00
14	Smt Sudha Vadlamudi	12,500	0.03	0	12,500	0.03	0	0	0.00
15	Smt Raveena Chitturi	12,500	0.03	0	12,500	0.03	0	0	0.00
16	Sri Amar Kumar Chukkapalli	12,500	0.03	0	12,500	0.03	0	0	0.00
17	Sri Pitchaiah Chukkapalli	12,500	0.03	0	12,500	0.03	0	0	0.00
18	Smt Gayathri Putchala	500	0.00	0	500	0.00	0	0	0.00
	Total:	**1,99,56,010**	**43.94**	**0**	**1,98,84,416**	**43.78**	**0**	**(71,594)**	**(0.15)**

iii) Change in Promoters' Shareholding:

Sl. No.	Change in Promoters Shareholding	Shareholding		Date	Reason	Increase/Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares of ₹ 2/- each at the beginning (01.04.17)	% of total shares of the company			No. of shares of ₹ 2/- each	% of total shares of the Company	No. of shares of ₹ 2/- each	% of total shares of the Company
1	Srmt N Naga Ratna	1,00,000	0.22	30-06-2017	Transfer	-8,804	-0.02	91,196	0.20
				03-07-2017	Transfer	-11,129	-0.03	80,067	0.18
				04-07-2017	Transfer	-3,527	-0.01	76,540	0.17
				05-07-2017	Transfer	-6,540	-0.01	70,000	0.15
				11-07-2017	Transfer	-1,738	0.00	68,262	0.15
				12-07-2017	Transfer	-2,094	-0.01	66,168	0.15
				13-07-2017	Transfer	-485	0.00	65,683	0.14
				19-07-2017	Transfer	-300	0.00	65,383	0.14
				21-07-2017	Transfer	-383	0.00	65,000	0.14
				24-10-2017	Transfer	-29,157	-0.06	35,843	0.08
				25-10-2017	Transfer	-4,169	-0.01	31,674	0.07
				31-03-2018	At the end of the year			31,674	0.07
2	Sri G Venkatesh	1,72,400	0.38	11-10-2017	Transfer	-1,268	0.00	1,71,132	0.38
				27-10-2017	Transfer	-400	0.00	1,70,732	0.38
3	Sri Bommidala Srimannarayana	5,000	0.01	12-01-2018	Transfer	-500	0.00	4,500	0.01
				26-01-2018	Transfer	-250	0.00	4,250	0.01
				16-02-2018	Transfer	-250	0.00	4,000	0.01
				02-03-2018	Transfer	-150	0.00	3,850	0.01
				09-03-2018	Transfer	-200	0.00	3,650	0.01
				13-03-2018	Transfer	-250	0.00	3,400	0.01
				31-03-2018	At the end of the year			3,400	0.01

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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (i.e.1.4.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares of ₹ 2/- each	% of total shares of the Company			No. of shares of ₹ 2/- each	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Thai Union Frozen Products plc.	1,14,10,210	25.12	09/03/2018	Transfer	(44,00,000)	-9.69		
				31.03.2017	At the end of the year			70,10,210	15.44

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (i.e.1.4.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares of ₹ 2/- each	% of total shares of the Company			No. of shares of ₹ 2/- each	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Malbar India Fund	14,85,759	3.27					14,85,759	3.27
				07/04/2017	Transfer	-43,286	-0.10	14,42,473	
				14/04/2017	Transfer	-6,213	-0.01	14,36,260	
				21/04/2017	Transfer	-1,000	0.00	14,35,260	
				28/04/2017	Transfer	-5,460	-0.01	14,29,800	
				12/05/2017	Transfer	-16,855	-0.04	14,12,945	
				19/05/2017	Transfer	-1,56,685	-0.35	12,56,260	
				26/05/2017	Transfer	-10,735	-0.02	12,45,525	
				02/06/2017	Transfer	-41,928	-0.09	12,03,597	
				09/06/2017	Transfer	-15,901	-0.04	11,87,696	
				16/06/2017	Transfer	-7,635	-0.02	11,80,061	
				30/06/2017	Transfer	-3,168	-0.01	11,76,893	
				07/07/2017	Transfer	-1,14,228	-0.25	10,62,665	
				14/07/2017	Transfer	-26,405	-0.06	10,36,260	
				04/08/2017	Transfer	-1,83,103	-0.40	8,53,157	
				11/08/2017	Transfer	-74,551	-0.16	7,78,606	
				18/08/2017	Transfer	-1,47,576	-0.33	6,31,030	
				25/08/2017	Transfer	-16,092	-0.04	6,14,938	
				01/09/2017	Transfer	-1,503	0.00	6,13,435	
				22/09/2017	Transfer	-69,767	-0.15	5,43,668	
				06/10/2017	Transfer	-1,46,177	-0.32	3,97,491	
				13/10/2017	Transfer	-9,390	-0.02	3,88,101	
				20/10/2017	Transfer	-11,841	-0.03	3,76,260	
				27/10/2017	Transfer	-30,000	-0.07	3,46,260	
				31/10/2017	Transfer	-565	0.00	3,45,695	
				17/11/2017	Transfer	-2,909	-0.01	3,42,786	
				09/03/2018	Transfer	-10,914	-0.02	3,31,872	
				31/03/2018	At the end of the year			3,31,872	
3	Andhra Pradesh Industrial Development Corpn. Ltd	12,36,515	2.72					12,36,515	2.72
				31-03-2018	At the end of the year			12,36,515	2.72
4	Dolly Khanna	2,89,423	0.64					2,89,423	0.64
				07/04/2017	Transfer	6,395	0.01	2,95,818	0.65
				14/04/2017	Transfer	4,020	0.01	2,99,838	0.66
				19/05/2017	Transfer	4,935	0.01	3,04,773	0.67
				26/05/2017	Transfer	111	0.00	3,04,884	0.67
				02/06/2017	Transfer	-500	0.00	3,04,384	0.67
				07/07/2017	Transfer	15,681	0.04	3,20,065	0.70
				14/07/2017	Transfer	1,900	0.00	3,21,965	0.71
				21/07/2017	Transfer	13,508	0.03	3,35,473	0.74
				28/07/2017	Transfer	9,154	0.02	3,44,627	0.76
				04/08/2017	Transfer	3,532	0.01	3,48,159	0.77
				11/08/2017	Transfer	7,697	0.02	3,55,856	0.78
				18/08/2017	Transfer	3,275	0.01	3,59,131	0.79
				25/08/2017	Transfer	4,571	0.01	3,63,702	0.80
				29/09/2017	Transfer	5,815	0.01	3,69,517	0.81
				06/10/2017	Transfer	8,109	0.02	3,77,626	0.83
				13/10/2017	Transfer	3,102	0.01	3,80,728	0.84
				27/10/2017	Transfer	610	0.00	3,81,338	0.84
				03/11/2017	Transfer	-1,105	0.00	3,80,233	0.84
				10/11/2017	Transfer	-175	0.00	3,80,058	0.84
				17/11/2017	Transfer	-1,723	0.00	3,78,335	0.83
				24/11/2017	Transfer	-3,345	-0.01	3,74,990	0.83
				01/12/2017	Transfer	-4,720	-0.01	3,70,270	0.82
				08/12/2017	Transfer	-1,115	0.00	3,69,155	0.81
				15/12/2017	Transfer	-3,362	-0.01	3,65,793	0.81
				22/12/2017	Transfer	-1,787	0.00	3,64,006	0.80
				29/12/2017	Transfer	-1,526	0.00	3,62,480	0.80
				05/01/2018	Transfer	-501	0.00	3,61,979	0.80
				12/01/2018	Transfer	-1,675	0.00	3,60,304	0.79
				19/01/2018	Transfer	-597	0.00	3,59,707	0.79
				02/02/2018	Transfer	-400	0.00	3,59,307	0.79
				09/02/2018	Transfer	-210	0.00	3,59,097	0.79
				23/02/2018	Transfer	-220	0.00	3,58,877	0.79

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (i.e.1.4.2017)		Date	Reason	Increase/Decrease in Shareholding		Cumulative shareholding during the year	
		No. of shares of ₹ 2/- each	% of total shares of the Company			No. of shares of ₹ 2/- each	% of total shares of the Company	No. of shares	% of total shares of the Company
				02/03/2018	Transfer	-795	0.00	3,58,082	0.79
				16/03/2018	Transfer	4,500	0.01	3,62,582	0.80
				23/03/2018	Transfer	3,800	0.01	3,66,382	0.81
				30/03/2018	Transfer	4,465	0.01	3,70,847	0.82
				31/03/2018	Transfer	1,000	0.00	3,71,847	0.82
				31/03/2018	At the end of the year			3,71,847	0.82
5	VIVOG COMMERCIAL LIMITED	2,07,636	0.46					2,07,636	0.46
				No Change during the year					
				31/03/2018	At the end of the year			2,07,636	0.46
6	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSIN	3,05,900	0.67					3,05,900	0.67
				07/04/2017	Transfer	9,500	0.02	3,15,400	0.69
				05/05/2017	Transfer	5,000	0.01	3,20,400	0.71
				19/05/2017	Transfer	10,000	0.02	3,30,400	0.73
				19/05/2017	Transfer	-37,302	-0.08	2,93,098	0.65
				26/05/2017	Transfer	-20,397	-0.05	2,72,701	0.60
				02/06/2017	Transfer	13,666	0.03	2,86,367	0.63
				23/06/2017	Transfer	2,000	0.00	2,88,367	0.63
				30/06/2017	Transfer	6,856	0.02	2,95,223	0.65
				07/07/2017	Transfer	5,000	0.01	3,00,223	0.66
				14/07/2017	Transfer	-14,503	-0.03	2,85,720	0.63
				04/08/2017	Transfer	7,000	0.02	2,92,720	0.64
				11/08/2017	Transfer	2,000	0.00	2,94,720	0.65
				18/08/2017	Transfer	-45,612	-0.10	2,49,108	0.55
				25/08/2017	Transfer	-5,580	-0.01	2,43,528	0.54
				01/09/2017	Transfer	-45	0.00	2,43,483	0.54
				29/09/2017	Transfer	19,414	0.04	2,62,897	0.58
				06/10/2017	Transfer	24,803	0.06	2,87,700	0.63
				20/10/2017	Transfer	-50,000	-0.11	2,37,700	0.52
				31/10/2017	Transfer	-4,834	-0.01	2,32,866	0.51
				10/11/2017	Transfer	-408	0.00	2,32,458	0.51
				17/11/2017	Transfer	-9,172	-0.02	2,23,286	0.49
				24/11/2017	Transfer	50,000	0.11	2,73,286	0.60
				01/12/2017	Transfer	4,466	0.01	2,77,752	0.61
				08/12/2017	Transfer	10,000	0.02	2,87,752	0.63
				15/12/2017	Transfer	18,700	0.04	3,06,452	0.67
				09/02/2018	Transfer	2,500	0.01	3,08,952	0.68
				02/03/2018	Transfer	1,300	0.00	3,10,252	0.68
				31/03/2018	At the end of the year			3,10,252	0.68
7	THAI UNION ASIA INVESTMENT HOLDING LIMITED	0	0.00					0	
				12-03-2018	Transfer	44,00,000	9.69	44,00,000	
				16/03/2018	Transfer	-37,125	-0.08	43,62,875	9.61
				23/03/2018	Transfer	-88,200	-0.19	42,74,675	9.41
				31/03/2018	At the end of the year			42,74,675	9.41
8	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE ASIA EX JAPAN	0	0.00					0	
				22/09/2017	Transfer	58,916	0.13	58,916	0.13
				29/09/2017	Transfer	5,958	0.01	64,874	0.14
				13/10/2017	Transfer	40,000	0.09	1,04,874	0.23
				20/10/2017	Transfer	22,872	0.05	1,27,746	0.28
				09/02/2018	Transfer	40,981	0.09	1,68,727	0.37
				23/02/2018	Transfer	20,623	0.05	1,89,350	0.42
				02/03/2018	Transfer	13,261	0.03	2,02,611	0.45
				16/03/2018	Transfer	37,335	0.08	2,39,946	0.53
				30/03/2018	Transfer	16,624	0.04	2,56,570	0.56
				31/03/2018	At the end of the year			2,56,570	0.56
9	MOTILAL OSWAL FOCUSED BUSINESS ADVANTAGE FUND	0	0.00					0	0.00
				06/10/2017	By Tansfer	1,01,649	0.22	1,01,649	0.22
				20/10/2017	By Tansfer	55,000	0.12	1,56,649	0.34
				27/10/2017	By Tansfer	351	0.00	1,57,000	0.35
				31/03/2018	At the end of the year			1,57,000	0.35
10	VIJAYSINGH B PADODE	1,34,720	0.30					1,34,720	0.30
				07/04/2017	By Tansfer	198		1,34,918	0.30
				02/06/2017	By Tansfer	35,000		1,69,918	0.37
				31/03/2018	At the end of the year			1,69,918	0.37

(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.1.4.2017)		Date	Reason	Increase/Decrease in Shareholding		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	Sri Indra Kumar Alluri Chairman & Managing Director	27,76,900	6.11	31-03-2018	At the end of the year			27,76,900	6.11
2	Sri C. Ramachandra Rao Joint Managing Director, CS & CFO	1,000	0.00	31-03-2018	At the end of the year			1,000	0.00
3	Sri N. Ram Prasad Director	1,03,000	0.23	31-03-2018	At the end of the year			1,03,000	0.23
4	Sri A. V. Achar Director	1,000	0.00	31-03-2018	At the end of the year			1,000	0.00
5	K. Ramamohana Rao Director	0	0.00	31-03-2018	At the end of the year			0	0.00
6	Sri B.V. Kumar Director	0	0.00	31-03-2018	At the end of the year			0	0.00
7	Sri M.S.P. Rao Director	0	0.00	31-03-2018	At the end of the year			0	0.00
8	Sri N.V. D.S. Raju Director	0	0	31-03-2018	At the end of the year			0	0.00
9	Smt K. Kiranmayee Director	1,850	0.00	31-03-2018	At the end of the year			1,850	0.00
10	Mr Bunlesak Sorajjakit Director	0	0.00	31-03-2018	At the end of the year			0	0.00
11	Mr Wai Yat Paco Lee Director	0	0.00	31-03-2018	At the end of the year			0	0.00
12	Sri Solomon Arokia Raj, IAS Director	0	0.00	31-03-2018	At the end of the year			0	0.00

V INDEBTEDNESS:

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	145.64	180.47	0	326.11
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	**145.64**	**180.47**	**0**	**326.11**
Change in indebtedness during the financial year				
- Addition	0	0	0	0.00
- Reduction	145.64	180.47	0	326.11
Net Increase /(Decrease)	**145.64**	**180.47**	**0**	**326.11**
Indebtedness at the end of the financial year				
i) Principal amount	0	0.00	0	
ii) Interest due but not paid				0
iii) Interest accrued but not due				
Total (i + ii + iii)	**0**	**0.00**	**0**	**0**

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Joint Managing Director

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	322.47	168.96	491.43
	(b) Value of Prerequisite u/s 17(2) Income Tax Act, 1961	2.4	0	2.4
	(c) Profit in lieu of salary under	0	0	
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	As % of profit	2631.27	1973.46	4604.73
	Others, specify	0	0	0
5	Others, please specify			
	Total (A)	**2956.14**	**2142.42**	**5098.56**
	Ceiling as per the ACT	**3145.75**	**3145.75**	**6291.50**

B Remuneration of Other Directors

Sl.No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	**Independent Directors**	A V Achar	B V Kumar	MSP Rao	K R Rao	NVDS Raju	K Kiranmayee	
	Fee for Attending Board/Committee Meetings	1.35	1.65	1.35	1.2	0.45	0.75	6.75
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	**1.35**	**1.65**	**1.35**	**1.20**	**0.45**	**0.75**	**6.75**
2	**Other Non-executive Directors**	N Ram Prasad	Bunlusak S	Paco Lee	APIDC (Nominee)			
	Fee for Attending Board/Committee Meetings	0.75	0.45	0.60	0.15	0	0	1.95
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	**0.75**	**0.45**	**0.60**	**0.15**	**0**	**0**	**1.95**
	Total (B) = 1+ 2	**2.1**	**2.1**	**1.95**	**1.35**	**0.45**	**0.75**	**8.70**

Overall Ceiling as per the Act, Sitting Fees payable to a director for attending Board / Committee Meeting shall not exceed ₹ 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				
	(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) of Income-tax Act, 1961				
2	Stock Option		NIL		
3	Sweat Equity				
	Commission				
	- as % of Profit				
	- Others, please specify				
5	Others, please specify				
Total					

VIII. Penalties / Punishment/ Compounding of Offences :

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

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 arm's length transactions under third proviso thereto:

1. During FY 2017-18, there are no arrangements or transactions with related parties that were not at an arm's length basis.

2. Details of material contracts or arrangement or transactions at an arm's length basis :

Name	Relationship	Nature & tenure of contract	Justification for entering in to contracts	Salient conditions	Date of approvals
Sri A.Indra Kumar	Key Managerial Personnel	LEASE of Flat No. G2, Concorde Apartments for 5yrs ending 31st March 2016 for Corporate Office.	Since the inception the Corporate Office of, the Company is operating from this premises, which is centrally located, and the rent of the premises is very reasonable and is at an arm's length.	₹ 2.16 Lakh per annum	12.08.2016
Srinivasa Cystine (P) Ltd	Associate Company	LEASE of Flat No.104, Concorde Apartments for 5yrs ending 31st March 2016 for Corporate Office	Since the inception, the Corporate Office of the Company is operating from this premises, which is centrally located, and the rent of the premises is very reasonable and is at arm's length.	₹ 2.16 Lakh per annum	12.08.2016
Sri A.Indra Kumar	Key Managerial Personnel	LEASE of H.No.37, Baymount, Rushikonda, Visakhapatnam for 5 years for Registered Office starting from 11th February, 2016 ending on 31st March 2021	Company's Registered Office is situated at Visakhapatnam and w.e.f 1.4.2016 operating its office from this premises. The rent of the premises is very reasonable and is at arm's length.	₹ 2.01 Lakh per annum	16.03.2016
Sri A. Venkata Sanjeev	Son of Sri A. Indra Kumar Chairman & Managing Director	Manager- Operations	Appointment and remuneration is commensurate with the qualification and experience of the Appointee.	₹ 25.05 Lakh annual compensation	11.08.2017
Avanti Frozen Foods (P) Limited	Subsidiary	Purchase of MEIS licence	MEIS licenses accrue to AFFPL on its exports and are purchased for payment of customs duties on import of raw material and spares. The purchases are made at prevailing market prices at the time of purchase.	Purchases amounted to ₹ 1334.97 Lakh	11.11.2017
Avanti Frozen Foods (P) Limited	Subsidiary	Commission from AFFPL for extending Corporate Guarantee to SBI for sanction of working capital limits by SBI to AFFPL.	AFL extended corporate guarantee to the working capital limits sanctioned by the SBI to AFFPL. Commission @ 0.25% PA on corporate guarantee amount is charged to AFFPL.	8.56 Lakh	11.08.2017
Avanti Frozen Foods (P) Limited	Subsidiary	Sale of shrimp feed.	Company sold shrimp feed for shrimp culture undertaken by AFFPL. Shrimp feed is sold at the same price as sold to other dealers.	₹ 394.27 Lakh	11.11.2017
Avanti Frozen Foods (P) Limited	Subsidiary	Corporate Guarantee provided to AFFPL for working capital limits sanctioned by SBI.	Corporate Guarantee	₹ 11506.00 Lakh	11.08.2017

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 :

Name	Designation	Chairman/ Members
Sri A. Indra Kumar	Chairman & Managing Director	Chairman
Sri N. Ram Prasad	Non-executive Non-independent Director	Member
Sri B.V. Kumar	Independent Director	Member
Smt K.Kiranmayee	Independent Director	Member
Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer

3. Average Net Profit of the company for the last 3 financial years : ₹ 25,770 Lakh

4. Prescribed CSR expenditure (2% of amount) : ₹ 515.40 Lakh

5. Details of CSR activities/projects undertaken during the year:

   a) Total amount spent in the financial year: ₹ 605.03 Lakh

   b) Amount un-spent : Nil

   c) Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakh)

CSR Project	Sector(s) covered within schedule vii	Geographical areas where project was implemented	Amount outlay for project	Amount Spent on Project	Cumulative Spend up to the reporting period	Direct/through implmementing agency
1	2	3	4	5	6	7
Promoting Education among children	Promoting Education among children	ABN & PRR College, Kovvur in Andhra Pradesh provides education to students from rural areas. Contribution is made for cosntruction of new block to cater to increasing student strength.	20.00	25.00		Direct
		JKC College, Guntur in Andhra Pradesh provides edcution to students from economically backward class. Contribution made for construction of new block to cater to increaseing student strength.	10.00	10.00		Direct
		Improving infrastructure by providing benches and painting of Govt run primery schools at Kumaradevaram, Pasivedala, Arikirevula and Madduru villages in West Godavari District of Andhra Pradesh.	3.50	3.49		AVR Trust

(₹ In Lakh)

CSR Project	Sector(s) covered within schedule vii	Geographical areas where project was implemented	Amount outlay for project	Amount Spent on Project	Cumulative Spend up to the reporting period	Direct/through implmementing agency
1	2	3	4	5	6	7
		Contribution made to Shankar Foundation which runs schoold for children with Mild to Moderate Intellectual Impairment, Attention Deficit Disorders, Autism Spectrum Disorders, Cerebral Palsy,Genetic Disorders and Syndromes and Development delays.	1.00	1.00		Direct
		Construction of toilets and Septic Tank in Govt. run Primery School in Sukesh Village, Valsad District of Gujarat	1.00	1.00		Direct
		Distribution of books and uniforms to the Govt. run primery school students of Balda and Kelvani in Valsad District of Gujarat and Contribution to Kanya Kelvani Nidhi Fund created by Govt of Gujarat for girl child eduction.	0.30	0.35		Direct
		Schoolarships given to students from economically backward families in graduation and post graduation courses in A.B.N. & P.R.R. Collage, Kovvur, AP	0.50	0.50		Direct
Instaling RO plants in villages	Safe Drinking Water	Installed RO plant with Storage Tank at Sukesh Village in Valsad District of Gujarat.	3.50	3.97		Direct
		Installed RO plants at Bazathapuram in Guntur District, at Govt Hospital and at Bapuji Nagar in Kovvur, Andhra Pradesh.	6.00	6.19		Direct
Environmental Sustainability	Environmental Sustainability	Tree Plantation with tree guards at Balda Village in Gujarat, Nandamuru, Muddur and Pasivedala Villages in West Godavari Dist. of Andhra Pradesh.	2.00	1.90		Direct
		Installed LED street lights in Kovvur, West Godavari Dist., Andhra Pradesh	13.00	13.00		Direct
Medical Camp & Facitlities in Govt. hospital	Health	Orgnised free eye check up camp at Kovvur, West Godavari Dist., Andhra Pradesh.	0.10	0.10		Direct
		Contribution to 'Hrudaya Cure - A Little Heart Foundation' which provides complete medical care to the just born children having heart problems from economiaclly weak families in Andhra Pradesh and Telangana states.	15.00	15.00		Direct
		Contribution to Indian Red Cross Society for upgradation and establishment of Thalassemia, sickle cell and hemophilia Tansfusion Center at Eluru, Andhra Pradesh.	5.00	5.00		Direct

(₹ In Lakh)

CSR Project	Sector(s) covered within schedule vii	Geographical areas where project was implemented	Amount outlay for project	Amount Spent on Project	Cumulative Spend up to the reporting period	Direct/through implmementing agency
1	2	3	4	5	6	7
		Improving infrstructure in maternity ward at Govt Hospital, Kovvur, West Godavari Dist. Andhra Pradesh	2.00	2.25		Direct
		Improving infrstructure in Govt Vetenary Hospital, Kovvur, West Godavari Dist. Andhra Pradesh	0.50	0.51		Direct
Equipments to Aqua Farmers	Agricultural Extension project	Aerators, Sludge removing pumps and Weighing Scales given to shrimp farmers in Andhra Pradesh, Gujarat, Odisha, Tamilnadu and Paschim Banga.	80.00	82.61		Direct
		Expenses for training and educational tour of shrimp farmers from Andhra Pradesh, Gujarat, Odisha, Tamilnadu and Paschim Banga.	400.00	411.47		Direct
		Sponcership for Federation Cup Volleyball Championship held at Bhimavaram, West Godavari Dist., Andhra Pradesh.	5.00	5.00		Direct
		Organising coaching camps for children for Volleyball and badminton, conducting tournaments for Volleyball, Badminton and Cricket and improving infrasturcture at Badminton indoor court at Kovvur, West Godavari Dist., Andhra Pradesh.	4.00	3.89		Direct
Promoting sports	Promoting Sports	Sponseship for World Ranking Snooker Tournamant at Visakhapatnam, Andhra Pradesh	1.00	1.00		Direct
		Sponcership for village cricket tournment at Kossamba, Valsad Dist., Gujarat	1.50	1.51		Direct
Care of aged & Disabled	Old age home	Contribution to Old Age Home for improving infrastructure and repairs and to it in W.G.Dt., A.P.	10.00	10.29		Direct
			584.90	**605.03**		

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.

For and on behalf of the Board
Avanti Feeds Limited

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

Place : Hyderabad

Date : 26.05.2018

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	₹ 1001.67 Lakh	₹ 100.00 Lakh
4.	Reserves & surplus	₹ 28,591.67 Lakh	₹ (191.39) Lakh
5.	Total assets	₹ 34,339.20 Lakh	₹ 0.01 Lakh
6.	Total liabilities	₹ 4,745.86 Lakh	₹ 91.40 Lakh
7.	Investments	NIL	NIL
8.	Turnover	₹ 58,117.95 Lakh	NIL
9.	Profit before taxation	₹ 7,383.89 Lakh	₹ (0.13) Lakh
10.	Provision for taxation	₹ 2,381.03 Lakh	NIL
11.	Profit after taxation	₹ 5,002.86 Lakh	₹ (0.13) Lakh
12.	Proposed dividend	NIL	NIL
13.	% of shareholding	60%	100%

Part "B": Associates and Joint Ventures

	Name of the subsidiary	Srivathsa Power Projects Private Limited	Patikari Power Private Limited
1	Latest audited Balance Sheet Date	31.03.2017	31.03.2017
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	₹ 1670.54 Lakh	₹ 1064.52Lakh
	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	₹ 2,225.13 Lakh	₹ 783.75 Lakh
5.	Profit / loss for the year		
	i. Considered in Consolidation	₹ 16.25 Lakh	₹ 95.63 Lakh
	ii. Not Considered in Consolidation	NIL	NIL

Annexure – 5

Ratio of Remuneration to each Director :

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 : 1096 : 1 C. Ramachandra Rao : 798 : 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 : 91% C. Ramachandra Rao : 92%
(iii)	the percentage increase in the median remuneration of employees in the financial year;	9.63%
(iv)	the number of permanent employees on the rolls of the Company;	918 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 26.20% from ₹ 2230.85 Crore in FY 2016-17 to ₹ 2815.33 Crore in FY 2017-18. 2. PBT increased by 112% from ₹ 296.36 Crore in FY 2016-17 to ₹ 629.15 Crore in FY 2017-18.
(vii) (a)	variations in the market capitalisation of the Company	As on 31.03.2018 / As on 31.03.2017 Market Capitalisation: 10150 Crore / 3367 Crore
(b)	price earnings ratio as at the closing date of the current financial year and previous financial year	₹ PE Ratio PE Ratio: 24.53 / 17.08
(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;	The Company had come out with IPO in 1994, An amount of ₹ 1000/- invested in IPO in 1994 would be worth ₹ 11,17,500/- indicating compounded annual growth rate of 34%. 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	39.45%
(b)	its comparison with the percentile increase in the managerial remuneration	34.56%
(c)	justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Managerial Remuneration increased by 18% because: (i) a part of managerial remuneration is based on profits of the Company (ii) The PBT of the Company increased by 112% as compared to the previous year
(ix)	comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	**Increase in Remuneration :** A. Indra Kumar : 91% C. Ramachandra Rao : 92% **Performance of the Company :** 1. Turnover increased by 26.20% from ₹ 2230.85 Crore in FY 2016-17 to ₹ 2815.33 Crore in FY 2017-18. 2. PBT increased by 112% from ₹ 296.36 Crore in 2016-17 to ₹ 629.15 Crore in 2017-18.
(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. B. 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 :	Paresh Kumar Shetty
(i) designation of the employee;	General Manager - Marketing
(ii) remuneration received;	₹ 118.43 Lakh
(iii) nature of employment, whether contractual or otherwise;	Regular
(iv) qualifications and experience of the employee;	MBA – Marketing with 22 years of experience
(v) date of commencement of employment;	08.05.2012
(vi) the age of such employee;	47 years
(vii) the last employment held by such employee before joining the Company;	General Manager – Marketing in Suguna Foods Private Limited
(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
(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:	NA
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;	NA
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;	NA
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 2 percent of the equity shares of the Company.	NA

Management's Discussion and Analysis

CAVEAT

This section of the Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the SEBI 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

Global seafood production has grown by 1.40% in the year 2017 as per the report by Food and Agricultural Organisation (FAO) recording 174 MnMT in volume in the calendar year 2017. The production from aquaculture has grown by 4.5% during the year, cloaking harvest of 84 MnMT, whereas the production from capture fisheries remained stable at 90 MnMT.

Global seafood consumption is continuing to increase at 1% per annum. The per capita consumption was 17.6 kg in 2006, which increased to 20.72 kg in 2017. As per FAO estimates, the global per capita seafood consumption will increase to 21.8 kg by 2025. The Report further identified that the seafood consumption in China, Middle East, East and South East Asia is increasing at a steady pace because of income growth and expansion of middle class.

India is well positioned to take advantage of an increase in global seafood consumption because of our long coast line, availability of raw materials and idle land available for taking up aquaculture on a large scale.

Total exports of seafood from India was 13.77 Lakh MT in 2017-18 as compared to 11.35 Lakh MT in 2016-17, reporting an increase of 21.32% in volume terms. In value terms, the exports were ₹ 45,107 Crore in 2017-18 as against ₹ 37,871 Crore in 2016-17, an increase of 19% in value terms .

Shrimp continues to be the back bone of Indian seafood exports and accounted for 41% in volume terms of total seafood exports from the country as against 38% in the previous year.

The total shrimp exports were around 5,66,000 MT in the year 2017-18 as compared to 4,34,000 MT in 2016-17 in volume terms. In value terms, the shrimp exports were ₹ 30,868 Crore as against ₹24,711 Crore in 2016-17.

The major export market has been the US followed by Europe, Japan and South East Asia during 2017-18 for shrimp exports like in the previous year.

For 6 consecutive years from 2010-11 to 2017-18, the shrimp culture industry registered a CAGR of 23% on an average 1,51,465 MT in 2010-11 to 5,11,000 MT in 2017-18.

Strengths, Weakness, Opportunities and Threats

Strengths:
The Company has marked its presence in the field of aquaculture by engaging in manufacturing high-quality feed for shrimps, operating the Vannamei hatchery and processing and exporting shrimps.. The Company also has a well-trained technical team to provide technical support to the farmers, assist them with information and knowledge of global standard aquaculture practices and also update developments in culture methods and processes. Presence of a strong dealership network, farmer base and committed work force stands in good stead for sustained growth of Company's business. Added to this, the Company has a strong technical and marketing tie-up with the THAI UNION Group of Thailand to strengthen its capabilities in the field of aquaculture. The global shrimp consumption is also expected to increase in future, assuring consistent market.

The expansion of the feed plant at Bandapuram, West Godavari District, Andhra Pradesh with an additional capacity of 1,75,000 MT per annum has commenced production from March 2018.

The Company has started the construction of 400 million shrimp seed hatcher at Village Gudivada, near Visakhapatnam, Andhra Pradesh for setting up 400 million shrimp seed hatcheries, which will be implemented in two phases of 200 million each. The commercial operations of the 1st phase of the project is scheduled in early 2019.

Weakness:
Although shrimp production has tripled in the past 7 years, the shrimp culture industry is continued to be concerned about inadequate infrastructure facilities, particularly inadequate power supply to aquaculture farms and inadequate cold store chain available for farmers to store their products. Though aquaculture is similar to produce agriculture in many aspects, the recognition of aquaculture on par with agriculture is evading the Government's approval in order to avail some of the benefits available to the agriculture sector, such as insurance.

Opportunities:
The seafood consumption is increasing all over the world as compared to other forms of meat. With its long coast line, India is ideally suited for development of the seafood industry. A planned development would provide abundant opportunities for the seafood industry. The successful adoption of Vannamei Species shrimp culture has to be replicated for other species of exportable fishes such as sea bass, krouper, red tilapia, halibut and crab for broad

basing the export basket and gaining recognition in the international market.

Threats:
The aquaculture activity is dependent on the unpredictable climatic conditions that differ from season to season Natural calamities like floods and cyclones, during the culture season can have a 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 continue to be the major areas of threat for the industry.

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

Outlook:
At the start of the calendar year 2018, the international shrimp prices started reducing gradually by 10-15% due to slower off take in the US, which is caused by an extended winter in the US. Consequently, the domestic shrimp prices have also reduced, making it less remunerative to the farmer. Due to pricing uncertainty and margin pressures, farmers have adopted a cautious approach. As per our market reports the shrimp culture may grow by 5-10% during the year as compared to the previous year. The trend of low international prices is expected to continue till September-October 2018, when the US and European Union (EU) will start placing orders again for Christmas and year-end festivities, the prices will see an upward trend.

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 49.13 Lakh 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% of equity shares. During the year 2017-18, the gas supply was drastically reduced by GAIL to 37,172 SCMD as against the nominated quota of 65,000 SCMD. As a result, the power generation was limited to 549.26 Lakh units as against a capacity of 911.04 Lakh units. During the year 2017-18, the Company reported a turnover of ₹ 1738.70 Lakh and a profit of ₹ 32.51 Lakh after charging interest, depreciation and tax.

(c) Patikari Power Private Limited, the 16 MW Hydel Power Project in Himachal Pradesh with the Company's investment of 25.88% in equity shares, was commissioned in February 2008. During the year 2017-18, the Company generated 502 Lakh saleable energy units, yielding a gross sales income of ₹ 1129.37 Lakh and resulted in a profit of ₹ 372.32 Lakh 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 unauthorised use or disposition and that all transactions are properly authorised 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, the 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 for ensuring 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 organisation. 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 a profit of ₹ 62,915.19 Lakh before tax adjustments as compared to a profit of ₹ 29,636.07 Lakh 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 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. **Email Id:** avantiho@avantifeeds.com

6. **Financial Year reported:** 2017-18

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**
   (a) 2309.90.00 Shrimp Feed
   (b) 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) Power from Wind mills

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:** Five (5) Shrimp Feed manufacturing plants and one (1) Wind Power Generation farm having 3.2 MW capacity and two (2) offices.

10. **Markets served by the Company – Local/State/National/International/**

   Company's Shrimp feed is marketed in the states of Andhra Pradesh, Tamil Nadu, Gujarat, West Bengal, Odisha, Maharashtra, Karnataka and Goa through its extensive dealer network.

Section B	General Information about the Company

1. Paid-up Capital (₹) : 908.30 Lakh

2. Total Turnover (₹) : 281,532.89 Lakh

3. Total PAT (₹) : 41,493.86 Lakh

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :

Company has spent ₹ 605.03 Lakh on CSR in the year 2017-18 and this is 1.46% of PAT.

5. List of activities in which expenditure in 4 above has been incurred:

a. Promoting education by improving infrastructure in schools in rural areas
b. Installing RO plants in villages for dispensing safe drinking water
c. Promoting healthy living by medical camps in villages and supporting organisations providing free medical facilities to economically backward classes.
d. Imparting vocational education to youth
e. Promoting sports among youth
f. Promoting safe and sustainable aquaculture by training and distributing equipments to farmers under the agriculture extension project

Section C Other Details

1. Does the Company have any Subsidiary Company/ Companies?
Yes. Company has two subsidiaries 1) Avanti Frozen Foods (P) Ltd. and 2) M/s. SVIMSAN Imports & Exports (P) Ltd.

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. M/s. Svimsan Imports & Exports (P) Ltd. has discontinued business operations since 2002. The other subsidiary M/s. Avanti Frozen Foods Private Ltd. commenced business during the year 2015-16. The year 2017-18 being the 3rd year of its operations, CSR Rules of Companies Act, 2013 are not applicable to it.

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 the Company's raw material suppliers for shrimp feed are established entities in the organised sector. They don't participate directly in the BR initiatives of the Company, but they support them. The Company's shrimp feed distributors / dealers are mostly proprietors or partnership firms catering to the shrimp feed demand of farmers engaged in shrimp culture and are not part of BR initiatives.

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.	Email Id	avantiho@avantifeeds.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)
(a) Details of Compliance:

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been 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.	The policy conforms to National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs.								
4.	Has the policy been approved by the Board? Is yes, has it been signed by the 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 an 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
9.	Has the Company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b). If answer to S. No. 1 against any principle is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	No	No	No	No	No	No	No	No	No
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task					NA				
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO 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 and its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
   As specified in the Corporate Governance Report, 197 investor complaints were received during the FY 2017-18. No complaint was outstanding as on 31st March 2018.

   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: The Company manufactures shrimp feed by using natural ingredients such as soya bean meal, wheat flour, sterilised fish meal, phospholipids and minerals & vitamins . In our production process we do not use any chemicals or antibiotics. Our feed manufacturing process, or design does not create environmental concerns.

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

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) achieved since the previous year?

   No change in the trend of sourcing/production or distribution of the shrimp feed as compared to the previous year.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**
   i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The major raw material for production of shrimp feed is soya DOC, wheat flour and sterilised fish meal.

   The raw materials like wheat flour and soya De-oiled Cake (DOC) are processed from wheat and soya, which are cultivated and available locally and do not pose any challenge to environment or future sustainability.

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

4. **Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and the capability of local and small vendors?**
   The Company encourages and develops local manufacturers and small enterprises for supply of various locally available 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, in about 50 words or so.**
   The Company has a mechanism for recycling products and waste, which is less than 5%.

Principle 3:

1. **Please indicate the total number of employees.:** 918 employees. (PY 815)

2. **Please indicate the total number of employees hired on a temporary/contractual/casual basis :** 103 employees (PY 294)

3. **Please indicate the number of permanent women employees :** 20 employees (PY 27).

4. **Please indicate the number of permanent employees with disabilities :** 02 employees.

5. **Do you have an employee association that is recognised by the management. :** No.

6. **What percentage of your permanent employees is members of this recognised employee association?** Not applicable.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and 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 and skill upgradation training in the last year?**
   a) **Permanent Employees :** 70%
   b) **Permanent Women Employees :** 100%
   c) **Casual/Temporary/Contractual Employees :** 30%
   d) **Employees with Disabilities :** 50%

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. The Company engages with the identified stakeholders on an ongoing basis through a constructive consultation process and follows a timely feedback and response to ensure that the stakeholders informed .

2. **Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?**
   The Company engages with stakeholders and is sensitive towards their needs and expectations. The Company focuses on being responsive, proactive and transparent.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**
   The Company undertakes various social initiatives in the villages in the vicinity of 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 Director'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 2017-18.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extend 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? Y/N. If yes, please give hyperlink for web page, etc.**
   The Company has a well laid down energy policy and is always striving to implement measures to reduce carbon emissions. In the process, the Company has installed wind mills for power generation at Chitradurga in Karnataka and installed solar lights in its feed plants. 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. The Company has also been 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? Y/N**
   As far as the Company's operations are concerned, there are no potential environmental risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   The 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. Y/N. If yes, please give hyperlink for web page, etc.**
   To conserve energy, ETP plant auto machine (admittance level sensor 800mm) and 100 kvar capacitors arranged for C-Automiser.

   All the lights in the manufacturing units changed from CFL to LED.

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 2017-18, 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 2017-18.

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.**
   The Company is a member of the 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 and Federation of Indian Export Organisation.

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 the usage of antibiotics in shrimp culture and to check the menace of illegal hatcheries.

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

Principle 8

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, please provide details thereof.**
   The Company promotes girl child education and women education as it believes education will empower women.

2. **Are the programmes/projects undertaken through an in-house team/own foundation/external NGO/ government structures/any other organisation?**
   Some of the projects are implemented through its educational trust AVR Trust and some are implemented through its in-house team by supporting the institutes under the 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 - Amount in INR - and the details of the projects undertaken.**
   a. Company has spent ₹ 605.03 Lakh towards CSR. Company has installed RO plants in the villages near the factory for providing safe drinking water.

   b. The Company contributed to ABN & PRR College of Science, Kovvur and JKC College, Guntur for construction of a new block to cater to the increasing student strength.

c. Tables and benches provided to panchayat-run schools as a part of the CSR initiative to improve infrastructure of Government-run schools.

d. Renovated and installed ACs to the maternity ward in Government Hospital, Kovvur and contributed to Red Cross for construction of Thalassemia, Sickle Cell and Hemophilia Transfusion Centre at Eluru. Contributed to Hrudaya Cure A Little Heart, Hyderabad, which provides free treatment to children from economically backward classes having heart problems.

e. Distributed aquaculture equipment to farmers for automation took farmers on Educational tour under the agricultural extension scheme.

f. Sponsored the 31st Federation Volleyball Championship at Bhimavaram, sponsored World Ranking Snooker Tournament at Visakhapatnam and organised summer volleyball coaching camp for children at Kovvur.

g. Tree plantation with tree guards has been taken up at regular intervals. Also installed lamp posts with LED lights in Kovvur for reducing power consumption.

h. Supported the old age home at Kannapuram in West Godavari District.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   The above stated community activities are taken after discussion with the village elders and residents and are utilised 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 the Company received 160 customer complaints, out 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? Yes/No/N.A. / Remarks(additional information)**
   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 5 years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last 5 years and pending as at end of financial year 2017-18.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   Every year, at the end of shrimp crop season, a customer satisfaction survey is conducted in many of the key market areas and steps are 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 Board as on 31.03.2018 is as under:

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 12th August 2017
1.	Sri A. Indra Kumar DIN:00190168	Chairman & Managing Director -Promoter	4	4	Yes
2.	Sri C. Ramachandra Rao DIN:00026010	Joint Managing Director, Company Secretary & Chief Financial Officer	4	3	Yes
3.	Sri N. Ram Prasad DIN:00145558	NED	4	4	Yes
4.	Sri A. V. Achar DIN:00325886	NED/ID	4	3	Yes
5.	Sri K. Ramamohana Rao DIN:02384687	NED/ID	4	3	Yes
6.	Sri Kartikeya Misra, IAS DIN:6440653 (from 20.09.2016 to 03.07.2017) Nominee of APIDC – represented as Equity Investor	ND	1	0	No
7.	Sri Siddharth Jain IAS DIN: (from 04.07.2017 to 31.01.2018) Nominee of APIDC – represented as Equity Investor	ND	2	1	No
8.	Sri Solomon Arokia Raj, IAS DIN:06802660 (from 01.02.2018) Nominee of A.P.I.D.C – represented as Equity Investor	ND	1	0	No
9.	Sri B V Kumar DIN:00532256	NED/ID	4	4	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 12th August 2017
10.	Sri M S P Rao DIN:00482071	NED/ID	4	4	Yes
11.	Mr. Bunluesak Sorajjakit DIN: 02822828	NED	4	3	Yes
12.	Mr. Wai Yat Paco Lee DIN: 02931372	NED	4	4	Yes
13.	Sri N.V.D.S. Raju DIN:05183133	NED/ID	4	4	Yes
14.	Smt. K. Kiranmayee DIN:07117423	NEWD/ID	4	3	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 10 committees or Chairman of more than 5 committees in public limited companies in which they are Directors. The terms and conditions of their appointment is available on the website of the Company at 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	11	-	-
2	Sri C. Ramachandra Rao	9	-	-
3	Sri N. Ram Prasad	4	-	-
4	Sri A.V. Achar	1	-	-
5	Sri K. Ramamohana Rao	4	-	-
6	Sri Kartikeya Misra, IAS (from 20.09.2016 to 03.07.2017)	11		
7	Sri Sidharth Jain IAS (from 04.07.2017 to 31.01.2018)			
8	Sri Solomon Arokia Raj IAS (from 01.02.2018)	9		
9	Sri B V Kumar	-	-	-
10	Sri M S P Rao	7	-	-
11	Mr. Bunluesak Sorajjakit	6	-	-
12	Mr. Wai Yat Paco Lee	3	-	-
13	Sri N. V. D.S. Raju	1	-	-
14	Smt K. Kiranmayee	-	-	-

2.03 The details of Meetings of Board of Directors held during FY 2017-18:

Four (4) Meetings of Board of Directors were held during the year 2017-18. 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 2017-18 are as follows:

Sl.No.	Date of Board Meeting
1	13.05.2017
2	11.08.2017
3	11.11.2017
4	09.02.2018

2.04 Disclosure of relationship between Directors inter-se:

Sri N. Ram Prasad, Director, is the 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 31st March 2018.

The details of the equity shares held by the Non-executive Directors as on 31.3.2018 are as under:

Name of the Non-executive Director S/Sri	Number of equity shares of ₹ 2/- each held (as on 31.03.2018)
N. Ram Prasad	1,03,000
A. V. Achar	1,000
B.V. Kumar	NIL
M.S.P. Rao	NIL
K. Ramamohana Rao	NIL
N.V.D.S. Raju	NIL
K. Kiranmayee	1,850
Bunluesak Sorajjakit	NIL
Wai Yat Paco Lee	NIL
Solomon Arokia Raj 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 disseminated on the website of the Company i.e. 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 Familiarisation Programme for Independent Directors:

The Company familiarises the Independent Directors of the Company on their roles, rights and 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 familiarisation programme conducted on 17.03.2018 are disseminated on the website of the Company at 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:

Name of the Director	Mr. N. Ram Prasad	Mr. Bunlesak Sorajjakit
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 ₹ 2/- each.	NIL

Name of the Director	Mr. N. Ram Prasad	Mr. Bunlesak Sorajjakit
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 Form Co Ltd, Bangkok – Director 6. Avanti Frozen Foods Pvt Ltd., - 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 subsidiary companies viz., Avanti Frozen Foods Pvt. Ltd. (subsidiary company) and SVIMSAN Exports & Imports Pvt. Ltd. (wholly owned subsidiary). Avanti Frozen Foods Pvt. Ltd. is a material subsidiary of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Ltd. material subsidiary of the Company.

The minutes of the meetings of the Board of Directors of Subsidiaries along with a report on the significant transactions of the above subsidiaries during the year 2017-18 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 policy is disseminated on the website of the Company at 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 the Companies Act, 2013, the Audit Committee reviews reports of the Internal Auditor, meets Statutory Auditors i.e. Tukaram & Company, Chartered Accountants, Hyderabad as and when required and discusses 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 31st March 2018 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	4	4
Sri K Ramamohana Rao	Non-executive Independent Director	Member	4	3
Sri M S P Rao	Non-executive Independent Director	Member	4	4
Sri B.V.Kumar	Non-executive Independent Director	Member	4	4
Sri C. Ramachandra Rao	JMD, CS and CFO	Compliance Officer	4	4

5.03 Details of the Audit Committee Meetings held during the financial year 2017-18:

Four (4) Meetings of the Audit Committee were held during the year 2017-18. The dates on which the said Board Meetings were held during 2017-18 are as follows:

Sl.No.	Date of Meeting
01	29.04.2017
02	29.07.2017
03	04.11.2017
04	03.02.2018

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 2017-18, 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 12th August 2017.

6. Nomination & Remuneration Committee:

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

- Formulation of the criteria for determining the 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 the diversity of Board of Directors;
- 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 13.05.2017 and 19.07.2017 are given below:

Sl No	Name	Category	Designation	No. of meetings held	No. of meetings attended
1	Sri B.V. Kumar	Independent Director	Chairman	2	2
2	Sri A. Indra Kumar	Chairman & Managing Director	Member	2	1
3	Sri A.V. Achar	Independent Director	Member	2	1
4	Sri K. Ramamohana Rao	Independent Director	Member	2	2
5	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & Chief Financial Officer	Compliance Officer	2	2

6.03 Performance Evaluation Criteria for Directors:

The Nomination and Remuneration Committee at its meeting held on 25.3.2017 decided to implement an internal assessment method of evaluation and formulated criteria for evaluation of Directors, Committees and Board taking in to account the criteria indicated by the SEBI in its Guidance Note circulated on 05.01.2017.

7. Evaluation:

7.01 Nomination & Remuneration Committee:

Pursuant to the provisions of the Companies Act, 2013 and of the 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. The evaluation was made on the basis of a structured questionnaire taking into account the indicative criteria prescribed by the SEBI in its Guidance Note. The criteria inter alia include qualification, experience, knowledge and competency, ability to function as a team, availability and attendance, etc. The Members of the Committee evaluated all the individual Directors. The Director being evaluated did not participate in the evaluation process.

Sri Kartikeya Misra, IAS, and Sri Solomon Arokia Raj, IAS Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri Kartikeya Misra, IAS could not attend the Board Meetings held during his tenure as Director and (ii) Sri Solomon Arokia Raj, IAS could not attend the Board Meetings held after his appointment on 01.02.2018.

7.02 Separate Meeting of Independent Directors:

A separate Meeting of the Independent Directors, without the attendance of Independent Directors and members of the management, was held on 14.05.2018. The Independent Directors (a) reviewed the performance of the Non-Independent Directors and the 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.

The evaluation was made on the basis of structured questionnaire taking into account the indicative criteria prescribed by the SEBI in its Guidance Note. The criteria inter alia include qualification, experience, knowledge and competency, ability to function as a team, availability and attendance, etc. The Independent Directors evaluated the performance of Non-independent Directors, Chairman and the Board.

Sri Kartikeya Misra, IAS and Sri Solomon Arokia Raj, IAS Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri Kartikeya Misra, IAS could not attend the Board Meetings held during his tenure as Director and (ii) Sri Solomon Arokia Raj, IAS could not attend the Board Meetings held after his appointment on 01.02.2018.

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. The evaluation was made on the basis of structured questionnaire taking into account the indicative criteria prescribed by the SEBI in its Guidance Note. The criteria inter alia include qualification, experience, knowledge and competency, ability to function as a team, availability and attendance, etc.

Sri Kartikeya Misra, IAS and Sri Solomon Arokia Raj, IAS Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri Kartikeya Misra, IAS could not attend the Board Meetings held during his tenure as Director and (ii) Sri Solomon Arokia Raj, IAS could not attend the Board Meetings held after his appointment on 01.02.2018.

7.04 The Feedback on the evaluation was given by the Chairman and Managing Director/Chairman of the Committee to each Director and the Committee concerned.

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 the website of the Company at www.avantifeeds.com

8.02 Non-executive Directors' Compensation & Disclosures:
The Non-executive Directors are entitled for (i) a sitting fee of ₹ 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, recognise 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. 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.

8.04 The remuneration paid/payable to the Managing Director, Joint Managing Director, Company Secretary & CFO of the Company for the year ended 31st March 2018 is as under:

(₹ in Lakh)

Name and Designation	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 Contact 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	2956.14	-	-	-
B. Ramachandra Rao Joint Managing Director, Company Secretary and CFO	2142.42	-	-	-

9. Corporate Social Responsibility Committee:

9.01 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
6.	Smt K Kiranmayee	Independent Director	Member

9.02 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

During the year 2017-18, one (1) meeting of the Corporate Social Responsibility Committee was held on 27.03.2018.

As per Sec.135(5) of the 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 ₹ 515.40 Lakh, is to be spent towards Corporate Social Responsibility Activities. The Company has spent ₹ 605.03 Lakh towards the CSR activities in the financial year 2017-18, which is more than mandatory requirement by ₹ 515.40 Lakh. The detailed Report on the CSR Activities is annexed to the 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. Ramamohana 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 ended 31.3.2018 are as under:

a.	No. of requests/complaints received	:	197
b.	No. of requests/complaints resolved	:	197
c.	No. of requests/complaints not solved to the satisfaction of the shareholders	:	NIL
d.	No. of pending requests/complaints	:	NIL

11. General Body Meetings:

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

Year	Location	Date	Time
2016-17	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam – 530 020. Andhra Pradesh	12.08.2017	11.00 AM
2015-16	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam – 530 020. Andhra Pradesh	13.08.2016	11.00 A.M.
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.

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

Sl. No.	Date of AGM	Details of Special Resolutions passed
1	12.08.2017	(1) Appointment of Sri C. Ramachandra Rao as Joint Managing Director, Company Secretary & CFO for a further period of 5 years.
2	13.08.2016	(1) Appointment of Sri A Indra Kumar as Chairman & Managing Director for a further period of 5 years.
3	08.08.2015	(1) Appointment of Sri NVDS Raju as Independent Director. (2) Appointment of Smt. K. Kiranmayee as Independent Director.

12. Postal Ballot Resolutions :

12.01 Details of Postal Ballot Resolutions passed during the year 2017-18.

There were no Postal Ballot Resolutions passed during the year 2017-18.

12.02 Whether any Special Resolution to be passed through postal ballot – Nil.

12.03 Procedure for Postal Ballot – Not Applicable.

13. Means of Communication:

Sl. 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.
2	Newspapers wherein results are normally published	Financial Express (in English) and Andhra Prabha (in Telugu).
4	Any website where displayed	www. avantifeeds.com
5	Whether it also displays official news releases	Yes.
6	Presentations made to institutional investors or to analysts	Yes.

14. General Shareholders' Information:

Sl. No.	Item	Details
(i)	Annual General Meeting Date, Time and Venue	7th August 2018 at 11.00 A.M. at Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhapatnam.
(ii)	Financial Year	2018-19
(iii)	Dividend payment date	Board of Directors has recommended a dividend of ₹ 6/- Per Equity share of ₹ 1/- each fully paid for the financial year 2017-18. On approval of the shareholders, the dividend warrants will be dispatched on or before 31.08.2018.
(iv)	Dates of book closure	01.08.2018 to 07.08.2018 (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.	The Company's Shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchanges. The addresses of these Exchanges is as under: 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited, Exchange Plaza , Bandra Kurla Complex, Bandra (East), Mumbai-400 051. The Company has duly paid the Listing fees for the year 2018-19 to BSE Limited and National Stock Exchange where the shares of the Company are Listed.
(vi)	Stock Code	BSE : 512573 NSE : AVANTIFEED NSDL/CSDL ISIN No. : INE871C01020
(vii)	Whether the securities are suspended from trading during the year 2016-17	The equity shares of the Company were not suspended at any point of time during the year 2017-18 and 2018-19 (till the date of the Report).
(viii)	Financial Calendar for the year 2017-18(tentative)	• First Quarter Results – By 15th August 2018. • Second Quarter / Half Year Results – By 15th November 2018 • Third Quarter / Nine Months Results – By 15th February 2019 • Fourth Quarter / Year end Results – By 30th May 2019

15. Market Price Data

(i) The Market price details month wise movement of equity shares of ₹ 2/each fully paid at BSE are as under:

₹

Month & Year	Open Price	High Price	Low Price	Close Price
Apr-17	745	910	745	869
May-17	876	1450	867	1399
Jun-17	1404	1540	1289	1496
Jul-17	1510	1670	1482	1639
Aug-17	1650	1974	1441	1842
Sep-17	1853	2175	1803	2027
Oct-17	2050	2939	2049	2827
Nov-17	2850	3000	2255	2600
Dec-17	2635	2700	2500	2533
Jan-18	2570	2750	2169	2224
Feb-18	2249	2599	2138	2402
Mar-18	2418	2520	2065	2232

Source: BSE

Performance comparison to BSE Sensex.

Sl. No	Name of the month and year	BSE Sensex	Avanti Feeds Market Price – Closing(₹)
1	Apr-17	29918	869
2	May-17	31146	1399
3	Jun-17	30922	1496
4	Jul-17	32515	1639
5	Aug-17	31730	1842
6	Sep-17	31284	2027
7	Oct-17	33213	2827
8	Nov-17	33149	2600
9	Dec-17	34057	2533
10	Jan-18	35965	2224
11	Feb-18	34184	2402
12	Mar-18	32969	2232

Price Movement Graph (BSE)

(ii) The Market price details, monthwise movement of equity shares of ₹ 2/- each fully paid at NSE are as under:

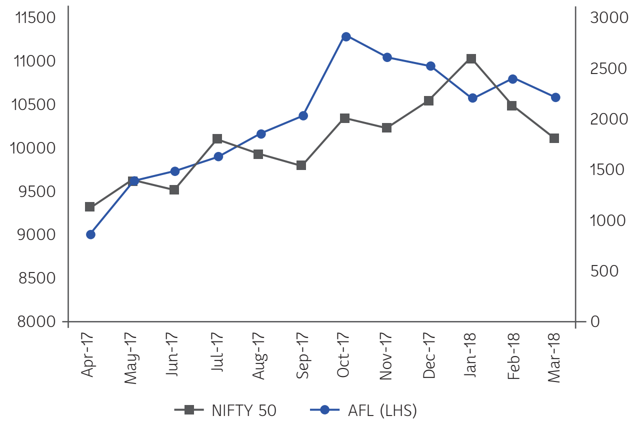
₹

Month & Year	Open Price	High Price	Low Price	Close Price
Apr-17	876	880	852	874
May-17	1374	1424	1360	1402
Jun-17	1411	1539	1390	1496
Jul-17	1612	1648	1600	1636
Aug-17	1883	1884	1842	1847
Sep-17	2041	2065	2010	2030
Oct-17	2875	2880	2800	2821
Nov-17	2549	2648	2450	2612
Dec-17	2525	2539	2517	2534
Jan-18	2275	2275	2171	2217
Feb-18	2370	2432	2336	2398
Mar-18	2212	2256	2212	2235

Performance comparison to NSE NIFTY 50.

Sl. No	Name of the month and year	NIFTY 50	Avanti Feeds Market Price – Closing(₹)
1	Apr-17	9304	874
2	May-17	9621	1402
3	Jun-17	9521	1496
4	Jul-17	10077	1636
5	Aug-17	9918	1847
6	Sep-17	9789	2030
7	Oct-17	10335	2821
8	Nov-17	10227	2612
9	Dec-17	10531	2534
10	Jan-18	11028	2217
11	Feb-18	10493	2398
12	Mar-18	10114	2235

Price Movement Graph (NSE)



16. 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

17. 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.

18. 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 Reports (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints under SCORES are passed directly to 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

19. Distribution Schedule as on 31/03/2018

The details of Distribution Schedule as on 31/03/2018 are as under:

Distribution of Shareholding as on 31/03/2018 (Total)					
Sl No.	Category (Amount)	No. of Holders	% To Holders	Amount (₹)	% To Equity
1	1 - 5000	44972	98.78	9237732.00	10.17
2	5001 - 10000	244	0.54	1803692.00	1.99
3	10001 - 20000	127	0.28	1878802.00	2.07
4	20001 - 30000	57	0.13	1407078.00	1.55
5	30001 - 40000	29	0.06	1049062.00	1.15
6	40001 - 50000	19	0.04	850786.00	0.94
7	50001 - 100000	38	0.08	2639274.00	2.91
8	100001 and above	40	0.09	71963994.00	79.23
Total:		**45526**	**100.00**	**90830420.00**	**100.00**

20. Dematerialisation of Shares and Liquidity:

The details of dematerialisation of shares as on 31.3.2018 is as under:

Avanti Feeds Limited				
Control Report as on 31/03/2018				
Sl No.	Description	No of Holders	Shares	% to Equity
1	PHYSICAL	916	899130	1.98
2	NSDL	25571	41567753	91.53
3	CDSL	20381	2948327	6.49
	Total:	**46868**	**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 a dematerialised form for all investors. Investors are therefore advised to open a demat account with the Depositary participant of their choice, if not already done, to trade in demat form. The list of depositary participants is available with NSDL and CDSL. The ISIN-allotted Company's scrip is INE871C01020.

21. 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 2017-18.

22. Reconciliation of Share Capital and Dematerialisation of Shares:

A quarterly audit was conducted by Sri V. Bhaskara Rao, Practicing 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 31.3.2018, 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. 44,516,080 equity shares of ₹ 2/- (Rupees two only) representing 98.02% (Previous year 44,351,635 equity shares of ₹ 2/- each representing 97.66%) of the paid up equity capital of the Company have been dematerialised as on 31st March 2018. Pursuant to Reg.40(a) of SEBI(LODR) Regulations, 2015, certificates have been issued on a half-yearly basis by Sri V. Bhaskara Rao, Practicing Company Secretary certifying due compliance of share transfer formalities by the Company and the Certificate was also filed with the BSE and NSE.

23. 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. The Company has a policy of planning for raw material requirement for coming 3 months based on estimated sales. Accordingly, raw materials such as 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, which has a very low shelf life and is perishable, is purchased regularly. However, as a policy the Company does not keep more than 90 days of stock of any indigenously available raw materials. This ensures the availability of raw material for the culture season and ensures price stability during negative raw material price movements.

24. Plant locations:

The shrimp feed production plants at Kovvur and Vemuluru in West Godavari District, Bandapuram East 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 the best aquaculture practices (BAP) by Global Aquaculture Alliance, US.

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

Shrimp Feed Plant – IV
Bandapuram Village
West Godavari District. Andhra Pradesh

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

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

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

25. Registered Office and Corporate Office:

The details of the Registered Office and Corporate Office of the Company are as under:

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

Corporate Office & address for correspondence:
Avanti Feeds Limited
G-2, Concorde Apartments
6-3-658, Somajiguda, Hyderabad – 500 082.
Telangana State. India

26. Other Disclosures

Sl No.	Details	Remarks
1	Disclosure on materially significant Related Party Transactions.	NIL
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 behaviour, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimisation 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 are disseminated on the website of the Company at www.avantifeeds.com.
4	Inter se relationships between Directors and Key Managerial personnel of the Company.	
5	Compliance of SEBI(LODR) Regulations,2015.	**(a) Mandatory Requirements.** 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. **(b) Non-mandatory Requirements:** The Company has adopted the following non-mandatory (i.e. Discretionary) Requirements of Part-E of Schedule-II of SEBI (LODR) Regulations: **1. Audit Qualifications:** The Company is in the regime of unqualified financial statements. **2. Reporting of Internal Auditor:** The Internal Auditor directly reports to the Audit Committee.
6	Web link where details of familiarisation programme imported to Independent Director's is disclosed.	www.avantifeeds.com
7	Web link where policy determining the material subsidiaries is disclosed.	www.avantifeeds.com
8	Web link where policy on dealing with Related Party Transactions is disclosed.	www.avantifeeds.com
9	Disclosure of commodity price risks and commodity hedging activities.	Nil
10	Web link where the dividend distribution policy of the Company is disseminated.	www.avantifeeds.com

27. Disclosure in respect of demat suspense account/unclaimed suspense account as on 31.03.2018.

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

28. Transfer of unpaid/unclaimed dividend to IEPF:

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, as amended, read with Investor education and Protection fund (awareness and Protection of Investors) rules, 2001, dividend that remains 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 encashed 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.

29. 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.

30. Policy for prohibition of Insider Trading:

The Company has adopted a policy for Prevention of Insider Trading in the Shares pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

31. 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.

32. Management Discussion and Analysis Report:

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

33. 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.

34. Scheduling and Selection of Agenda items for Board Meetings:

34.01 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.

34.02 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 includes:

- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior personnel just below the Board Level, including the 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 that 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.

35. 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.

36. Compliance Certificate from the Independent Auditors:

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

37. 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 website of the Company at 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 31st March 2018, as envisaged in Reg.26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place: Hyderabad
Date: 26.05.2018

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 that are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept the 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
DIN: 00190168
Chairman & Managing Director

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

Place: Hyderabad
Date: 26.05.2018

Form No. MR-3

Secretarial Audit Report

For The Financial year ended 31st March 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

Secretarial Audit Report

To,
The Members of
Avanti Feeds Limited
CIN: L16001AP1993PLC095778
H.No.37, Plot No.37,
Baymount, Rushikonda,
Vishakhapatnam, AP-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). The 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 authorised 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 31.03.2018 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 31.03.2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the SEBI Act, 1992 (SEBI Act):

a. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time;

c. The SEBI (Prohibition of Insider Trading) Regulations, 2015;

d. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not Applicable;

e. The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not Applicable;

f. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008: Not Applicable;

g. The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The SEBI (Delisting of Equity Shares) Regulations, 2009: Not Applicable; and

i. The SEBI (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 Order) 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 thereunder

(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 transboundary 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

(ii) The Listing Agreements entered 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 and the agenda and detailed notes on the agenda were sent at least 7 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.

The decisions at the Board Meetings are carried out unanimously and there were no members dissenting the resolution(s) during the year under review.

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 the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

V.Bhaskara Rao and Co
Company Secretaries

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

Place: Hyderabad
Date: 25.05.2018

This Report is to be read with our letter of even date, which is given as Annexure-A and forms an integral part of this Report.

Annexure – A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

V.Bhaskara Rao and Co
Company Secretaries

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

Place: Hyderabad
Date: 25.05.2018

Independent Auditors Certificate on Corporate Governance

To the Members of
AVANTI FEEDS LIMITED

1. We, M/s.TUKARAM & CO., Chartered Accountants, the Statutory Auditors of Avanti Feeds Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (” SEBI Listing Regulations”).

Managements’ Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors’ Responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.

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

For TUKARAM & CO.
Chartered Accountants
ICAI Firm Registration No: 004436S

(B. LOKANATH)
PARTNER
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Independent Auditors' Report

To the Members of
Avanti Feeds Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Avanti Feeds Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matter

The Comparative financial information of the company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in these standalone Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 13th May,2017 and 21st May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;

e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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 35 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 TUKARAM & CO.,
Chartered Accountants
ICAI Firm Regn. 004436S

(B. LOKANATH)
PARTNER
Membership No.024927

Place: Hyderabad
Date: 26/05/2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2018, we report that:

Re: Avanti Feeds Limited ('the Company')

i. In respect of its fixed assets:

(a) T(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 subsidiary 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 ₹ 91.40 Lakh which was considered doubtful of recovery and the same has been provided for in the books of accounts.

(b) As the loan is granted to its wholly owned subsidiary company, in our opinion prima facie, the loan is not prejudicial to the interest of the company.

(c) As the above loan is interest free and repayable on demand, the question of overdue amount does not arise.

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 any 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) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it. 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 details of dues of value added tax, customs duty, electricity duty dues on account of dispute are given below :

Name of the Statute	Nature of the Dues	Amount (in Lakh)	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	2005-2006	High Court of Madhya Pradesh
Electricity Act, 2003	Electricity duty	4.37	2011-2012 to 2014-2015	Supreme Court
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

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, governments 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 moneys by way of Initial Public Offer and further public offer of equity shares, convertible securities, 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 year.

xi. 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 TUKARAM & CO.,
Chartered Accountants
ICAI Firm Regn. 004436S

(B. LOKANATH)
PARTNER
Membership No.024927

Place: Hyderabad
Date: 26/05/2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Annexure - B to the Independent Auditors' Report

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 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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 standalone Ind AS 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 31st March, 2018 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 TUKARAM & CO.,
Chartered Accountants
ICAI Firm Regn. 004436S

(B. LOKANATH)
PARTNER
Membership No.024927

Place: Hyderabad
Date: 26/05/2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Balance Sheet

as at 31st March, 2018

	Note	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Assets				
Non-current Assets				
Property, plant, and equipment	3	17,126.24	13,369.41	7,910.48
Capital work-in-progress	3	12.58	-	3,547.08
Intangible assets	4	5.84	2.24	4.72
Financial assets				
Investments	5	11,211.82	11,213.04	11,213.32
Loans	6	58.60	26.48	43.34
Other financial assets	7	456.06	329.60	294.76
Non-current tax assets (net)	21	620.38	-	-
Other non-current assets	8	137.01	137.01	795.82
Total Non - Current Assets		**29,628.53**	**25,077.78**	**23,809.52**
Current Assets				
Inventories	9	38,792.84	29,241.94	22,438.73
Financial assets				
Investments	5	54,215.33	26,057.35	-
Trade receivables	10	1,913.31	1,195.74	1,533.26
Cash and cash equivalents	11	594.43	3,145.95	6,999.42
Other Bank balances	12	750.13	447.24	296.98
Loans	6	109.87	76.69	4,602.73
Other current assets	8	817.10	941.87	957.32
Total Current Assets		**97,193.01**	**61,106.78**	**36,828.44**
Total Assets		**1,26,821.54**	**86,184.56**	**60,637.96**
Equity and Liabilities				
Equity				
Equity share capital	13	908.30	908.30	908.30
Other equity	14	92,880.42	56,422.63	40,627.35
Total equity		**93,788.72**	**57,330.93**	**41,535.65**
Non current liabilities				
Financial liabilities				
Borrowings	15	-	-	148.70
Other financial liabilities	16	374.50	374.50	374.50
Provisions	17	320.46	92.66	20.79
Deferred tax liabilities (net)	21	1,873.04	1,159.26	452.00
Other non-current liabilities	18	-	-	23.12
Total Non-current Liabilities		**2,568.00**	**1,626.42**	**1,019.11**
Current liabilities				
Financial liabilities				
Borrowings	19	-	131.16	651.56
Trade payables	20	27,245.33	23,603.14	13,440.29
Other financial liabilities	16	129.94	306.70	551.67
Provisions	17	-	19.67	127.86
Current tax liabilities (net)	21	-	630.71	851.39
Other current liabilities	18	3,089.55	2,535.83	2,460.43
Total Current Liabilities		**30,464.82**	**27,227.21**	**18,083.20**
Total Equity and Liabilities		**1,26,821.54**	**86,184.56**	**60,637.96**
Notes forming part of the Financial Statements	1-43			

The accompanying notes are an integral part of the financial statements
As per our report of even date

For **TUKARAM & CO.**
Chartered Accountants
Firm Registration No. 004436S

(B. LOKANATH)
Partner
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

For and on behalf of the Board of Directors

A. Indra Kumar
Chairman & Managing Director

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

N. Ram Prasad
Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Statement of Profit & Loss
for the year ended 31st March, 2018

	Note	For the year ended 31st March, 2018	For the Year Ended 31st March, 2017
Continuing operations			
Revenue			
Revenue from operations	22	2,81,532.89	2,23,085.10
Other income	23	3,554.92	1,422.66
Total Revenue		**2,85,087.81**	**2,24,507.76**
Expenses			
Cost of materials consumed	24	2,00,425.62	1,79,729.21
Purchase of stock in trade		271.85	28.97
Changes in inventories	25	(583.25)	(2,664.35)
Employee benefits expenses	26	9,757.90	6,599.33
Depreciation and amortisation expenses	27	1,466.82	1,151.89
Other expenses	28	10,629.96	9,774.45
Finance costs	29	124.43	257.94
Total expenses		**2,22,093.34**	**1,94,877.44**
Profit before tax, exceptional items & share in profit of Associates		62,994.48	29,630.32
Exceptional Items	30	(79.30)	5.75
Profit before tax from continuing operations		**62,915.17**	**29,636.07**
Tax Expense			
Current tax	21	20,707.55	9,293.88
Deferred tax	21	713.78	707.26
Total tax expenses		21,421.33	10,001.14
Profit for the year from continuing operation		41,493.84	19,634.93
Discontinued Operations			
Profit before tax from discontinued operation	31	-	11.19
Less : Tax Expense	21	-	(3.75)
Profit /(Loss) from discontinued operations after tax		-	7.44
Profit for the year		41,493.84	19,642.37
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit plans		(116.60)	(20.85)
Total comprehensive income for the year		41,377.24	19,621.52
Earnings per equity share (EPS)	37		
(Equity shares, par value of ₹ 2 each)			
Basic and diluted EPS (in ₹)			
Continuing operations		91.37	43.23
Discontinued operations		-	0.02

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **TUKARAM & CO.**
Chartered Accountants
Firm Registration No. 004436S

(B. LOKANATH)
Partner
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

For and on behalf of the Board of Directors

A. Indra Kumar
Chairman & Managing Director

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

N. Ram Prasad
Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Statement of Changes in Equity

for the year ended 31st March, 2018

a. Equity

Particulars	Number of Shares	Amount
Balance at 1st April, 2016	4,54,15,210	908.00
Changes in equity share capital during the year	-	-
Balance at 31st March, 2017	4,54,15,210	908.00
Changes in equity share capital during the year	-	
Balance at 31st March, 2018	4,54,15,210	908.00

b. Other Equity

	Reserves and Surplus			
Particulars	General reserve	Securities premium reserve	Retained earnings	Total
Balance at 1st April, 2016	7,081.87	438.00	33,107.48	40,627.35
Profit for the year			19,642.37	19,642.37
Other comprehensive income			(20.85)	(20.85)
Dividends (including corporate dividend tax)			(3,826.24)	(3,826.24)
Transfer from Statement of Profit and Loss	2,000.00		(2,000.00)	-
Balance at 31st March, 2017	**9,081.87**	**438.00**	**46,902.76**	**56,422.63**
Balance at 31st March, 2017	-			
Profit for the year			41,493.86	41,493.86
Other comprehensive income			(116.60)	(116.60)
Dividends (including corporate dividend tax)			(4,919.46)	(4,919.46)
Transfer from Statement of Profit and Loss			-	-
Balance at 31st March, 2018	**9,081.87**	**438.00**	**83,360.56**	**92,880.43**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **TUKARAM & CO.**

Chartered Accountants

Firm Registration No. 004436S

(B. LOKANATH)

Partner

Membership No. 024927

Place: Hyderabad

Date: 26.05.2018

For and on behalf of the Board of Directors

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra Rao

Jt. Managing Director,

Company Secretary & CFO

N. Ram Prasad

Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Statement of Cash Flows

for the year ended 31st March, 2018

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
A. Cash Flow From Operating Activities				
Profit before tax from continuing operations		62,915.19		29,636.07
Profit before tax from discontinued operations		-		11.19
Adjustments for :				
Depreciation and amortisation expense	1,466.82		1,151.89	
Finance costs	124.43		257.94	
Loss/ (Profit) on sale of property, plant and equipment	21.41		16.74	
Interest income	(65.34)		(232.01)	
Dividend income	(1,010.01)		(476.50)	
Fair valuation of financial derivative	-		(23.69)	
Gain/loss from sale of financial assets measured at fair value through profit and loss	(668.65)		(135.41)	
Fair valuation of financial assets measured at fair value through profit and loss	(1,528.66)		(370.77)	
Provision for employee benefits	-		96.12	
Exchange differences (net)	(19.33)		(11.68)	
Operating profit before working capital changes		61,235.85		29,919.89
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(717.57)		337.52	
Loans	(65.30)		4,542.90	
Other financial assets	(1.69)		(19.39)	
Inventories	(9,550.90)		(6,803.21)	
Other bank balances	(269.57)		(121.40)	
Other assets	(620.38)		658.81	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	3,642.16		10,162.87	
Provisions	91.53		(153.29)	
Other financial liabilities	(176.76)		(221.28)	
Other current liabilities	553.72		52.28	
Cash generated from operations		54,121.09		38,355.70
Net income tax paid		(21,338.26)		(9,518.31)
Net cash flow from operating activities (A)		32,782.82		28,837.39
B. Cash Flow From Investing Activities				
Capital expenditure on Property plant and equipment, including capital advances	(5,271.38)		(3,142.12)	
Proceeds from sale of fixed assets	10.17		64.10	
Investment in mutual funds	(25,959.45)		(25,550.89)	
Interest received	65.34		232.01	
Dividend income received	1,010.01		476.50	
Net cash (used in) / flow from investing activities (B)		(30,145.31)		(27,920.40)

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Statement of Cash Flows

for the year ended 31st March, 2018

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
C. Cash Flow From Financing Activities				
Finance costs	(124.43)		(228.83)	
Proceeds from Borrowings	(131.16)		(698.21)	
Dividends paid	(4,952.78)		(3,855.10)	
Exchange differences	19.33		11.68	
Net cash flow (used in) financing activities (C)		(5,189.04)		(4,770.46)
Net (decrease) in Cash and cash equivalents (A+B+C)		(2,551.52)		(3,853.47)
Cash and cash equivalents at the beginning of the year		3,145.95		6,999.42
Cash and cash equivalents at the end of the year (Refer Note (i) below)		594.43		3,145.95
Note (i):				
Cash in hand	21.82		26.73	
Balances with Banks	572.61		3,119.22	
		594.43		3,145.95

The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in Ind AS - 7, 'Statement of Cash Flows' specified under section 133 of the Companies Act, 2013

Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advance) during the year.

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **TUKARAM & CO.**
Chartered Accountants
Firm Registration No. 004436S

(B. LOKANATH)
Partner
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

For and on behalf of the Board of Directors

A. Indra Kumar
Chairman & Managing Director

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

N. Ram Prasad
Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

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 has started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation and measurement

(i) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value

- defined benefit plans- plan assets measured at fair value

2.2 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Critical estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving critical estimates or judgements are;

- Estimation of defined benefit obligation, refer note 41
- Useful life of fixed assets, refer note 2.4(p)
- Expected credit loss of financial assets, refer note 33
- Determination of principal and agent relationship - refer note 31
- Identification of government grant - refer note 23

2.4 Significant accounting policies

a. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Chairman and Managing Director (CMD) of the Company has been identified as the chief operating decision maker. Refer Note 39 for the segment information presented.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of its

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupees (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Timing of recognition: Revenue from sale of shrimp feed is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

Measurement of revenue: Revenue from sale of goods represents amounts invoiced, net of discounts and sales returns. No element of financing is deemed present as the sales are made with a credit term of 30-60 days, which is consistent with market practice.

d. Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Loans received from government in the nature of interest free deferred taxes are treated in the nature of government grant. The difference between the fair value of the loan and the amount of loan received is accounted as government grant. The government grant is recognised in the Statement of Profit and Loss over the period of loan.

e. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f. Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

g. Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. For the purpose of statement of cash flows, cash and cash equivalents cash an short term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

i. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j. Inventories

Inventories 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. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

k. Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

l. Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition,the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in Statement of Profit and Loss as other income when the Company right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when
- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:
Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

m. Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

n. Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

o. Property, plant and equipment
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value Depreciation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. Assets costing individually rupee equivalent of ₹ 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

p. Intangible assets
Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

(i) Computer software
Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Amortisation methods and periods
Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (6 years in case of computer softwares) on a straight line basis.

(iii) Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

q Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the year end which are unpaid . The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r. Borrowings
Borrowings are initially recognised at fair value, net of

transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

s. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

u. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post- employment obligations

The Company operates the following post-employment schemes:

Notes to financial statements
for the year ended 31st March, 2018

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund, Employee State Insurance and superannuation fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds and Employee State Insurance funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Company) is a defined contribution plans, where the Company has no further obligations under the plan beyond its monthly/ quarterly contributions.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

w. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

3. Property, plant and equipment and capital work-in-progress

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Capital work - in - progress
Gross Carrying amount													
Deemed cost as at 1st April, 2016	**1,296.96**	**1,691.87**	**118.41**	**2,649.74**	**649.31**	**699.89**	**167.54**	**54.79**	**35.73**	**104.37**	**442.28**	**7,910.48**	**3,547.08**
Additions	41.17	1,614.28	102.77	3,924.38	-	593.43	80.31	38.48	15.82	11.94	266.60	6,689.18	4,389.51
Disposals	-	-	-	8.37	-	-	7.11	1.19	1.52	0.17	74.02	92.40	7,936.59
Closing gross carrying amount as at 31 March, 2017	**1,338.13**	**3,306.15**	**221.18**	**6,565.75**	**649.31**	**1,293.32**	**240.74**	**92.08**	**50.03**	**116.14**	**634.86**	**14,507.26**	**-**
Additions	517.49	22.38	9.15	3,789.58	-	679.29	36.60	27.22	66.77	5.69	98.96	5,253.12	4,442.14
Disposals	-	-	-	16.08	-	0.76	3.08	0.85	14.08	0.01	17.71	52.58	4,429.56
Closing gross carrying amount as at 31 March, 2018	**1,855.62**	**3,328.52**	**230.33**	**10,339.25**	**649.31**	**1,971.85**	**274.25**	**118.45**	**102.72**	**121.81**	**716.10**	**19,707.80**	**12.58**
Accumulated Depreciation													
Balance as at 1st April, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	80.06	17.44	705.92	54.12	133.61	23.23	21.47	21.31	15.18	77.07	1,149.41	-
Disposals	-	-	-	2.00	-	-	1.06	0.25	1.34	0.17	6.74	11.56	-
Balance as at 31 March, 2017	**-**	**80.06**	**17.44**	**703.92**	**54.12**	**133.61**	**22.17**	**21.22**	**19.97**	**15.01**	**70.33**	**1,137.85**	**-**
Charge for the year	-	109.88	27.64	940.80	54.12	157.41	27.95	22.15	21.08	14.20	89.47	1,464.71	-
Disposals	-	-	-	5.06	-	0.30	0.82	0.19	9.45	0.01	5.16	21.00	-
Balance as at 31 March, 2018	**-**	**189.94**	**45.08**	**1,639.66**	**108.24**	**290.72**	**49.30**	**43.18**	**31.59**	**29.20**	**154.64**	**2,581.56**	**-**
Net Carrying amount													
As at 1st April, 2016	**1,296.96**	**1,691.87**	**118.41**	**2,649.74**	**649.31**	**699.89**	**167.54**	**54.79**	**35.73**	**104.37**	**442.28**	**7,910.48**	**3,547.08**
As at 31st March, 2017	**1,338.13**	**3,226.09**	**203.74**	**5,861.83**	**595.19**	**1,159.71**	**218.57**	**70.86**	**30.06**	**101.13**	**564.53**	**13,369.41**	**-**
As at 31st March, 2018	**1,855.62**	**3,138.58**	**185.26**	**8,699.59**	**541.07**	**1,681.13**	**224.94**	**75.27**	**71.13**	**92.62**	**561.46**	**17,126.24**	**12.58**

i) Refer to note 15 and 19 for information on property, plant and equipment pledged as security by the company.
ii) Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

4 Intangible assets

Description of Assets	Computer Software
Gross carrying amount	
Deemed cost as at 01st April, 2016	4.72
Additions	-
Disposals	-
Closing gross carrying amount as at 31st March, 2017	**4.72**
Additions	5.71
Disposals	-
Closing gross carrying amount as at 31st March, 2018	**10.43**
Accumulated Depreciation	
Balance as at 01st April, 2016	**-**
Amortisation expense for the year	2.48
Disposals	-
Balance as at 31st March, 2017	**2.48**
Amortisation expense for the year	2.11
Disposals	-
Balance as at 31st March, 2018	**4.59**
Net Carrying amount	
As at 01st April, 2016	**4.72**
As at 31st March, 2017	**2.24**
As at 31st March , 2018	**5.84**

5 Investments:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Non - Current Investments (Refer Note (a) below)			
I. Investments carried at cost			
(i) Equity Instruments subsidiaries (unquoted)	8,461.00	8,461.00	8,461.00
(i) Equity Instruments of Associated company (unquoted)	2,735.06	2,735.06	2,735.06
II. Investment carried at fair value through profit and loss			
(iii) Equity instruments of other entities (quoted)	3.76	4.98	5.26
(iv) Equity instruments of other entities (unquoted)	12.00	12.00	12.00
	11,211.82	**11,213.04**	**11,213.32**
b) Current investments (Refer Note (b) below)			
Investment carried at fair value through profit and loss			
(i) Investments in Mutual Funds (quoted)	54,215.33	26,057.35	-
	54,215.33	**26,057.35**	**-**
Note (a) : Details of non-current investments			
(i) Equity instruments of subsidiaries (unquoted)			
Svimsan Exports & Imports Private Limited			
10,00,000 (31st Mar, 2017: 10,00,000,1st April, 2016: 10,00,000) equity shares of ₹10/- each fully paid up	100.00	100.00	100.00
Less: Provision for diminution in the value of investment (refer note 29.3)	(100.00)	(100.00)	(100.00)
Avanti Frozen Foods Private Limited			
60,10,000 (31st March 2017 : 60,10,000, 1st April, 2016: 60,10,000) equity shares of ₹ 10/- each fully paid up)	8,461.00	8,461.00	8,461.00
	8,461.00	**8,461.00**	**8,461.00**
(ii) Equity instruments of associate Company (unquoted)			
Srivathsa Power Projects Limited			
1,66,93,630 (31st Mar, 2017: 1,66,93,630, 1st April, 2016: 1,66,93,630) equity shares of ₹ 10/- each fully paid up	1,670.54	1,670.54	1670.54
Patikari Power Private Limited *			
1,06,45,200 (31st Mar, 2017: 1,06,45,200, 1st April, 2016: 1,06,45,200) equity shares of ₹ 10/- each fully paid up	1,064.52	1,064.52	1064.52

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
* 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.			
	2,735.06	**2,735.06**	**2,735.06**
(iii) Equity instruments of other entities (quoted)			
IDBI Bank Limited			
2,880 (31st Mar, 2017: 2,880, 1st April, 2016: 2,880) equity shares of ₹ 10/- each fully paid up	2.08	2.16	2.09
UCO Bank Limited			
7,800 (31st Mar, 2017: 7,800, 1st April, 2016: 7,800) equity shares of ₹10/- each fully paid up	1.68	2.82	3.17
	3.76	**4.98**	**5.26**
(iv) Equity instruments of other entities (unquoted)			
Bhimavaram Hospitals Limited			
1,20,000 (31st Mar, 2017: 1,20,000, 1st April, 2016: 1,20,000) equity shares of ₹ 10/- each fully paid up	12.00	12.00	12.00
	12.00	**12.00**	**12.00**
	11,211.82	**11,213.04**	**11,213.32**
Total non-current investments			
Aggregate amount of quoted investments and market value thereof	3.76	4.98	5.26
Aggregate amount of unquoted investments	11,308.06	11,308.06	11,308.06
Aggregate amount of impairment in the value of investments	100.00	100.00	100.00
Note (b) : Details of Current investments			
(valued at lower of cost and fair value, unless stated otherwise)			
Investment in unquoted mutual funds			
SBI - Premier Liquid Fund - 757170.04 units of ₹ 1003.25 each (31st Mar, 2017 691383.175 units of ₹ 1003.25 each : 1st April, 2016 Nil)	7,596.31	6,936.30	-
HDFC Short Term opportunities Fund - STP - Wholesale Option - Nil units of ₹ Nil each (31st March 2017 ; 7075858.868 units of ₹ 17.67 each; 1st April, 2016 Nil)	-	1,272.81	-
HDFC Floating Rate Income Fund - STP - Wholesale Growth - 5152012.14 units of ₹ 30.2436 each (31st March 2017 ; 10818608.01 units of ₹ 27.73 each; 1st April, 2016 Nil)	1,558.15	3,058.40	-
ICICI - Pru - Flexible Income Plan Growth - 1989086.936 units of ₹ 260.2065 each (31st March 2017 : 1311958.038 units of ₹ 305.15 each; 1st April, 2016 Nil)	5,176.81	4,084.64	-
IDFC Super Saver Income Fund Short Term Plan - Growth - Nil units of ₹ Nil each (31st March 2017 - 3802119.453 units of ₹ 32.876 each ; 1st April, 2016 Nil)	-	1,268.84	-
Kotak Low duration Fund Standard Growth (Regular Plan) - 257840.784 units of ₹ 2122.9824 each (31st March, 2017 ; 257840.784 units of ₹ 1939.1812 each ; 1st April, 2016 Nil)	5,473.91	5,111.64	-
Birla Sunlife Short Term Fund - Growth Regular Plan Nil units of ₹ Nil each (31st Mar,2017: 2034438.983 units of ₹ 61.4420 each ; 1st April, 2016 Nil)	-	1,266.88	-
Birla Sunlife Savings Fund - Growth Regular Plan - 1486.60 units of ₹ 341.9069 each (31st March, 2017: 959619.837 units of ₹ 312.6238 each ; 1st April, 2016 Nil)	5.08	3,057.84	-
Aditya Birla Sunlife Savings Cash Manager - 617775.12 units of ₹ 417.5546 of each (31st March, 2017 Nil ; 1st April, 2016 Nil)	2,579.55	-	-
Franklin Ultra Short Term Fund - SIP - Growth - 21636685.43 units of ₹ 24.0531 each (31st March 2017 Nil ; 1st April, 2016 Nil)	5,204.29	-	-
Baroda Pioneer Treasure Advantage - 255109.993 units of ₹ 2033.1430 each (31st March 2017 Nil ; 1st April, 2016 Nil)	5,186.75	-	-

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
IDFC Ultra Short Term Fund - 6305779.878 units of ₹ 24.6253 each (31st March 2017 Nil ; 1st April, 2016 Nil)	1,552.82	-	-
IDFC Credit Opportunities Fund - Regular Plan - 19183578.17 units of ₹ 10.7189 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,056.27	-	-
Franklin India Low Duration Fund - Growth - 26016733.96 units of ₹19.9756 each (31st March 2017 Nil ; 1st April, 2016 Nil)	5,197.00	-	-
Reliance Regular Savings Fund - Debt Plan - G - G. Option - 8516690.584 units of ₹ 24.2077 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,061.69	-	-
Reliance Corporate Bond Fund - Growth Plan - 14596941.94 units of ₹ 14.0131 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,045.48	-	-
L & T Income Opportunities Fund - 10339176.19 units of ₹ 19.9074 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,058.26	-	-
Kotak Income Opportunities Fund - Growth Regular - 10778765.83 units of ₹ 19.1253 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,061.47	-	-
Kotak Low duration Fund - Standard Plan (G)- 85448.948 units of ₹2122.9824 each (31st March 2017 Nil ; 1st April, 2016 Nil)	1,814.07	-	-
Reliance Money Manager - Growth plan growth option - 108053.089 units of ₹2394.5731 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,587.41	-	-
	54,215.33	**26,057.35**	**-**
Total current investments	**54,215.33**	**26,057.35**	**-**
Aggregate amount of quoted investments and market value thereof	**-**	**-**	**-**
Aggregate amount of unquoted investments	**54,215.33**	**26,057.35**	**-**
Aggregate amount of impairment in the value of investments	**-**	**-**	**-**

6 Loans

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Non-current			
Unsecured, considered good			
Loans to employees	58.60	26.48	43.34
Total	**58.60**	**26.48**	**43.34**
(b) Current			
Unsecured, considered good			
Loans to employees	90.03	54.51	68.32
Loans to subsidiary	-	-	4,377.21
Interest accrued on loan to subsidiary	-	-	141.26
Interest accrued on electricity deposits	19.84	22.18	15.94
Unsecured, considered doubtful			
Loans to wholly owned subsidiary	91.40	90.98	90.56
Provision for doubtful loans	(91.40)	(90.98)	(90.56)
Total	**109.87**	**76.69**	**4,602.73**

7 Other Financial Assets :

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Non-current			
Unsecured, considered good			
Margin Money Accounts	26.17	16.58	15.02
Security deposits	429.89	313.02	279.74
Total	**456.06**	**329.60**	**294.76**

Refer note 12(i) for details on margin money deposits.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

8 Other Assets

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current			
Unsecured, considered good			
Capital advances	16.00	16.00	674.94
Taxes paid under protest	121.01	121.01	120.88
Total	**137.01**	**137.01**	**795.82**
Current			
Prepaid expenses	176.72	40.66	135.75
Advance for purchases	16.71	154.69	87.91
Export incentives receivable	-	17.15	-
MEIS Licenses on hand	289.87	419.85	489.57
Other advances	333.80	309.52	244.09
Total	**817.10**	**941.87**	**957.32**

9 Inventories (valued at lower of cost and net realizable value)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials (includes good in transit)			
-in godown	31,762.68	22,257.81	19200.55
-in goods in transit	183.50	269.18	396.4
Packing materials	266.79	602.25	367.21
Work-in-process	678.65	280.80	313.09
Finished goods	4,332.59	4,147.19	1450.55
Stores and spares	1,568.63	1,684.71	710.93
Total	**38,792.84**	**29,241.94**	**22,438.73**

10 Trade receivables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade receivables - Current			
Secured & Considered Good :	1,723.73	674.59	1,031.27
Unsecured, considered good	189.58	521.15	501.99
Total	**1,913.31**	**1,195.74**	**1,533.26**

11 Cash and cash equivalents

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks :			
- In current accounts	558.77	496.31	473.78
- deposits with original maturity of less 3 months	0.77	2,600.00	6,501.36
- interest accrued on deposits	13.07	22.91	12.73
Cash in hand	21.82	26.73	11.55
Total	**594.43**	**3,145.95**	**6,999.42**

12 Other bank balances

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unpaid dividend accounts	129.94	96.62	67.76
Margin money accounts	620.19	350.62	229.22
Total	**750.13**	**447.24**	**296.98**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

12.1 Margin money deposits given as security
Margin Money deposits with bank of a carrying amount of ₹ 646.37 Lakh (31st March, 2017: 366.48 Lakh) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

13 Equity share capital

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised capital			
7,92,50,000 fully paid up equity shares of ₹ 2/- each (31st March, 2017; 7,92,50,000; 1st April, 2016: 7,92,50,000)	1,585.00	1,585.00	1,585.00
Issued, subscribed and paid up			
4,54,15,210 fully paid up equity shares of ₹ 2/- each (31st March, 2017 4,54,15,210; 1st April, 2016 4,54,15,210)	908.30	908.30	908.30
	908.30	**908.30**	**908.30**

(a) Reconciliation of the number of shares outstanding:

	Number of shares	Amount
Balance at 1st April, 2016	4,54,15,210	908.00
Shares issued during the year	-	-
Balance at 31st March, 2017	4,54,15,210	908.00
Shares issued during the year	-	-
Balance at 31st March, 2018	4,54,15,210	908.00

(b) Details of shares held by each shareholder holding more than 5% shares

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹ 2/- each fully paid up (previous year ₹ 2/- each)						
1. Srinivasa Cystine Private Limited	1,20,99,705	26.64	1,20,99,705	26.64	1,20,99,705	26.64
2. Thai Union Group Public Company Limited	70,10,210	15.44	1,14,10,210	25.12	1,14,10,210	25.12
3. Thai Union Asia Investment Holding Limited	42,74,675	9.41	-	-	-	-
4. Alluri Indra Kumar	27,76,900	6.11	27,76,900	6.11	27,76,900	6.11
5. Alluri Indra Kumar (HUF)	27,29,750	6.01	27,29,750	6.01	27,29,750	6.01

Thai Union Group Public Company Limited which is formerly know as Thai Union Frozen Products PCL. Company.

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.

(c) Rights attached to equity shares:
The Company has only one class of equity shares having par value of ₹ 2/- per share (31st March, 2017: ₹ 2; 1st April, 2016: ₹ 2 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.

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.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

14 Other equity

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
General reserve	13,081.87	9,081.87	7,081.87
Securities premium account	438.00	438.00	438.00
Retained earnings	79,360.56	46,902.76	33,107.48
Total Other Equity	**92,880.43**	**56,422.63**	**40,627.35**

	As at 31st March, 2018	As at 31st March, 2017
General Reserve		
Balance at beginning of year	9,081.87	7,081.87
Transferred from Surplus in Statement of Profit and Loss	4,000.00	2,000.00
Balance at end of year	**13,081.87**	**9,081.87**
Securities premium reserve		
Balance at beginning of year	438.00	438.00
Balance at end of year	**438.00**	**438.00**
Retained earnings		
Balance at beginning of year	46,902.76	33,107.48
Profit attributable to owners of the Company	41,493.86	19,642.37
Other comprehensive income	(116.60)	(20.85)
Transfer to general reserve	(4,000.00)	(2,000.00)
Dividend (including dividend distribution tax)	(4,919.46)	(3,826.24)
Balance at end of year	**79,360.56**	**46,902.76**

General Reserve:
General reserve represents the amount transferred from profit and loss account to General reserve on account of dividend distributed.

Securities premium reserve:
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act 2013.

15 Non-current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Vehicle loans			
from banks (refer note i below)	-	-	14.48
Unsecured			
Deferred sales tax loan (refer note ii below)	-	-	134.22
Total non-current borrowings	**-**	**-**	**148.70**

* Current maturities on long-term borrowings have been disclosed under the head Other current financial liabilities

i. Vehicle loans:
Nature of Security & Terms of Repayment :

Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 36 months.

ii. Other Loans
The Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers for the financial years from 2001-02 to 2004-05 was converted in to interest free loan which is repayable in 14 years. The balance amount outstanding as on 31.03.2017 ₹163.32 is repaid in March, 2018.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

16 Other financial liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Non - Current			
Security deposits*	374.50	374.50	374.50
Total	**374.50**	**374.50**	**374.50**
b. Current			
Current maturities of Long term borrowings (refer note 15)			
- vehicles loan	-	14.48	46.28
- sales tax deferment loan	-	163.32	142.98
Unpaid dividend	129.94	96.62	67.76
Derivative financial instrument	-	13.52	37.21
Capital creditors	-	18.76	257.44
Total	**129.94**	**306.70**	**551.67**

*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31st March, 2017: 9% p.a.; 1st April, 2016: 9% p.a.).

17 Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provisions (refer note 41)			
Provision for gratuity	218.16	36.50	22.63
Provision for leave encasement	102.30	75.83	126.02
	320.46	**112.33**	**148.65**
a. Non - Current portion	320.46	92.66	20.79
b. Current portion	-	19.67	127.86
Total	**320.46**	**112.33**	**148.65**

18 Other Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Non-Current			
Deferred Government grant	-	-	23.12
Total	**-**	**-**	**23.12**
b) Current			
Advance from customers	2,873.14	2,352.31	2,298.63
Statutory dues	216.41	160.39	138.67
Deferred Government grant (refer note 23)	-	23.13	23.13
Total	**3,089.55**	**2,535.83**	**2,460.43**

19 Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured:			
Working capital loan from State Bank of India	-	131.16	651.56
Total	**-**	**131.16**	**651.56**

Working Capital loans of ₹ NIL (P. Y. ₹131.16 Lakh) 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 @ 10.70% p.a.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

20 Trade payable

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Dues to micro enterprises and small enterprises (Refer Note below)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	27,245.32	23,603.14	13,440.29
	27,245.32	**23,603.14**	**13,440.29**

Dues to micro and small enterprises:
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.

21 Income Taxes
21 (a) Deferred tax balance
For the year ended 31st March, 2018

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation and amortisation	1,000.53	213.85	-	1,214.38
Fair valuation of Investments	129.62	528.25	-	657.87
Fair valuation of derivative instruments	31.18	(31.18)	-	-
Others	(2.07)	2.86		0.79
Total	**1,159.26**	**713.78**	**-**	**1,873.04**

For the year ended 31st March, 2017

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation and amortisation	463.57	536.96	-	1,000.53
Fair valuation of Investments	1.31	128.31	-	129.62
Fair valuation of derivative instruments	(12.88)	44.06	-	31.18
Others	-	(2.07)	-	(2.07)
Total	**452.00**	**707.26**	**-**	**1,159.26**

21 (b) Current tax liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current tax liabilities			
Provision for tax (net of advance tax of ₹)	-	630.71	851.39
Total Current tax liabilities	**-**	**630.71**	**851.39**

21 (c) Tax Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current tax assets (net of provision for tax)	620.38	-	-
Total	**620.38**	**-**	**-**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

21(d) Tax expense recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current tax	20,707.55	9,297.63
In respect of the current year	20,707.55	9,297.63
Deferred tax	713.78	707.26
In respect of the current year	713.78	707.26
Total tax expense	**21,421.33**	**10,004.89**

21 (e) - Tax Expense recognised in Other comprehensive income

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Deferred tax		
In respect of the current year	-	-
	-	**-**

21 (f) - Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before tax from continuing operations	62,915.19	29,636.07
Profit before tax from discontinuing operations	-	11.19
Income tax expense calculated at 34.608% (2017-16 :34.608%)	21,773.69	10,260.32
Impact of expenses that are not deductible (taxable) in determining taxable profit		
Weighted average deduction under u/s 35CCC	(85.50)	(83.82)
Exempt income	(349.54)	(164.91)
Deduction u/s 80IA	(37.60)	(16.52)
Expenditure in relation to exempted income	85.24	-
Others	35.03	9.82
Income tax expense recognised in profit or loss	**21,421.33**	**10,004.89**

22 Revenue from operations

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Sale of Products		
Finished goods	2,81,264.15	2,23,054.79
Traded Goods	268.74	30.31
Total	**2,81,532.89**	**2,23,085.10**

Refer note 31 for revenue relating Shrimp processing and export business.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

23 Other income (net)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest income on		
Bank deposits	27.32	31.92
Others	38.02	200.09
Dividend income from investments mandatorily measured at fair value through profit or loss	1,010.01	476.50
Profit on sale of Mutual Fund	668.65	135.41
Exchange differences (net)	19.33	11.68
Other non-operating income	239.80	149.47
Fair value gain/(loss) on financial instruments measured at fair value through profit and loss	1,528.66	370.77
Fair value gain/(loss) on financial derivative	-	23.69
Amortisation of government grant (refer note below)	23.13	23.13
Total	**3,554.92**	**1,422.66**

Note: The Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers for the financial years from 2001-02 to 2004-05 was converted in to interest free loan which is repayable in 14 years. The balance amount outstanding of as on 31.03.2017 ₹180.47 is repaid in March, 2018. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

24 Cost of materials consumed

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Inventory at the beginning of the year	22,855.09	20,051.56
Add: Purchases	2,09,783.50	1,82,532.74
	2,32,638.59	**2,02,584.30**
Less: Inventory at the end of the year	32,212.97	22,855.09
Cost of materials consumed	**2,00,425.62**	**1,79,729.21**

25 Changes in inventories of finished goods and work-in-progress

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Closing Stock:		
Finished goods	4,332.59	4,147.19
Work-in-progress	678.66	280.80
	5,011.25	**4,427.99**
Opening Stock:		
Finished goods	4,147.20	1,450.55
Work-in-progress	280.80	313.09
	4,428.00	**1,763.64**
Net increase / (decrease)	**(583.25)**	**(2,664.35)**

26 Employee benefits expense

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Salaries, wages and bonus	9,222.46	6,169.56
Contribution to provident and other funds	316.50	312.93
Gratuity expense	101.56	20.00
Staff welfare expenses	117.38	96.84
Total	**9,757.90**	**6,599.33**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

27 Depreciation and amortisation expense

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Depreciation of property, plant and equipment	1,464.71	1,149.41
Amortization of intangible assets	2.11	2.48
Total	**1,466.82**	**1,151.89**

28 Other expenses

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Rent (refer note (i))	146.01	125.16
Power & fuel	3,518.44	2,800.16
Repairs & maintenance		
- Buildings	76.36	374.67
- Plant & machinery	81.19	297.86
- Others	7.62	73.44
Consumable stores	1,280.99	1,495.04
Other manufacturing expenses	1,541.63	1,255.20
Rates & taxes	225.14	227.70
Insurance	152.57	140.73
Electricity charges	8.65	7.79
Vehicle maintenance	56.30	48.39
Travelling & conveyance	450.81	419.26
Communication costs	42.33	45.89
Printing & stationery	31.16	24.20
Directors' sitting fees	8.70	9.30
Auditors Remuneration (refer note (ii))	27.40	35.21
Professional charges	160.92	90.15
Corporate Social Responsibility (refer note(iii)	605.03	567.29
Donations	5.02	15.93
Bank charges	48.52	106.80
Assets written off	18.37	10.10
Advertisement charges	14.44	12.23
Carriage outward	285.99	296.46
Marketing expenses	301.15	77.49
Royalty	1,271.10	1,006.93
Loss on sale of Fixed Assets	3.04	6.64
Bad debts written off	19.13	-
General expenses	241.94	204.43
Total:	**10,629.96**	**9,774.45**

Notes:

i) Operating leases:

Lease payments made under operating leases aggregating to ₹ 146.01 Lakh (31st March, 2017:₹ 125.16 Lakh) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil .

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
ii) Auditors' remuneration(net of service tax) comprises of		
As Auditors	18.88	18.40
Tax Matters	-	4.60
Other Services	4.72	8.92
Reimbursement of expenses	3.80	3.29
Total	**27.4**	**35.21**
iii) Corporate Social Responsibility		
Agricultural extension projects	494.08	484.37
Others	110.95	82.92
Total	**605.03**	**567.29**

29 Finance costs

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest expense		
- Interest on bank overdrafts and loans	12.51	32.00
- Interest on income tax	-	110.47
- Unwinding of interest on Deferred sales tax loan	-	29.11
Other borrowing costs	111.92	86.36
Total	**124.43**	**257.94**

30 Exceptional Items

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Income :		
CVD Refund	-	6.17
Total	**-**	**6.17**
Less : Expenditure		
Provision for doubtful advance	0.42	0.42
Anti Dumping duty	78.88	-
	79.30	**0.42**
Total	**(79.30)**	**5.75**

The exceptional item of ₹ 79.30 Lakh for the year ended 31st March, 2018 includes differential anti dumping duty of ₹ 78.88 Lakh paid (net of refunds) on final determination by the Department of Commerce, USA on the exports made by the company during the financial years from 2010-11 to 2014-15 and provision for doubtful advance ₹ 0.42 Lakh given to wholly owned subsidiary Svimsan Exports & Imports Private Limited (SEIPL). (Previous Year ₹ 5.75 Lakh includes CVD refund income of ₹ 6.17 Lakh and provision for doubtful advances given to SEIPL ₹ 0.42 Lakh.)

31 Discontinued operations

With effect from 1st November, 2015, the company transferred the Shrimp Processing & Export Division ('Export Business') to Avanti Frozen Foods Pvt. Ltd (AFFPL), pursuant to a Business Transfer Agreement (BTA). This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. As AFFPL was in the process of obtaining requisite statutory and regulatory approvals to carry on the Export business, AFL carried the aforesaid business on behalf of AFFPL for the period of 1st November, 2015 to 30th June, 2016 in the capacity of an agent. Accordingly, no sales and related expenditure of the Export business for the aforesaid period, have been recognised in the Statement of Profit and Loss.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

A profit (after tax) only to the extend of ₹ 7.43 attributable to AFL in relation to the business transferred, have been included in the Statement of Profit and Loss. A detailed statement of the operations of Shrimp Processing & Export Division for the period from 1st April, 2016 to 22nd November, 2016 is given here under.

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Profit / (Loss) from ordinary activities		
Revenue from operations		30,631.09
Other income	-	639.07
Total revenue (A)	-	31,270.16
Cost of materials consumed	-	7,165.76
Purchases of stock-in-trade	-	14,093.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	5,859.11
Employee benefits expense	-	179.20
Depreciation and amortisation expense	-	-
Finance costs	-	4.49
Manufacturing expenses	-	557.35
Selling and Distribution expenses	-	1,419.86
Other expenses	-	114.79
Total expenses	-	29,394.17
Exceptional Item (Profit transferred to AFFPL)		1,864.80
Total expenses (B)		31,258.97
Profit before tax	-	11.19
Tax expense	-	3.75
Profit / (Loss) after tax	-	7.44

32 Fair value measurements

Financial instruments by category	31st March 2018		31st March 2017		1st April, 2017	
	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL
Financial Assets						
Investments						
- in equity instruments	-	-	-		-	
- Quoted		3.76		4.98		5.26
- Unquoted		12.00		12.00		12.00
- in mutual funds	-	54,215.33	-	26,057.35	-	-
Trade receivables	1,913.31	-	1,195.74	-	1,533.26	-
Cash and cash equivalents	594.43	-	3,145.95	-	6,999.42	-
Other bank Balances	750.13	-	447.24	-	296.98	-
Loans	168.47	-	103.17	-	4,646.07	-
Bank Deposits	26.17	-	16.58	-	15.02	-
Security deposits	429.89	-	313.02	-	279.74	-
Total Financial Assets	**3,882.40**	**54,231.09**	**5,221.70**	**26,074.33**	**13,770.49**	**17.26**
Financial Liabilities						
Borrowings	-	-	131.16	-	651.56	-
Current maturities of long term debt from banks	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-	-	-
Security deposits	374.50		374.50	-	374.50	-
Trade payables	27,245.32	-	23,603.14	-	13,440.29	-
Derivative financial instrument	-	-	-	13.52	-	37.21
Capital creditors	-	-	18.76	-	257.44	-
Total Financial Liabilities	**27,619.82**	**-**	**24,127.56**	**13.52**	**14,723.79**	**37.21**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

(i) Fair value hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits, are considered to be same as their fair values.

With respect to Corporate Guarantees, the management has determined the fair value of such guarantee contracts as 'Nil' as the subsidiary company is not being benefited significantly from such guarantees.

The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unqoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'.

33 Financial Risk Management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis Credit ratings of customers and subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	Working capital management by Deputy General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Joint Managing Director. The capital requirements are managed by analyzing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/ payables)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The Company's risk management is carried out by the JMD under policies approved by the Board of Directors. The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Credit Risk

(i) Credit Risk Management

Credit risk arises from cash and cash equivalents, loans, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed by the Marketing General Manager of the Avanti Feeds Limited. The Company has few customer with most of them being foreign customers. The Company provides a credit period of 60-90 days which is in line with the normal industry practice. The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- actual or expected significant changes in the operating results of the borrower.
- significant increase in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in are payment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss	Asset is written off		

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

Year Ended 31st March, 2018

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	194.64	0%	-	194.64
	Loans and advances	259.45	35%	90.98	168.47
	Security deposits	429.89	0%	-	429.89

Year Ended 31st March, 2017

Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	464	0%	-	463.82
	Loans and advances	194	47%	90.98	103.17
	Security deposits	313	0%	-	313.02

As at 1st April, 2016

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	312.00	0%	-	312.00
	Loans and advances	4,555.51	2%	90.56	4,464.95
	Security deposits	279.74	0%	-	279.74

Expected credit loss for trade receivables under simplified approach
Year ended 31st March, 2018

Ageing	Not due	0-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	1,913.17	0.12	0.02			0.14
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,913.17	0.12	0	-	-	0.14

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Year ended 31st March, 2017

Ageing	Not due	0-90 days	91-180 days	91-180 days	More than 365 days	Total
Gross carrying amount	1,195.74	-	-	-	-	-
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,195.74	-	-	-	-	-

As at 1st April, 2016

Ageing	Not due	0-90 days	91-180 days	91-180 days	More than 365 days	Total
Gross carrying amount	1,533.26	-	-	-	-	-
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,533.26	-	-	-	-	-

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Joint Managing Director monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual cash flows

31st March, 2018	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Trade payables	27,245.32	27,245.32	27,245.32	-	-	-
Capital creditors	-	-	-	-	-	-
	27,245.32	**27,245.32**	**27,245.32**	**-**	**-**	**-**

Contractual cash flows

31st March, 2017	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	131.16	131.16	131.16	-	-	-
Trade payables	23,603.14	23,603.14	23,603.14	-	-	-
Capital creditors	18.76	18.76	18.76			
	23,753.06	**23,753.06**	**23,753.06**	**-**	**-**	**-**

Contractual cash flows

1st April, 2016	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	651.56	989.51	794.56	194.95	-	-
Trade payables	13,440.29	13,440.29	13,440.29	-	-	-
Capital creditors	257.44	257.44	257.44	-	-	-
	14,349.29	**14,687.24**	**14,492.29**	**194.95**	**-**	**-**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Market Risk - Interest Risk
The Company's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Variable rate borrowings	-	131.16	651.56
Total	**-**	**131.16**	**651.56**

At the end of the reporting period, the Company had the following variable rate borrowings and receivables:

	31st March, 2018			31st March, 2017			1st April, 2016		
	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings
Financial Liabilities									
Current borrowings	-	-		10.70%	131.16	100%	10.55%	651.56	100%
	-	**-**			131.16	**100%**	**-**	651.56	**100%**

Sensitivity
The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

	Impact on profit after tax and equity	
	As at 31st March, 2017	As at 1st April, 2016
Interest rate - Increases by 100 basis points	-	(1.31)
Interest rate - Decreases by 100 basis points	-	1.31

Market risk - Price risk
The Company's investments in quoted equity securities is very minimal, hence there is limited exposure to price risk.

Foreign currency risk
The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Company does not hedge any of its exposure to foreign currency. The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Amount in Foreign Currency	Amount in ₹ (Lakh)	Amount in Foreign Currency	Amount in ₹ (Lakh)	Amount in Foreign Currency	Amount in ₹ (Lakh)
Trade and other payables						
USD	48,83,710	3,196.67	31,43,590	2,092.34	17,66,798	1,165.46
EURO	-	-	-	-	50,868	38.03
Advance to suppliers						
USD	1,77,116	114.27	2,96,660	197.24	2,28,702	153.07
EURO	50,840	40.62	9,018	6.04	1,76,250	128.82
Derivatives outstanding						
Forward contracts						
To buy USD	-	-	23,84,250.00	1,590.39	25,62,897.00	700.04
To sell USD	-	-	2,97,030.00	205.14	1,21,14,669.00	8,188.40
Net exposure			(7,59,710.00)	(509.85)	(1,10,89,868.00)	(8,500.75)

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Sensitivity
The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

	Impact on profit after tax and equity	
	As at 31st March, 2018	As at 31st March, 2017
Increase in USD rate by 1%	(30.82)	(5.10)
Decrease in USD rate by 1%	30.82	5.10

34 Capital management

(a) Risk Management

The Company's objectives when managing capital are to

> safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

> Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company has been maintaining a steady dividend."

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Net debt	-	131.16	800.26
Total equity	93,788.73	57,330.93	41,535.65
Net debt to equity ratio	**1%**	**3%**	**2%**

(b) Dividends

	31st March, 2018	31st March, 2017
Equity Shares		
(i) Final dividend for the year ended 31st March, 2017 of ₹ 9/- (31st March 2016 ₹ 7/-) per fully paid share.	4,087.37	3,179.06
(ii) Dividends not recognised at the end of the reporting period		
(iii) In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 6 per fully paid equity share (31st March, 2017 – ₹ 9/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8,174.74	4,087.37

35 Contingent Liabilities

	31st March, 2018	31st March, 2017	1st April, 2016
A. Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company*	3,093.59	3,098.72	3,160.29
Corporate guarantee given to Avanti Frozen Foods Private Limited	11,506.00	7,590.00	6,225.00

AFL has given a corporate guarantee to AFFPL for an amount of ₹ 11,506.00 (31st March, 2017: ₹ 7,590.00; 1st April, 2016: ₹ 6,225)

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

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

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	2005-2006	High Court of Madhya Pradesh
Electricity Act, 2003	Electricity duty	4.37	2011-2012 to 2014-2015	Supreme Court
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai
		3,093.59		

(i) The Customs and Central Excise Department raised demand for ₹ 1494.59 Lakh and levied penalty of ₹ 1504.59 Lakh 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 Procession 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 ₹ 1655.03 Lakh excise duty 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.

(ii) 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 ₹ 29.22 Lakh was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

(iii Company approached Supreme Court against the order of High Court of Andhra Pradesh confirming the levy and collection of Electricity Duty on self generated power from DG sets.

(iv) Company is importing Squid Liver Powder (SLP) which was one of the raw materials for manufacturing of shrimp feed. SLP was 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.

(2) The Company has given corporate guarantee of ₹ 11506 Lakh as on 31.03.2018 (₹ 7590 Lakh as on 31.03.2017 and ₹ 6225 as on 31.03.2016) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad for loans facilities availed by Avanti Frozen Foods Private Limited.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

36 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (31st March, 2107: Nil; 1st April, 2016: ₹ 1075.22 Lakh).

37 Earnings per share

	31st March, 2018	31st March, 2017
Profit after Tax (PAT)		
From continuing operations (A)	41,493.86	19,634.93
From discontinued operations (B)	-	7.44
Total Net Profit	41,493.86	19,642.37
Weighted average number of equity shares for Basic EPS (C)	**4,54,15,210**	**4,54,15,210**
(a) Basic earnings per share		
From continuing operations (A/C)	**91.37**	**43.23**
From discontinued operations (B/C)	**-**	**0.02**

Note:
There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares.

38 Corporate social responsibility expenditure

a) Expenditure related to CSR as per section 135 of companies act, 2013 read with schedule VII thereof, against the mandatory spend of ₹ 515.40 Lakh (previous year ₹ 378.00 Lakh)

b) Amount spent during the year on:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Revenue expenditure on CSR activities	605.03	569.29
Total	**605.03**	**569.29**

39 Segment reporting

The Company is predominantly engaged in the business of Shrimp feeds and power generation The Chairman and Managing Director (CMD) has been identified as the Chief Operating Decision maker (CODM). There is only one segment in the Company which is Shrimp Feed.

As the Company does not have revenue from any significant external customer amounting to 10% or more of the Company's total revenue, the related information as required under paragraph 34 of Ind AS 108 has not been disclosed.

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp.

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.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

	Shrimp Feed		Windmill		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue								
External Sales	2,81,369.04	2,22,978.33	163.85	106.77	-	-	2,81,532.89	2,23,085.10
Inter-segment sales							-	-
Total Revenue	**2,81,369.04**	**2,22,978.33**	**163.85**	**106.77**	**-**	**-**	**2,81,532.89**	**2,23,085.10**
Segment Result								
Operating Profit	59,510.57	28,471.34	53.41	(5.74)		-	59,563.98	28,465.60
Other Income	281.44	313.78	-	47.80	3,273.48	1,061.08	3,554.92	1,422.66
Interest Expense	124.43	257.94	-			-	124.43	257.94
Exceptional item	-	-	-	-	(79.30)	5.74	(79.30)	5.74
Income tax - Current year & previous year		-		-	20,707.55	9,297.63	20,707.55	9,297.63
- Deferred Tax		-		-	713.78	707.26	713.78	707.26
Net Profit after tax	**59,667.58**	**28,527.17**	**53.41**	**42.05**	**(18,227.15)**	**(8,938.06)**	**41,493.84**	**19,631.17**
Other Information								
Segment Assets	55,812.64	44,679.57	633.86	687.32	70,375.04	40,817.67	1,26,821.54	86,184.56
Segment Liabilities	25,504.40	27,002.44	10.74	11.02	7,517.67	1,840.17	33,032.81	28,853.63
Capital Employed	**30,308.24**	**17,677.13**	**623.12**	**676.30**	**62,857.37**	**38,977.50**	**93,788.73**	**57,330.93**
Capital Expenditure	12.58	-	-	-	-	-	12.58	-
Depreciation	1,375.86	1,054.19	57.34	57.34	33.62	40.36	1,466.82	1,151.89

40 Related party disclosures

1. Names of related parties and related party relationship:

Related parties where control exists

Subsidiary	Svimsan Exports & Imports Private Limited Avanti Frozen Foods Private Limited
Related parties with whom transactions have taken place during the year	
Key Managerial Personnel (KMP)	Sri A. Indra Kumar, Chairman and Managing Director
	Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
Relatives of Key Managerial Peronnel	Sri A. Venkata Sanjeev
	Sri A. Nikilesh
Associate Companies	Srivathsa Power Projects Limited
	Patikari Power Private Limited
Entities where KMP are interested	Srinivasa Cystine Private Limited
	SCL Trading Private Limited
	Sanjeev Agro Vet Private Limited
	Sri Sai Srinivasa Agro Farms & Developers Private Limited

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

2. Related party transactions

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

Particulars	Key Management Personnel		Companies over which Significant Influence is exercised		Subsidiary	
	For the year ended		For the year ended		For the year ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Remuneration	5,098.56	2,705.59	-	-	-	-
Rent paid	4.30	4.19	2.53	2.48	-	-
Rent Received	-	-	1.69	1.72	-	-
Dividend paid	537.67	402.05	2,242.95	1,744.52	-	-
Loan given	-	-	-	-	0.42	0.42
Interest Received	-	-	-	-	-	158.07
Investments	-	-	-	-	-	-
Purchase of goods	-	-	-	-	1,206.61	14,093.61
Sale of Goods	-	-	-	-	364.68	30.31
Sale of Fixed Assets	-	-	-	-	-	34.56
Commission on corporate guarantee					8.56	-
Corporate guarantee given	-	-	-	-	11,506.00	7,590.00

*below the rounding off norm adopted by the Company

Year end Balances

Particulars	Key Management Personnel		Associate Companies		Subsidiary	
	As at		As at		As at	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Investment	-	-	2,735.06	2,735.06	8,561.00	8,561.00
Remuneration	4,604.73	2,290.49	-	-	-	-
Rent payable	-	0.35	-	-	-	-
Trade Payable	-	-	-	-	-	63.91
Loans and Advances outstanding	-	-	-	-	8.56	0.42
Corporate guarantee given	-	-	-	-	703.35	1,489.53

*below the rounding off norm adopted by the Company

41 Employee Benefits

(i) Leave obligations

The leave obligations cover the Company's liability earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

	31st March, 2018	31st March, 2017	1st April, 2016
Current leave obligations expected to be settled within the next 12 months	-	19.67	127.86

(ii) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary); Employee State Insurance and Superannuation Fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 316.50 Lakh (31st March, 2017 - ₹ 312.93 Lakh)

(iii) Post employment benefit obligation Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	As at 31st March, 2018			As at 31st March, 2017		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	**273.01**	**236.50**	**36.51**	**224.50**	**202.67**	**21.83**
Current Service Cost	54.23	18.91	35.32	22.96	18.61	4.35
Past Service Cost	44.41		44.41			
Interest expense/(income)	21.83	0.64	21.19	17.96	-	17.96
Contributions	-		-			-
Total amount recognised in profit or loss	**120.47**	**19.55**	**100.92**	**40.92**	**18.61**	**22.31**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)						
(Gain)/loss from change in demographic assumptions			-			-
(Gain)/loss from change in financial assumptions	9.78		9.78			-
Experience (gains)/losses	107.45		107.45	20.85		20.85
Total amount recognised in other comprehensive income	**117.23**	**-**	**117.23**	**20.85**	**-**	**20.85**
Employer contributions		36.50	(36.50)		28.49	(28.49)
Benefit payments	8.53	8.53	-	13.26	13.26	-
Closing Balance	**502.18**	**284.02**	**218.16**	**273.01**	**236.51**	**36.50**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present value of funded obligations	502.18	273.01	224.50
Fair value of plan assets	284.02	236.51	202.67
Deficit of funded plan	218.16	36.50	21.83
Unfunded plans	-	-	-
Deficit of gratuity plan	218.16	36.50	21.83

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Discount rate	8.00%	7.70%	8.00%
Salary escalation rate	10.00%	10.00%	10.00%
Employee attrition rate	10.00%	10.00%	7.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation							
	Change in assumption			Increase in assumption			Decrease in assumption	
	31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)		31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)		31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)
Discount rate	1.00%	1.00%	Decrease by	537.59	300.76	Increase by	470.83	249.18
Attrition rate	1.00%	1.00%	Decrease by	533.42	300.76	Increase by	483.07	249.18
Salary escalation rate	1.00%	1.00%	Increase by	534.40	286.69	Decrease by	472.87	258.39

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The major categories of plan assets are as follows

	31st March, 2018	31st March, 2017	1st April, 2016
Funds managed by Life Insurance Corporation of India	284.02	236.51	202.67
Total	**284.02**	**236.51**	**202.67**

(v) Risk exposure

Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Company's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Company ensures that it has enough reserves to fund the liability

(vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending '31st March 2018 are ₹ 279.76 Lakh

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
31st March, 2018				
Gratuity	80.39	221.75	248.38	406.23
Total	**80.39**	**221.75**	**248.38**	**406.23**

42 First-time Ind AS adoption reconciliations:

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IndAS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value."

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS as at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial guarantee contract

- Security deposits carried at amortised cost

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

		31st March, 2017	1st April, 2016
Total equity as per previous GAAP		57,238.21	41,531.04
Fair valuation of investments	1	374.55	3.78
Fair valuation of derivative instruments	2	(117.13)	(10.74)
Deferred sales tax loan treated as government grant	3	(5.98)	-
Deferred tax income/(expense) on above adjustments	4	(158.72)	11.57
Total equity as per Ind AS		**57,330.93**	**41,535.65**

Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars		31st March, 2017
Net Profit as per previous GAAP for the period ended 31st March, 2017		
Fair valuation of investments	1	370.77
Fair valuation of derivative instruments	2	(106.39)
Deferred sales tax loan treated as government grant	3	(5.98)
Deferred tax expense on above adjustments	4	(170.34)
Remeasurements of Defined employee benefits	5	20.85
Total adjustments		**108.91**
Profit after tax as per Ind AS		19,642.37
Other comprehensive income	6	(20.85)
Total comprehensive income as per Ind AS		**19,621.52**

C: Notes to first-time adoption

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2016. This increased the retained earnings by ₹ 375.00 Lakh as at 31st March 2017 (1st April, 2016 - ₹ 4/- Lakh).

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Note 2: Derivative financial instruments
Under the previous GAAP, the Company applied the requirements of Accounting Standard 11 The effects of changes in foreign exchange rates to account for foreign currency forward contracts. At the inception of the contract, the forward premium or discount was separated and amortised as income or expense over the period of contract. The underlying receivables and payables were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of forward contracts resulted in a loss of ₹ 117 (April 01, 2015: ₹ 11). Consequent to the above, the profit for the year and total equity as at 31st March, 2016 has decreased by ₹ 106 as a result of the fair value change on the forward contracts.

Note 3: Deferred sales tax loan
Under the previous GAAP, the interest-free government loan and goverment loans at below market rate interest were carried at its cost. Under Ind AS, such loans are in the nature of financial liability, carried at amortised cost, with corresponding benefit of below the market rate of interest being recognised as a government grant. Difference between the fair value of the loan and the transaction cost has been recognised as government grant. Consequent to this change, the amount of loan decreased by ₹ 17 as at 31st March, 2017 (April 01, 2016: ₹ 46). The government grant liability increased by ₹ 23 as at 31st March, 2017 (April 01, 2016: ₹ 46.00 Lakh). The profit for the year and total equity as at 31st March, 2017 decrease by ₹ 6 due to amortisation of government grant of ₹ 26.00 Lakh, which is partially off-set by the unwinding of interest amounting to ₹ 23.00 Lakh.

Note 4: Deferred tax
Under previous GAAP, deferred tax expense/credit were recognised on timing differences between book profits and taxable profits. Under Ind AS, deferred tax is required to be recognised on all temporary differences.

Accordingly, The management has recognised deferred tax liability of ₹ 159 as at 31st March, 2017 (1st April, 2016- deferred tax asset of ₹12.00 Lakh) on the above transition adjustments with a corresponding impact on retained earnings. Further, the deferred tax expense for the year ended 31st March, 2017 have decreased by ₹ 170.00 Lakh

Note 5: Rebates and discounts
Under the previous GAAP, rebates and discounts (not in the nature of trade discount) were recognised as other expense and the revenue was recorded on gross amounts. Under Ind AS, revenue is recognised net of rebates and discounts. Accordingly the Revenue has decreased by ₹ 11,692.00 Lakh for the period ended 31st March 2017 with a corresponding decrease in other expenses. There is no impact on the total equity or profit as result of this adjustment.

Note 6: Re-measurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 increased by ₹ 21 Lakh. There is no impact on the total equity as at 31st March 2017.

Note 7: Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 8: Retained earnings
Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 9: Reclassifications
The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements

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

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Independent Auditors' Report

To the Members of
Avanti Feeds Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Avanti Feeds Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), and its associates, comprising the consolidated balance sheet as at 31st March, 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility.

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group, as at 31st March, 2018 and its consolidated profit (financial performance including other comprehensive income), its consolidated changes in equity and the consolidated cash flows for the year then ended.

Other Matters

The Comparative financial information of the company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in these consolidated Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March,2016 dated 13th May, 2017 and 21st May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of 34,339.21 Lakh as at 31st March, 2018, total revenues of 59,424.79 Lakh and net cash inflows/(outflows) amounting to (850.49) Lakh for the year ended on that date, as considered in these consolidated Ind AS financial statements. The above financial statements/financial information have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the above subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditor. Our opinion on the consolidated Ind AS financial statement and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor

The consolidated financial statements also include the Group's share of net profit of ₹ 111.88 Lakh for the year ended 31st March, 2018, 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, 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 Ind AS financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

    c) The consolidated balance sheet, the consolidated statement of profit and loss, consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

    d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

    e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a Director of that company 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-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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 34 to the consolidated Ind AS financial statements.

        ii. The Group and its associates 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 Group and its associates incorporated in India.

For **TUKARAM & CO**
Chartered Accountants
ICAI Firm Regn. 004436S

(B. LOKANATH)
PARTNER
Membership No.024927

Place: Hyderabad
Date: 26/05/2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Annexure - A to the Independent Auditors' 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 In conjunction with our audit of the consolidated financial statements of Avanti Feeds Limited as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting (Internal Financial Controls over Financial Reporting) of Avanti Feeds Limited (hereinafter referred to as the 'Holding Company'), its subsidiary companies, associate companies, which are companies incorporated in India, as of that date (together referred to as the 'Covered entities' in this report).

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Covered entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Covered entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note ') issued by the Institute of Chartered Accountants of India ('the 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 respective 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 ('the Act').

Auditor's 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 Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls over Financial Reporting and the Guidance Note issued by the ICAI. 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 and the audit evidence obtained by the other auditors in terms of their reports and other financial information referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our unqualified audit opinion on the internal financial controls system over financial reporting of the covered entities.

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 Ind AS financial statements for external purposes in accordance

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 31st March, 2018 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, two associate companies which are companies incorporated in India, is based on the corresponding reports of the auditors and other financial information and written representations obtained from the management of such companies incorporated in India.

For **TUKARAM & CO**
Chartered Accountants
ICAI Firm Regn. 004436S

(B. LOKANATH)
PARTNER
Membership No.024927

Place: Hyderabad
Date: 26/05/2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Consolidated Balance Sheet

as at 31st March 2018

	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Assets				
Non-current Assets				
Property, plant, and equipment	3	31,197.65	16,038.08	10,386.41
Capital work-in-progress	3	197.29	9,406.64	4,380.62
Intangible assets	4	16.64	8.47	12.26
Investments accounted for using the equity method	5	3,120.76	3,008.88	3,034.23
Financial assets				
Investments	6	15.77	16.98	17.26
Loans	7	61.69	33.26	44.01
Other financial assets	8	620.64	762.05	830.64
Non-current tax assets (net)	22	864.43	-	-
Other non-current assets	9	298.33	698.89	2,549.93
Total Non - Current Assets		**36,393.20**	**29,973.25**	**21,255.36**
Current Assets				
Inventories	10	52,481.44	35,569.77	28,554.93
Financial assets				
Investments	6	55,308.56	32,934.72	-
Trade receivables	11	5,003.45	2,341.20	3,478.23
Cash and cash equivalents	12	685.41	4,064.52	7,014.07
Other Bank balances	13	750.13	447.23	242.87
Loans	7	123.70	114.69	104.62
Other financial assets		-	-	47.12
Other current assets	9	1,880.40	1,418.50	1,455.13
Total Current Assets		**1,16,233.09**	**76,890.63**	**40,896.97**
Total Assets		**1,52,626.29**	**1,06,863.88**	**62,152.33**
Equity and Liabilities				
Equity				
Equity share capital	14	908.30	908.30	908.30
Other equity	15	1,02,239.67	62,634.22	41,158.00
Equity attributable to owners		1,03,147.97	63,542.52	42,066.30
Non-controlling interest		11,837.32	9,839.73	-
Total equity		**1,14,985.29**	**73,382.25**	**42,066.30**
Non current liabilities				
Financial liabilities				
Borrowings	16	183.68	1,216.91	161.03
Other financial liabilities	17	374.50	374.50	374.50
Provisions	18	361.32	114.60	32.58
Deferred tax liabilities (net)	22	2,611.36	1,265.01	530.22
Other non-current liabilities	19	1,486.32	1,465.99	23.12
Total Non-current Liabilities		**5,017.18**	**4,437.01**	**1,121.45**
Current liabilities				
Financial liabilities				
Borrowings	20	364.25	131.16	651.56
Trade payables	21	28,654.83	24,967.06	14,301.16
Other financial liabilities	17	494.16	913.20	574.55
Other current liabilities	19	3,110.58	2,553.00	2,471.92
Provisions	18	-	23.24	13.89
Current tax liabilities (net)	22	-	456.96	834.50
Total Current Liabilities		**32,623.82**	**29,044.62**	**18,964.58**
Total Equity and Liabilities		**1,52,626.29**	**1,06,863.88**	**62,152.33**
Notes forming part of the Financial Statements	1-44			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **TUKARAM & CO.**

Chartered Accountants

Firm Registration No. 004436S

(B. LOKANATH)

Partner

Membership No. 024927

Place: Hyderabad

Date: 26.05.2018

C. Ramachandra Rao

Jt. Managing Director,

Company Secretary & CFO

For and on behalf of the Board of Directors

A. Indra Kumar

Chairman & Managing Director

N. Ram Prasad

Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Consolidated Statement of Profit & Loss
for the year ended 31st March, 2018

	Note	For the year ended 31st March, 2018	For the Year Ended 31st March, 2017
Revenue			
Revenue from operations	23	3,39,290.31	2,61,574.40
Other income	24	4,824.82	2,354.01
Total Revenue		**3,44,115.13**	**2,63,928.41**
Expenditure :			
Cost of materials consumed	25	2,48,518.12	2,10,054.06
Changes in inventories of finished goods and work-in-progress	26	(7,550.09)	(2,937.54)
Employee benefits expense	27	11,087.00	7,306.00
Finance costs	29	296.40	300.34
Depreciation and amortisation expense	28	2,375.75	1,368.95
Other expenses	30	18,970.65	14,143.77
Total expenses		**2,73,697.82**	**2,30,235.59**
Profit before tax, exceptional items & share in profit of Associates		70,417.30	33,692.82
Add: Share of net profit/(loss) of associates accounted for using the equity method		111.88	(25.35)
Profit before exceptional items and tax for the year		70,529.18	33,667.48
Exceptional items	31	(78.88)	6.17
Profit before tax		70,450.30	33,673.65
Tax expenses			
Current tax	22	22,456.01	10,308.44
Earlier year taxes		-	-
Deferred tax	22	1,346.35	734.79
Total tax expense		**23,802.36**	**11,043.23**
Profit for the year		**46,647.94**	**22,630.42**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss Remeasurements of the defined benefit plans		(125.44)	(29.10)
Total comprehensive income for the year		**46,522.50**	**22,601.32**
Attributable to :			
Owners of AFL		44,524.91	21,540.13
Non-controlling interests		1,997.59	1,061.18
Profit is attributable to:			
Owners of AFL		44,646.81	21,565.93
Non-controlling interests		2,001.13	1,064.49
Other comprehensive income is attributable to:			
Owners of AFL		(121.90)	(25.80)
Non-controlling interests		(3.54)	(3.30)
Earnings per equity share			
(Equity shares, par value of ₹ 2 each)			
Basic		98.31	47.49
Diluted		98.31	47.49
Notes forming part of the Financial Statements			

The accompanying notes are an integral part of the financial statements
As per our report of even date
For **TUKARAM & CO.**
Chartered Accountants
Firm Registration No. 004436S

(B. LOKANATH)
Partner
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

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

For and on behalf of the Board of Directors

A. Indra Kumar
Chairman & Managing Director

N. Ram Prasad
Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

a. Equity

Particulars	Number of Shares	Amount
Balance at 1st April, 2016	4,54,15,210	908.30
Changes in equity share capital during the year	-	-
Balance at 31st March, 2017	4,54,15,210	908.30
Changes in equity share capital during the year	-	
Balance at 31st March, 2018	4,54,15,210	908.30

b. Other Equity

Particulars	Capital Reserve	Reserves and Surplus			Total
		Securities premium reserve	General reserve	Retained earnings	
Balance at 1st April, 2016	-	456.85	7,124.28	33,576.87	41,158.00
Profit for the year	-	-	-	21,565.93	21,565.93
Remeasurements of the defined benefit plans	-	-	-	(25.80)	(25.80)
Dividends (including corporate dividend tax)	-	-	-	(3,826.24)	(3,826.24)
Transfer of retained earnings to general reserve	-	-	2,000.00	(2,000.00)	-
Profits transferred to Non-controlling interest				(377.80)	(377.80)
Addition on account of dilution of stake in Avanti Frozen Foods Private Limited				4,140.13	4,140.13
Balance at 31st March, 2017	**-**	**456.85**	**9,124.28**	**53,053.09**	**62,634.22**
Balance at 1st April, 2017	-	456.85	9,124.28	53,053.09	62,634.22
Profit for the year	-	-	-	44,646.81	44,646.81
Remeasurements of the defined benefit plans	-	-	-	(121.90)	(121.90)
Dividends (including corporate dividend tax)	-	-	-	(4,919.46)	(4,919.46)
Transfer of retained earnings to general reserve	-	-	-	-	-
Balance at 31st March, 2018	**-**	**456.85**	**9,124.28**	**92,658.54**	**1,02,239.67**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **TUKARAM & CO.**
Chartered Accountants
Firm Registration No. 004436S

(B. LOKANATH)
Partner
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

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

For and on behalf of the Board of Directors

A. Indra Kumar
Chairman & Managing Director

N. Ram Prasad
Director

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Statement of Consolidated Cash Flows

for the year ended 31st March, 2018

	For the year ended 31st March, 2018		For the Year Ended 31st March, 2017	
A. Cash Flow from Operating Activities		70,450.30		33,673.65
Profit before tax				
Adjustments for :				
Depreciation and amortisation expense	2,375.75		1,368.95	
Finance costs	296.40		300.34	
Loss/ (Profit) on sale of property, plant and equipment	19.27		6.97	
Interest income	(74.46)		(84.53)	
Dividend income	(1,100.21)		(693.88)	
Exchange gains/ losses	(1,359.07)		(712.90)	
Gain/loss from sale of financial assets measured at fair value through profit and loss	(668.65)		(135.41)	
Fair valuation of financial assets measured at fair value through profit and loss	(1,528.66)		(370.77)	
Fair valuation of derivatives	369.36		(80.80)	
Share of profit/(loss) from Associates	(111.88)		25.35	
Amortisation of government grant	(131.12)		(23.13)	
Operating profit before working capital changes		**68,537.02**		**33,273.83**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(2,662.25)		1,137.03	
Loans	(60.84)		18.66	
Other financial assets	(227.95)		196.51	
Inventories	(16,911.67)		(7,014.84)	
Other bank balances	(302.90)		(204.36)	
Other assets	(461.90)		36.63	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	3,687.77		10,665.90	
Provisions	98.04		(54.73)	
Other financial liabilities	(405.69)		325.30	
Other current liabilities	580.71		81.08	
Cash generated from operations		**51,870.34**		**38,461.02**
Net income tax paid		(23,777.40)		(10,685.98)
Net cash flow from operating activities (A)		**28,092.95**		**27,775.04**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Statement of Consolidated Cash Flows

for the year ended 31st March, 2018

	For the year ended 31st March, 2018		For the Year Ended 31st March, 2017	
B. Cash Flow From Investing Activities				
Capital expenditure on fixed assets, including capital advances	(7,961.20)		(9,187.43)	
Proceeds from sale of Property, Plant and Equipment	12.87		79.78	
Purchase of Mutual funds	(20,176.53)		(32,428.54)	
Interest received	97.86		66.55	
Dividend income received	1,100.21		693.88	
Net cash (used in) / flow from investing activities (B)		**(26,926.78)**		**(40,775.76)**
C. Cash Flow from Financing Activities				
Finance costs	(309.75)		(286.84)	
Repayment of borrowings	(800.14)		535.48	
Dividends paid	(4,919.46)		(3,826.24)	
Profit on exchange fluctuations & forward contracts	1,359.07		712.90	
Funds infused by minority interest re™sulting in dilution of stake of Holding company	-		12,540.87	
Government grant subsidiary	125.00		375.00	
Net cash flow (used in) financing activities (C)		**(4,545.28)**		**10,051.17**
Net (decrease) in Cash and cash equivalents (A+B+C)		(3,379.11)		(2,949.55)
Cash and cash equivalents at the beginning of the year		4,064.52		7,014.07
Cash and cash equivalents at the end of the year (Refer Note (i) below)		**685.41**		**4,064.52**
Note (i): Cash and cash equivalents comprises of:				
Balances with Banks	658.98		4,032.19	
Cash in hand	26.43		32.33	
		685.41		**4,064.52**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date
For **TUKARAM & CO.**
Chartered Accountants
Firm Registration No. 004436S

(B. LOKANATH)
Partner
Membership No. 024927

Place: Hyderabad
Date: 26.05.2018

For and on behalf of the Board of Directors

A. Indra Kumar
Chairman & Managing Director

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

N. Ram Prasad
Director

Place: Hyderabad
Date: April 20, 2018

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

Background

Avanti Feeds Limited ('AFL or the Company') is a listed public Company under "The Companies Act, 1956", with its registered office in Visakhapatnam. The company started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed. AFL has two subsidiaries (incorporated in India) named Avanti Frozen Foods Private Limited (AFFPL) and Svimsan Exports & Imports Private Limited (SEIPL), AFFPL is engaged in the business of exporting Shrimp. AFL, AFFPL and SEIPL are hereinafter referred to as the 'Group'.

1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer Note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value

- defined benefit plans- plan assets measured at fair value

(iii) Amended standards adopted by the group

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities.

b. Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the impairment policy.

(iv) Changes in Ownership Interest

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Chief Financial Officer (CFO) of the Holding Company has been identified as the chief operating decision maker. Refer Note 39 for the segment information presented.

d. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes (Goods and services tax) and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Timing of recognition: Revenue from sale and export of shrimps 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.

Measurement of revenue: Revenue from sale of goods represents amounts invoiced, net of discounts and sales returns. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice.

f. Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income. Loans received from government in the nature of interest free deferred taxes are treated in the nature of government grant. The difference between the fair value of the loan and the amount of loan received is accounted as government grant. The government grant is recognised in the statement profit and loss over the period of loan.

g. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

h. Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

l. Inventories

Inventories 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. 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. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m. Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition,the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when - the Group has transferred the rights to receive cash flows from the financial asset or - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

n. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

o. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

p. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation / amortisation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. Assets costing individually rupee equivalent of ₹ 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

q. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

(i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(ii) Amortisation methods and periods

Intangible assets are amortized over their respective individual estimated useful lives of 6 years on a straight line basis.

(iii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

r. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the year end which are unpaid . The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

s. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

t. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

u. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provisions is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

v. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post- employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and (b) defined contribution plans such as provident fund, Employee State Insurance and superannuation fund"

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds and Employee State Insurance funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Group) is a defined contribution plans, where the Group has no further obligations under the plan beyond its monthly/ quarterly contributions.

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

w. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

x. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

y. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;

- by the weighted average number of equity shares outstanding during the financial year.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

z. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

aa. Standards issued but not yet effective

Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1st April, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Group to identify and quantify the impact of the amendments.

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt. The appendix can be applied:

- retrospectively for each period presented applying Ind AS 8;

- prospectively to items in scope of the appendix that are initially recognised > on or after the beginning of the reporting period in which the appendix is first applied (i.e. 1st April 2018 for entities with March year-end); or > from the beginning of a prior reporting period presented as comparative information (i.e. 1st April 2017 for entities with March year-end).

Group to identify and quantify the impact of the amendments.

Amendments to Ind AS 40 Investment property – Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties. The amendment provides two transition options. Entities can choose to apply the amendment:
- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. 1 April 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

Group to identify and quantify the impact of the amendments.

Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this.

- Where the law restricts the source of taxable profits against which particular type of deferred tax assets can be recovered, the recoverability of deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment. An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

Group to identify and quantify the impact of the amendments.

2: Critical estimates and judgements

Areas involving critical estimates:

-Estimation of defined benefit obligation, refer note 41

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

3. Property, Plant and Equipment and capital work-in-progress

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Capital work - in - progress
Gross carrying amount													
Deemed cost as at 1st April, 2016	**2,414.16**	**1,984.78**	**118.41**	**3,315.19**	**649.31**	**837.45**	**179.95**	**68.75**	**39.19**	**121.31**	**657.92**	**10,386.41**	**4,380.62**
Additions	178.54	1,614.28	102.77	4,027.43	-	593.43	80.31	41.50	19.22	14.05	432.05	7,103.58	12,962.61
Disposals	-	-	-	8.37	-	-	7.11	1.19	1.52	0.17	80.51	98.87	7,936.59
Closing Gross carrying amount as at 31st March, 2017	**2,592.70**	**3,599.06**	**221.18**	**7,334.25**	**649.31**	**1,430.88**	**253.15**	**109.06**	**56.89**	**135.19**	**1,009.47**	**17,391.12**	**9,406.64**
Additions	870.12	2,720.72	142.21	11,602.50	-	1,443.95	121.30	53.63	82.75	103.33	423.11	17,563.63	4,442.14
Disposals	-	-	-	16.08	-	0.76	3.08	0.85	14.08	0.01	18.27	53.14	13,651.48
Closing gross carrying amount as at 31st March, 2018	**3,462.82**	**6,319.78**	**363.39**	**18,920.67**	**649.31**	**2,874.07**	**371.37**	**161.84**	**125.56**	**238.51**	**1,414.30**	**34,901.60**	**197.29**
Accumulated Depreciation													
Balance as at 01st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	94.48	17.44	829.20	54.12	152.59	24.66	25.73	23.81	16.85	126.27	1,365.16	-
Disposals	-	-	-	2.00	-	-	1.06	0.25	1.34	0.17	7.30	12.12	-
Balance as at March 31, 2017	-	**94.48**	**17.44**	**827.20**	**54.12**	**152.59**	**23.60**	**25.48**	**22.47**	**16.68**	**118.98**	**1,353.04**	-
Charge for the year	-	189.45	35.40	1,599.62	54.12	216.85	33.65	26.35	26.55	21.48	168.43	2,371.91	-
Disposals	-	-	-	5.06	-	0.30	0.82	0.19	9.45	0.01	5.16	21.00	-
Balance as at March 31, 2018	-	**283.94**	**52.84**	**2,421.77**	**108.24**	**369.14**	**56.44**	**51.64**	**39.57**	**38.15**	**282.24**	**3,703.95**	-
Net carrying amount													
As at 01st April, 2016	**2,414.16**	**1,984.78**	**118.41**	**3,315.19**	**649.31**	**837.45**	**179.95**	**68.75**	**39.19**	**121.31**	**657.92**	**10,386.41**	**4,380.62**
As at 31st Mar , 2017	**2,592.70**	**3,504.58**	**203.74**	**6,507.05**	**595.19**	**1,278.29**	**229.54**	**83.58**	**34.43**	**118.51**	**890.49**	**16,038.08**	**9,406.64**
As at 31st Mar, 2018	**3,462.82**	**6,035.84**	**310.56**	**16,498.90**	**541.07**	**2,504.93**	**314.93**	**110.20**	**86.00**	**200.36**	**1,132.06**	**31,197.65**	**197.29**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

4 Intangible assets

	Computer Software
Gross carrying amount	
Deemed cost as at 1st April, 2016	**12.26**
Additions	-
Disposals	-
Closing gross carrying amount as at 31st March, 2017	**12.26**
Additions	12.01
Disposals	-
Closing gross carrying amount as at 31st March, 2018	**24.27**
Accumulated Depreciation	
Balance as at 1st April, 2016	**-**
Amortisation expense for the year	3.79
Disposals	
Balance as at March 31, 2017	**3.79**
Amortisation expense for the year	3.84
Disposals	-
Balance as at March 31, 2018	**7.63**
Net carrying amount	
As at 1st April, 2016	**12.26**
As at 31st Mar , 2017	**8.47**
As at 31st Mar, 2018	**16.64**

5 Investments accounted for using the equity method

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity instruments of associate Company (unquoted)			
Srivathsa Power Projects Limited			
1,66,93,630 (31st March, 2017: 1,66,93,630; 1st Apr, 2016: 1,66,93,630) equity shares of ₹10/- each fully paid up	2,241.38	2,225.13	2,286.51
Patikari Power Private Limited *			
1,06,45,200 (31st March, 2017: 1,06,45,200; 1st Apr, 2016: 1,06,45,200) equity shares of ₹10/- each fully paid up	879.38	783.75	747.72
* 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.			
Total	**3,120.76**	**3,008.88**	**3,034.23**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

6 Investments:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Non - Current Investments (Refer Note (a) below)			
Investments carried at cost			
(i) Equity instruments (quoted)	3.77	4.98	5.26
(ii) Equity instruments (unquoted)	12.00	12.00	12.00
	15.77	**16.98**	**17.26**
b) Current investments (Refer Note (b) below)			
Investment carried at fair value through profit and loss			
(i) Investments in Mutual Funds (quoted)	55,308.56	32,934.72	-
	55,308.56	**32,934.72**	**-**
Note (a) : Details of non-current investments			
(i) Equity instruments (quoted)			
IDBI Bank Limited			
2,880 (31st March, 2017: 2,880, 1st Apr, 2016: 2,880) equity shares of ₹10/- each fully paid up	2.08	2.16	2.09
UCO Bank Limited			
7,800 (31st March, 2017: 7,800, 1st Apr, 2016: 7,800) equity shares of ₹10/- each fully paid up	1.68	2.82	3.17
	3.77	**4.98**	**5.26**
(ii) Equity instruments (unquoted)			
Bhimavaram Hospitals Limited			
1,20,000 (31st March, 2017: 1,20,000, 1st Apr, 2016: 1,20,000) equity shares of ₹10/- each fully paid up	12.00	12.00	12.00
	12.00	**12.00**	**12.00**
Total	**15.77**	**16.98**	**17.26**
Total non-current investments			
Aggregate amount of quoted investments and market value thereof	3.77	4.98	5.26
Aggregate amount of unquoted investments	12.00	12.00	12.00
Aggregate amount of impairment in the value of investments	-	-	-

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Note (b) : Details of Current investments			
(valued at lower of cost and fair value, unless stated otherwise)			
Investment in unquoted mutual funds			
SBI - Premier Liquid Fund - 866138.75 units of ₹ 1003.25 each (31st March, 2017 1376893.09 units of ₹ 1003.25 each; 1st April, 2016 Nil)	8,689.54	13,813.68	-
HDFC Short Term opportunities Fund - STP - Wholesale Option - Nil units of ₹ Nil each (31st March 2017 ; 7075858.868 units of ₹ 17.67 each, 1st April, 2016 Nil)	-	1,272.81	-
HDFC Floating Rate Income Fund - STP - Wholesale Growth - 5152012.14 units of ₹ 30.2436 each (31st March 2017 ; 10818608.01 units of ₹ 27.73 each, 1st April,2016 Nil)	1,558.15	3,058.40	-
ICICI Prudential Flexible Income Plan - Direct Plan (G) - 1989086.936 units of ₹ 260.2065 each (31st March, 2017 1311958.038 units of ₹ 305.15 each; 1st April,2016 Nil)	5,176.81	4,084.64	-
IDFC Super Saver Income Fund Short Term Plan - Growth - Nil units of ₹ Nil each (31st March 2017 - 3802119.453 units of ₹ 32.876 each; 1st April,2016 Nil)	-	1,268.84	-
Kotak Low duration Fund Standard Growth (Regular Plan) - 257840.784 units of ₹ 2122.9824 each (31st March, 2017 ; 257840.784 units of ₹ 1939.1812 each; 1st April,2016 Nil)	5,473.91	5,111.64	-
Birla Sunlife Short Term Fund - Growth Regular Plan Nil units of ₹ Nil each (31st March,2017: 2034438.983 units of ₹ 61.4420 each; 1st April,2016 Nil)	-	1,266.88	-

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Birla Sunlife Savings Fund - Growth Regular Plan - 1486.60 units of ₹ 341.9069 each (31st March, 2017: 959619.837 units of ₹ 312.6238 each; 1st April,2016 Nil)	5.08	3,057.84	-
Aditya Birla Sunlife Savings Cash Manager - 617775.12 units of ₹ 417.5546 of each (31st March, 2017 Nil; 1st April,2016 Nil)	2,579.55	-	-
Franklin Ultra Short Term Fund - SIP - Growth - 21636685.43 units of ₹ 24.0531 each (31st March 2017 Nil; 1st April,2016 Nil)	5,204.29	-	-
Baroda Pioneer Treasure Advantage - 255109.993 units of ₹ 2033.1430 each (31st March 2017 Nil, 1st April,2016 Nil)	5,186.75	-	-
IDFC Ultra Short Term Fund - 6305779.878 units of ₹ 24.6253 each (31st March 2017 Nil, 1st April,2016 Nil)	1,552.82	-	-
IDFC Credit Opportunities Fund - Regular Plan - 19183578.17 units of ₹ 10.7189 each (31st March 2017 Nil; 1st April,2016 Nil)	2,056.27	-	-
Franklin India Low Duration Fund - Growth - 26016733.96 units of ₹19.9756 each (31st March 2017 Nil;1st April,2016 Nil)	5,197.00	-	-
Reliance Regular Savings Fund - Debt Plan - G - G. Option - 8516690.584 units of ₹ 24.2077 each (31st March 2017 Nil;1st April,2016 Nil)	2,061.69	-	-
Reliance Corporate Bond Fund - Growth Plan - 14596941.94 units of ₹ 14.0131 each (31st March 2017 Nil; 1st April,2016 Nil)	2,045.48	-	-
L & T Income Opportunities Fund - 10339176.19 units of ₹ 19.9074 each (31st March 2017 Nil; 1st April,2016 Nil)	2,058.26	-	-
Kotak Income Opportunities Fund - Growth Regular - 10778765.83 units of ₹ 19.1253 each (31st March 2017 Nil, 1st April,2016 Nil)	2,061.47	-	-
Kotak Low duration Fund - Standard Plan (G)- 85448.948 units of ₹2122.9824 each (31st March 2017 Nil; 1st April,2016 Nil)	1,814.07	-	-
Reliance Money Manager - Growth plan growth option - 108053.089 units of ₹2394.5731 each (31st March 2017 Nil, 1st April,2016 Nil)	2,587.41	-	-
	55,308.56	**32,934.72**	**-**
Total current investments	**55,308.56**	**32,934.72**	**-**
Aggregate amount of quoted investments and market value thereof	**-**	**-**	**-**
Aggregate amount of unquoted investments	**55,308.56**	**32,934.72**	**-**
Aggregate amount of impairment in the value of investments	**-**	**-**	**-**

7 Loans

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Non-current			
Unsecured, considered good			
Loans to employees	61.69	33.26	44.01
Total	**61.69**	**33.26**	**44.01**
(b) Current			
Unsecured, considered good			
Loans to employees	95.53	63.12	71.03
Loans to subsidiary	-	-	-
Interest accrued on loan to subsidiary	-	-	-
Interest accrued on electricity deposits	28.17	51.57	33.59
Unsecured, considered doubtful			
Loans to wholly owned subsidiary	-	-	-
Provision for doubtful loans	-	-	-
	123.70	114.69	104.62
Total	**185.39**	**147.95**	**148.63**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

8 Other Financial Assets

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Non Current			
Unsecured, considered good			
Margin Money Accounts	67.06	42.99	261.12
Security deposits	553.58	415.08	359.87
Financial Derivative Assets	-	303.98	209.65
	620.64	**762.05**	**830.64**
(b) Current			
Unsecured, considered good			
Freight reimbursement receivable	-	-	47.12
Total	**-**	**-**	**47.12**

9 Other Assets

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current			
Unsecured, considered good			
Capital advances	177.32	577.88	2,429.05
Taxes paid under protest	121.01	121.01	120.88
Total	**298.33**	**698.89**	**2,549.93**
Current			
Prepaid expenses	370.24	-	-
Advance for purchases	66.24	318.22	280.22
Export incentives receivable	954.78	386.90	420.45
MEIS Licenses on hand	289.87	482.78	489.57
Other advances	199.27	230.60	264.89
Total	**1,880.40**	**1,418.50**	**1,455.13**

10 Inventories

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials (includes good in transit)			
-in godown	31,762.68	22,257.81	19,200.55
-in goods in transit	4,245.96	4,520.82	396.40
Packing materials	418.55	658.64	454.61
Work-in-process	860.90	338.94	403.95
Finished goods	13,187.02	5,969.72	7,218.80
Stores and spares	2,006.33	1,823.84	880.62
Total	**52,481.44**	**35,569.77**	**28,554.93**

11 Trade receivables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured & Considered Good :	1,723.73	674.60	1,031.27
Unsecured, considered good	3,279.72	1,666.60	2,446.96
Total	**5,003.45**	**2,341.20**	**3,478.23**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

12 Cash and cash equivalents

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks :			
- In current accounts	645.14	1,432.19	495.07
- deposits with original maturity of less 3 months	0.77	2,600.00	6,501.36
- interest accrued on deposits	13.07	-	-
Cash in hand	26.43	32.33	17.64
Total	**685.41**	**4,064.52**	**7,014.07**

13 Other bank balances

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unpaid dividend accounts	129.94	96.62	67.76
Margin money accounts	620.19	350.61	175.11
Total	**750.13**	**447.23**	**242.87**

13.1 Margin money deposits given as security

Margin Money deposits with bank of a carrying amount of ₹ 687.25 Lakh (31st March, 2017: ₹ 393.60 Lakh) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

14 Equity Share capital

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised capital			
7,92,50,000 fully paid up equity shares of ₹ 2/- each (31st March, 2017; 7,92,50,000; 1st April, 2016: 7,92,50,000)	1,585.00	1,585.00	1,585.00
Issued, subscribed and paid up			
4,54,15,210 fully paid up equity shares of ₹ 2/- each (31st March, 2017 4,54,15,210; 1st April, 2016 4,54,15,210)	908.30	908.30	908.30
	908.30	**908.30**	**908.30**

(a) Reconciliation of the number of shares outstanding:

	Number of shares	Amount
Balance at 1st April, 2016	4,54,15,210	908.30
Shares issued/ buy back of shares	-	-
Balance at 31st March, 2017	4,54,15,210	908.30
Shares issued/ buy back of shares	-	-
Balance at 31st March, 2018	4,54,15,210	908.30

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

(b) Details of shares held by each shareholder holding more than 5% shares

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹ 2/- each fully paid up (previous year ₹ 2/- each)						
1. Srinivasa Cystine Private Limited	1,20,99,705	26.64	1,20,99,705	26.64	1,20,99,705	26.64
2. Thai Union Group Public Company Limited	70,10,210	15.44	1,14,10,210	25.12	1,14,10,210	25.12
3. Thai Union Asia Investment Holding Limited	42,74,675	9.41	-	-	-	-
3. Alluri Indra Kumar	27,76,900	6.11	27,76,900	6.11	27,76,900	6.11
4. Alluri Indra Kumar (HUF)	27,29,750	6.01	27,29,750	6.01	27,29,750	6.01

Thai Union Group Public Company Limited which is formerly know as Thai Union Frozen Products PCL. Company.

c. Rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 2/- per share (previous year ₹ 2/- 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.

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.

15 Other equity

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Securities premium account	456.85	456.85	456.85
General reserve	9,124.28	9,124.28	7,124.28
Retained earnings	92,658.54	53,053.09	33,576.87
Total Other Equity	**1,02,239.67**	**62,634.22**	**41,158.00**

	As at 31st March, 2018	As at 31st March, 2017
Securities premium reserve		
Balance at beginning of year	456.85	456.85
Balance at end of year	**456.85**	**456.85**
General Reserve		
Balance at beginning of year	9,124.28	7,124.28
Transferred from Surplus in Statement of Profit and Loss	-	2,000.00
Balance at end of year	**9,124.28**	**9,124.28**
Retained earnings		
Balance at beginning of year	53,053.09	33,576.87
Profit attributable to owners of the Company	44,646.81	21,565.93
Remeasurements of the defined benefit plans	(121.90)	(25.80)
Profits transferred to Non-controlling interest	-	(377.80)
Transfer to general reserve	-	(2,000.00)
Addition on account of dilution of stake in Avanti Frozen Foods Private Limited		4,140.13
Dividend declared during the year (including tax thereon)	(4,919.46)	(3,826.24)
Balance at end of year	**92,658.54**	**53,053.09**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

General Reserve:
General reserve represents the amount transferred from profit and loss account to General reserve on account of dividend distributed.

Securities premium reserve:
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act 2013.

16 Non-current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Term Loan	-	1143.53	-
Vehicle loans	183.68	73.38	26.81
Unsecured			
Deferred sales tax loan (refer note ii below)	-	-	134.22
Total non-current borrowings	**183.68**	**1,216.91**	**161.03**

* Current maturities on long-term borrowings have been disclosed under the head Other current financial liabilities

Summary of borrowing arrangements

i. Term loans:

The term loan of ₹ Nil (31st March, 2017: ₹ 1,490; 1st April, 2016:₹ Nil) was taken from State Bank of India, Industrial Finance Branch, Hyderabad for the implementation of shrimp processing project at Yerravaram, East Godavari (Dt.). The loan is secured by first charge on property, plant and equipment of AFFPL and personal guarantee of Mr. A. Indra Kumar, Chairman & Managing Director of the Company.

State Bank of India has sanctioned term loan of ₹ 1,506.00 Lakh (Previous year: ₹ 1,864.53 Lakh: April 01, 2016: ₹ 3,000.00 Lakh) for implementation of shrimp processing plant of subsidiary company Avanti Frozen Foods Pvt. Ltd. at Yerravaram, Andhra Pradesh. The outstanding loan amount as at 31st March, 2018 is Nil (Previous year: ₹ 1489.53 Lakh; April 01, 2016: Nil). The loan is secured by way of first charge on fixed assets at proposed processing plant of subsidiary company Avanti Frozen Foods Pvt. Ltd. at Yerravaram, Andhra Pradesh and existing unit at Gopalapuram, Andhra Pradesh, current assets of the Company and corporate guarantee of Avanti Feeds Limited. The term loan is repayable in 26 quarterly instalments commencing from quarter ending September 2017 and carries interest rate of 9.75% p.a.

ii. Vehicle loans:

Nature of Security & Terms of Repayment :

Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 6 to 36 months.

iii. Deferred sales tax loan:

The Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers for the financial year 2001-02 to 2004-05 amounting to ₹ 180.00 Lakh was converted in to interest free loan for a period of 14 years repayable in 1 tranche in March 2018.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

17 Other financial liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Non - Current			
Security deposits*	374.50	374.50	374.50
Total	**374.50**	**374.50**	**374.50**
b. Current			
Current maturities of Long term borrowings (refer note 16)			
- vehicles loan	139.06	69.09	69.16
- sales tax deferment loan	-	163.32	142.98
- Term Loan	-	346.00	-
Interest accrued but not due	-	13.35	-
Unpaid dividend	129.94	96.62	67.76
Derivative financial instrument	65.39	13.52	37.21
Capital creditors	159.77	211.30	257.44
Others	-		
Total	**494.16**	**913.20**	**574.55**

*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31st March, 2017: 9% p.a.; 1st April, 2016: 9% p.a.).

18 Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provisions (refer note 41)			
Provision for gratuity	246.99	52.26	29.28
Provision for leave encashment	114.33	85.58	134.19
	361.32	**137.84**	**163.47**
a. Non - Current portion	361.32	114.60	32.58
b. Current portion	-	23.24	130.89
Total	**361.32**	**137.84**	**163.47**

19 Other Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Non-Current			
Deferred Government grant	1,486.32	1,465.99	23.12
Total	**1,486.32**	**1,465.99**	**23.12**
b) Current			
Advance from customers	2,873.14	2,352.31	2,298.63
Statutory dues	237.44	177.56	141.44
Deferred Government grant	-	23.13	23.13
Other payable			8.72
Total	**3,110.58**	**2,553.00**	**2,471.92**

Deferred Government grant includes:

Investment subsidy of ₹ 500.00 Lakh received from Andhra Pradesh Food Processing Society, Government of Andhra Pradesh for setting up of new shrimp processing unit at Yerravaram, East Godavari District, Andhra Pradesh. There are no unfulfilled conditions or other contingencies attaching to these grants. As this grants is amortised on a systematic basic over the useful life of respect assets

Waiver of duties of ₹ 1,094.34 Lakh on import of or domestically sourced property, plant and equipment, availed under Export Promotion Capital Goods Scheme. There are no unfulfilled conditions or other contingencies attaching to these grants. As these grants are in relation to property, plant and equipment, the same has been capitalised and amortised over the useful life of respect assets.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

The Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers for the financial years from 2001-02 to 2004-05 was converted in to interest free loan which is repayable in 14 years. The balance amount outstanding of as on 31.03.2017 ₹ 180.47 is repaid in March, 2018. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

20 Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured:			
Working capital loan from State Bank of India	364.25	131.16	651.56
Total	**364.25**	**131.16**	**651.56**

Notes:
Working capital loan:

i) Working Capital loans of ₹ Nil (31st March, 2017: ₹ 131.16 Lakh; 1st April, 2016: ₹ 651.56 Lakh) 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 AFL and personal guarantee of Mr. A.Indra Kumar, Chairman and Managing Director. The loan is repayable on demand and carries interest @ 10.70% p.a.

ii) Working Capital loan of ₹364.25 Lakh (31st March, 2017 Nil) was availed from State Bank of India, Industrial Branch, Hyderabad. The loan is secured by way of first charge on all chargeable current assets of the Company, fixed assets at proposed processing plant Yerravaram, Andhra Pradesh and existing unit at Gopalapuram, Andhra Pradesh and corporate guarantee of Avanti Feeds Limited. The working capital loan is repayable on demand and carries interest rate of 8.30% p.a. on cash credit facility and LIBOR+55bps p.a. on pre-shipment credit in foreign currency.

21 Trade payable

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables - Current			
Dues to micro enterprises and small enterprises (Refer Note below)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	28,654.83	24,967.06	14,301.16
	28,654.83	**24,967.06**	**14,301.16**

Dues to micro and small enterprises:
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.

22 Income Taxes
(a) Deferred tax balance
For the year ended 31st March, 2017

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/ (assets) in relation to				
Depreciation & Amortization	469.23	531.88	-	1,001.11
Fair valuation of Investments	1.31	128.31	-	129.62
Fair valuation of derivative instruments	59.68	76.67	-	136.35
Others	-	(2.07)		(2.07)
Total	**530.22**	**734.79**	**-**	**1,265.01**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

For the year ended 31st March, 2018

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/ (assets) in relation to				
Depreciation & Amortization	1,001.11	974.22	-	1,975.33
Fair valuation of Investments	129.62	528.25	-	657.87
Fair valuation of derivative instruments	136.35	(158.98)	-	(22.63)
Others	(2.07)	2.86		0.79
Total	**1,265.01**	**1,346.35**	**-**	**2,611.36**

(b) Current tax liabilities

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current tax liabilities			
Provision for tax (net of advance tax of INR)	-	456.96	834.50
Total	**-**	**456.96**	**834.50**

(c) Tax Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non - current tax assets (net of provision for tax)	864.43	-	-
Total	**864.43**	**-**	**-**

(d) Tax Expense recognised in Profit and Loss

	As at 31st March, 2018	As at 31st March, 2017
Current tax expense		
In respect of the current year	22,456.01	10,308.44
	22,456.01	**10,308.44**
Deferred tax expense		
In respect of the current year	1,346.35	734.79
	1,346.35	734.79
	23,802.36	**11,043.23**

(e) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	As at 31st March, 2018	As at 31st March, 2017
Profit before tax	70,450.30	33,673.65
Income tax expense calculated at 34.61% (2016-16 :34.61%)	24,381.00	11,654.00
Weighted average deduction under u/s 35CCC	(85.50)	(83.82)
Deduction u/s 80IB of Income Tax Act	(152.22)	-
Exempt income	(349.54)	(164.91)
Deduction u/s 80IA	(37.60)	(16.52)
Expenditure in relation to exempted income	85.24	-
Investment allowance u/s 32AC	-	(296.85)
Income not taxable	(31.22)	(75.23)
Fair valuation of derivatives	-	(32.64)
Expenses not deductible	(8.84)	(3.02)
Others	1.04	62.14
	23,802.36	**11,043.15**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

23 Revenue from operations

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Sale of Products		
Finished goods	3,34,650.84	2,58,506.33
Other operating revenue		
Government grant - Export incentives	4,639.47	3,068.07
Total	**3,39,290.31**	**2,61,574.40**

24 Other income

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest on :		
Bank deposits	36.44	42.52
ii) Others	38.02	42.01
Gain/ (loss) on sale of mutual Fund	668.65	135.41
Profit on sale of property, plant and equipment	2.14	(6.97)
Other non-operating income	329.87	259.56
Fair value gain/(loss) on financial instruments measured at fair value through profit and loss	1,528.66	370.77
Exchange differences (net)	1,359.07	712.90
Fair value gain/(loss) on derivatives measured at fair value through profit and loss	(369.36)	80.80
Dividend income from investments mandatorily measured at fair value through profit or loss	1,100.21	693.88
Amortisation of government grant (refer note 19)	131.12	23.13
Total	**4,824.82**	**2,354.01**

25 Cost of materials consumed

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Inventory at the beginning of the year	22,917.44	20,051.57
Add: Purchases	2,57,965.40	2,17,439.76
	2,80,882.84	**2,37,491.33**
Less: Inventory at the end of the year	32,364.72	27,437.27
Cost of materials consumed	**2,48,518.12**	**2,10,054.06**

26 Changes in inventories of finished goods, stock-in-process

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Inventories (at close)		
Finished goods	17,249.48	10,221.35
Work-in-process	860.90	338.94
Total inventories (at close)	**18,110.38**	**10,560.29**
Inventories (at commencement)		
Finished goods	10,221.35	7,218.80
Work-in-process	338.94	403.95
Total inventories (at commencement)	**10,560.29**	**7,622.75**
Net (increase)/decrease	**(7,550.09)**	**(2,937.54)**

27 Employee benefits expense

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Salaries, wages and bonus	10,411.49	6,789.19
Contribution to provident and other funds	399.98	377.86
Gratuity expense	121.65	23.89
Staff welfare expenses	153.88	115.06
Total	**11,087.00**	**7,306.00**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

28 Depreciation and amortisation expense

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Depreciation of property, plant and equipment	2,371.91	1,365.16
Amortisation of intangible assets	3.84	3.79
Total	**2,375.75**	**1,368.95**

29 Finance costs

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest expense		
- Interest on bank overdrafts and loans	160.76	159.75
- Interest on Deferred sales tax loan	-	29.11
Other borrowing costs	135.64	111.48
Total	**296.40**	**300.34**

30 Other expenses

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Rent (Refer Note i)	185.69	212.66
Power and fuel	4,926.33	3,357.25
Repairs and maintenance;		
- Buildings	174.49	466.58
- Plant and machinery	270.69	373.33
- Others	9.77	71.28
Consumable stores	2,073.73	1,809.73
Other manufacturing expenses	3,623.52	1,893.66
Rates and taxes	248.27	234.60
Insurance	272.73	195.37
Electricity Charges	8.65	7.79
Vehicle maintenance	91.82	53.94
Travelling and conveyance	518.96	435.10
Communication expenses	58.78	58.51
Printing and stationery	44.15	29.81
Directors' Sitting Fee	9.60	9.30
Auditors Remuneration (refer note (ii))	37.82	42.98
Professional charges	222.78	128.99
Corporate Social Responsibility (refer note iii)	605.03	567.29
Donations	5.02	15.93
Bank charges	183.09	214.12
Assets Written off	18.37	-
Advertisement	24.10	14.82
Carriage outward	477.37	428.51
Ocean freight and export expenses	2,066.59	1,284.88
Marketing expenses	1,100.16	983.32
Royalty	1,271.10	1,006.93
Loss on sale of Fixed Assets	3.04	-
Bad debts written off	19.14	-
General expenses	419.86	247.09
Total:	**18,970.65**	**14,143.77**

Notes:

(i) Operating leases:

Lease payments made under operating leases aggregating to ₹ 185.69 Lakh (31st March, 2017:₹ 212.66 Lakh) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
ii) Auditors' remuneration(net of service tax) comprises of		
As Auditors	28.03	24.44
Tax Matters	1.18	6.33
Other Services	4.72	8.92
Reimbursement of expenses	3.89	3.29
Total	**37.82**	**42.98**
iii) Corporate Social Responsibility		
Agricultural extension projects	494.08	484.37
Others	110.95	82.92
Total	**605.03**	**567.29**

31 Exceptional Items

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Income		
CVD Refund	-	6.17
Total	**-**	**6.17**
Expenditure		
Provision for doubtful advance	-	-
Anti Dumping duty	78.88	-
	78.88	**-**
Total	**(78.88)**	**6.17**

The exceptional item of ₹ 78.88 Lakh for the year ended 31st March, 2018 is differential anti dumping duty (net of refunds) on final determination by the Department of Commerce, USA on the exports made by the company during the financial years from 2010-11 to 2014-15 and provision (Previous Year ₹ 6.17 Lakh is Countervailing Duty (CVD) refund)

32 Fair value measurements

Financial instruments by category	31st March, 2018		31st March, 2017		1st April, 2016	
	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL
Financial Assets						
Investments						
- in equity instruments (quoted)	-	3.77	-	4.98	-	5.26
- in equity instruments (unquoted)		12.00		12.00		12.00
- in mutual funds	-	55,308.56	-	32,934.72	-	-
Trade receivables	5,003.45	-	2,341.20	-	3,478.23	-
Cash and cash equivalents	685.41	-	4,064.52	-	7,014.07	-
Other bank Balances	750.13	-	447.23	-	242.87	-
Loans	185.39	-	147.95	-	148.63	-
Bank Deposits	67.06	-	42.99	-	261.12	-
Financial derivative assets		-	-	303.98	-	209.65
Security deposits	553.58	-	415.08	-	359.87	-
Freight reimbursement receivable	-		-	-	47.12	
Total Financial Assets	**7,245.02**	**55,324.33**	**7,458.97**	**33,255.68**	**11,551.91**	**226.91**
Financial Liabilities						
Borrowings	547.93	-	1,348.07	-	812.59	-
Current maturities of long term debt from banks	139.06	-	578.41	-	212.14	-
Interest accrued but not due	13.07	-	-	-	-	-
Security deposits	374.50		374.50	-	374.50	-
Trade payables	28,654.83	-	14,301.16	-	14,301.16	-
Derivative financial instrument	-	65.39	-	13.52	-	37.21
Capital creditors	159.77	-	211.30	-	257.44	-
Total Financial Liabilities	**29,889.16**	**65.39**	**16,813.44**	**13.52**	**15,957.83**	**37.21**

(i) Fair value hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits given, are considered to be same as their fair values.

The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unquoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'.

32 Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis Credit ratings of customers and fellow subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	Working capital management by Deputy General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Managing Director. The capital requirements are managed by analyzing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/payables)	Cash flow forecasting Sensitivity analysis"	Forward foreign exchange contracts

The Group's risk management is carried out by the JMD under policies approved by the Board of Directors. The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

Credit Risk

Credit risk arises from cash and cash equivalents, loans to related parties, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed by the Marketing General Manager of AFL. The Group has few customer with most of them being foreign customers. The Group provides a credit period of 60-90 days which is in line with the normal industry practice. The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

- external credit rating (as far as available)

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

- actual or expected significant changes in the operating results of the borrower.

- significant increase in credit risk on other financial instruments of the same borrower.

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

(ii) Provision for expected credit losses
The Group provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Deposits and other financial assets	Trade receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in are payment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off		

Year Ended 31st March, 2018
Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Loans	185.39	0%	-	185
	Security deposits	553.58	0%	-	554
	Freight reimbursement receivable	-			
	Bank deposits	817.19	0%	-	817

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

Year Ended 31st March, 2017

Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Loans	490.22	0%	-	490.22
	Security deposits	147.95	0%	-	147.95
	Bank deposits	415.08	0%	-	415.08

As at 1st April, 2016

Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Loans	503.99	0%	-	503.99
	Security deposits	148.63	0%	-	148.63
	Freight reimbursement receivable	47.12	0%	-	47.12
	Bank deposits	359.87	0%	-	359.87

Expected credit loss for trade receivables under simplified approach
Year ended 31st March, 2018

Ageing	Not due	0-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	1,913.17	2,847.65	242.64	-	-	5,003.45
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,913.17	2,847.65	242.64	-	-	5,003.45

Year ended 31st March, 2017

Ageing	Not due	0-90 days	91-180 days	91-180 days	More than 365 days	Total
Gross carrying amount	1,195.74	1,145.46	-	-	-	2,341.20
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,195.74	1,145.46	-	-	-	2,341.20

As at 1st April, 2016

Ageing	Not due	0-90 days	91-180 days	91-180 days	More than 365 days	Total
Gross carrying amount	1,533.26	1,944.97	-	-	-	3,478.23
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,533.26	1,944.97	-	-	-	3,478.23

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds.

(i) Maturities of financial liabilities
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual cash flows

31st March, 2018	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	686.99	687	687	-	-	-
Trade payables	28,654.83	28,655	28,655	-	-	-
Security deposits	374.50	-	-	-	-	-
Capital creditors	159.77	160	160	-	-	-
	29,876	**29,502**	**29,502**	**-**	**-**	**-**

Contractual cash flows

31st March, 2017	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	1,926.48	1,926.48	1,926.48			
Interest accrued on borrowings	-	-	-			
Trade payables	14,301.16	14,301.16	14,301.16	-	-	-
Security deposits	374.50					
Capital creditors	211.30	211.30	211.30			
	16,813.44	**16,438.94**	**16,438.94**	**-**	**-**	**-**

Contractual cash flows

1 April 2016	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	1,024.73	1,024.73	1,024.73			
Trade payables	14,301.16	14,301.16	14,301.16	-	-	-
Security deposits	374.50					
Capital creditors	257.44	257.44	257.44	-	-	-
	15,957.83	**15,583.33**	**15,583.33**	**-**	**-**	**-**

Market Risk - Interest Risk
The Group's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Group to cash flow interest rate risk.

The exposure of the Group to interest rate changes at the end of the reporting period are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Variable rate borrowings	686.99	1,776.51	747.53
Total	**686.99**	**1,776.51**	**747.53**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

At the end of the reporting period, the Group had the following variable rate borrowings and receivables:

	31st March, 2018			31st March, 2017			1st April, 2016		
	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings
Financial Liabilities									
Long term borrowings		322.74	47%		1,645.35	85%		95.97	9%
Current borrowings		364.25	66%		131.16	7%		651.56	68%
		686.99	**113%**		**1,776.51**	**92%**		**747.53**	**77%**

Sensitivity
The profit or loss is sensitive to higher/lower interest expense and interest income as a result of changes in interest rates.

	31st March, 2018			31st March, 2017			1st April, 2016		
	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings
Interest rate - Increases by 100 basis points	6.87				17.77			6.87	
Interest rate - Decreases by 100 basis points	(6.87)				(17.77)			(6.87)	

Market risk
The Group's investments in quoted equity securities is limited, there is no exposure to price risk.

Foreign currency risk
The Group is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Group does not hedge any of its exposure to foreign currency. The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Amount in Foreign Currency	Amount in ₹ (Lakh)	Amount in Foreign Currency	Amount in ₹ (Lakh)	Amount in Foreign Currency	Amount in ₹ (Lakh)
Trade and other payables						
USD	51,05,110	3,341	33,48,655.00	2,225.30	19,71,863.00	1,301.49
EURO	-	-	-	-	50,868.00	38.03
Advance to suppliers						
USD	1,77,116	114	2,96,660.00	197.24	2,28,702.00	153.07
EURO	50,840	41	9,018.00	6.04	1,76,250.00	128.82
Trade Receivables						
USD	47,03,526	3,090	17,32,635.00	1,209.37	29,54,982.00	1,944.97
Derivatives outstanding						
Forward contracts						
To buy USD	-	-	23,84,250.00	1,590.39	25,62,897.00	700.04
To sell USD	1,85,54,500	12,007	1,28,33,060.00	8,987.61	2,42,29,338.00	16,271.04
Net exposure	(2,34,82,494)	(15,234)	(1,35,00,805)	(9,425)	(2,34,09,602)	(16,719)

Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below

	Impact on profit after tax and equity	
	As at 31st March, 2017	As at 1st April, 2016
Increase in USD rate by 1%	119	(82)
Decrease in USD rate by 1%	(119)	82

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

33 Capital management

(a) Risk Management

The Group's objectives when managing capital are to

> safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

> Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group has been maintaining a steady dividend.

The Group's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Net debt	686.99	1,939.83	1,024.73
Total equity	1,14,985.29	73,382.25	42,066.30
Net debt to equity ratio	**1%**	**3%**	**2%**

(b) Dividends

	31st March, 2018	31st March, 2017
Equity Shares		
(i) Final dividend for the year ended 31st March, 2017 of ₹ 9/- (31st March, 2016 ₹ 7/-) per fully paid share.	4,087.37	3,179.06
(ii) Dividends not recognised at the end of the reporting period		
(iii) In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 6 per fully paid equity share (31st March, 2017 – ₹ 9/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8,174.74	4,087.37

34 Contingent Liabilities

	31st March, 2018	31st March, 2017	1st April, 2016
A. Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company*	3,093.59	3,098.72	3,160.29
Corporate guarantee given to Avanti Frozen Foods Private Limited	11,506.00	7,590.00	6,225.00

AFL has given a corporate guarantee to AFFPL for an amount of ₹ 11,506.00 (31st March, 2017: ₹ 7,590.00; 1st April, 2016: ₹ 6,225)

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

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
Electricity Act, 2003	Electricity duty	4.37	2011-12 to 2015-2015	Supreme Court
Customs Act, 1962	Customs duty	60.82	2009 -2011 & 2011-2012	CESTAT, Chennai
		3,093.59		

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

i) The Customs and Central Excise Department raised demand for ₹ 1494.59 Lakh and levied penalty of ₹ 1504.59 Lakh Lakh 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 Procession 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 ₹ 1655.03 Lakh excise duty 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.

ii) 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 ₹ 29.22 Lakh was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

iii) Company approached Supreme Court against the order of High Court of Andhra Pradesh confirming the levy and collection of Electricity Duty on self generated power from DG sets.

v) 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.

2) The Company has given corporate guarantee of ₹ 11500 Lakh as on 31.03.2018 (₹ 7590 Lakh as on 31.03.2017 and ₹ 6225 as on 31.03.2016) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad for loans facilities availed by Avanti Frozen Foods Private Limited.

35 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 392.98 Lakh (31st March, 2017: 185; 1st April, 2016: ₹ 6,323.00 Lakh) which is net of capital advances of ₹ 156.01 Lakh (31st March, 2017: ₹ 578.00 Lakh; 1st April, 2016: ₹ 2,429.00 Lakh).

36 Earnings per share

	31st March, 2018	31st March, 2017
Profit after Tax (PAT)	46,647.94	22,630.42
Net Profit for calculation of Basic and Diluted EPS (A)	46,647.94	22,630.42
Weighted average number of equity shares for Basic EPS (B) (nos.)	4,54,15,210	4,54,15,210
(a) Basic earnings per share (in ₹) (A/C)	**102.71**	**49.83**

There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

37 Dues to micro and small enterprises

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.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

38 Corporate social responsibility expenditure

a) Expenditure related to CSR as per section 135 of companies act, 2013 read with schedule VII thereof, against the manditory spend of ₹ 515.40 Lakh (previous year ₹ 378.00 Lakh)

b) Amount spent during the year on:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Revenue expenditure on CSR activities	605.03	569.29
Total	**605.03**	**569.29**

39 Segment reporting

The Company's Chairman and Managing Director (CMD) examines the group's performance both from a product and geographic perspective and has identified the following segments of its business:

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.

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

	Shrimp Feed		Shrimp Processing		Power		Unallocated		Total	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue										
External Sales	2,81,008.51	2,22,928.91	58,117.95	38,538.72	163.85	106.77	-	-	3,39,290.31	2,61,574.40
Inter-segment sales									-	-
Total Revenue	2,81,008.51	2,22,928.91	58,117.95	38,405.56	163.85	106.77	-	-	3,39,290.31	2,61,574.40
Segment Result										
Operating Profit	59,577.93	28,497.33	6,257.56	3,147.57	53.40	(5.74)			65,888.89	31,639.16
Share of Profit / (Loss) from Associates	-	-			111.88	(25.35)			111.88	(25.35)
Minority interest	-	-			-				-	-
Other Income	227.36	313.78	1,306.82	1,096.41	-		3,290.63	943.82	4,824.82	2,354.01
Interest Expense	107.27	257.94	171.98	42.39	-		17.15	0.01	296.40	300.34
Exceptional item	-	-	-	-	-		(78.88)	6.17	(78.88)	6.17
Income Tax - Current Tax	-	-	1,748.46	1,010.82	-		20,707.55	9,297.62	22,456.01	10,308.44
- Deferred Tax	-	-	632.57	27.53	-		713.78	707.26	1,346.35	734.79
Net Profit after tax	59,698.02	28,553.17	5,011.37	3,163.24	165.28	(31.09)	(18,226.72)	(9,054.90)	46,647.94	22,630.42
Other Information										
Segment Assets	55,812.64	44,679.57	32,504.86	21,119.95	3,754.62	3,696.20	60,554.17	37,368.16	1,52,626.29	1,06,863.88
Segment Liabilities	25,504.40	27,002.44	4,007.54	4,767.99	10.74	11.02	8,118.32	1,700.18	37,641.00	33,481.63
Capital Employed	30,308.24	17,677.13	28,497.32	16,351.96	3,743.88	3,685.18	52,435.85	35,667.98	1,14,985.29	73,382.25
Capital Expenditure	12.58	-	-	-	-	-	-	-	12.58	-
Depreciation	1,375.86	1,054.19	908.94	217.06	57.34	57.34	33.62	40.36	2,375.76	1,368.95

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.

	India		USA		Rest of the world	
	For the Year Ended		For the Year Ended		For the Year Ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Revenue	2,85,851.68	2,26,164.36	45,921.23	30,384.42	7,517.40	4,953.08
Location of assets	1,50,062.20	1,05,708.28	1753.86	773.75	810.23	381.85
Additions to fixed assets	8,366.29	12,129.60	-	-	-	-

The Group does have any individual customer that attributes to more than 10% of the revenue.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

40 Related party disclosures

1. Names of related parties and related party relationship:

Related parties with whom transactions have taken place during the year

Key Managerial Personnel (KMP)	Sri A. Indra Kumar, Chairman and Managing Director
	Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
Relatives of Key Managerial Peronnel	Sri A. Venkata Sanjeev
	Sri A. Nikilesh
Associate Companies	Srivathsa Power Projects Limited
	Patikari Power Private Limited
Entities where KMP are interested	Srinivasa Cystine Private Limited
	SCL Trading Private Limited
	Sanjeev Agro Vet Private Limited
	Sri Sai Srinivasa Agro Farms & Developers Private Limited

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:

Particulars	Key Management Personnel		Associate Companies	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Remuneration	5,098.56	2,705.59	-	-
Rent paid	4.30	4.19	2.53	2.48
Rent Received	-	-	1.69	1.72
Dividend paid	537.67	402.05	2,242.95	1,744.52

*below the rounding off norm adopted by the company

Year end balance

Particulars	Key Management Personnel		Associate Companies	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Remuneration payable	4,604.73	2,290.49	-	-
Investment	-	-	3,120.76	3,008.88
Rent payable	-	0.35	-	-

*below the rounding off norm adopted by the company

41 Employee Benefits

(i) Leave obligations
The leave obligations cover the group's liability earned leave. Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

	31st March, 2018	31st March, 2017	1st April, 2016
Current leave obligations expected to be settled within the next 12 months	-	19.67	127.86

(ii) Defined Contribution Plans
The Group also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary), Employee State Insurance and Super Annuation fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 387.96 Lakh (31st March, 2017 ₹ 370.63 Lakh)

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

(iii) Post employment benefit obligation Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	As at 31st March, 2018			As at 31st March, 2017		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	343.54	294.88	48.66	278.86	250.37	28.49
Current Service Cost	54.23	18.91	35.32	26.53		26.53
Past Service Cost	50.11		50.11			-
Interest expense/(income)	21.83	0.64	21.19	22.31	23.13	(0.82)
Contributions	-		-			-
Total amount recognised in profit or loss	**126.17**	**19.55**	**106.62**	**48.84**	**23.13**	**25.71**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)				-	-	-
(Gain)/loss from change in demographic assumptions			-			-
(Gain)/loss from change in financial assumptions	12.10		12.10			-
Experience (gains)/losses	114.04		114.04	29.11		29.11
Total amount recognised in other comprehensive income	**126.14**	**-**	**126.14**	**29.11**	**-**	**29.11**
Employer contributions		48.80	(48.80)		35.14	(35.14)
Benefit payments	9.19	9.19	-	(13.26)	(13.26)	-
Closing Balance	**586.66**	**354.04**	**232.62**	**343.55**	**295.38**	**48.17**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present value of funded obligations	586.66	343.55	278.86
Fair value of plan assets	354.04	295.38	250.37
Deficit of funded plan	232.62	48.17	28.49
Unfunded plans	-	-	-
Deficit of gratuity plan	232.62	48.17	28.49

(ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Discount rate	8.00%	8.00%	8.00%
Salary escalation rate	10.00%	10.00%	10.00%
Employee attrition rate	10.00%	10.00%	10.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.		IALM (2006-08) Ult.	IALM (2006-08) Ult.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

(iii) Sensitivity analysis
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation							
	Change in assumption		Increase in assumption			Decrease in assumption		
	31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)		31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)		31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)
Discount rate	1.00%	1.00%	Decrease by	292.34	292.11	Increase by	478.22	256.48
Attrition rate	1.00%	1.00%	Decrease by	307.58	305.82	Increase by	475.45	244.90
Salary escalation rate	1.00%	1.00%	Increase by	279.09	278.04	Decrease by	477.42	249.74

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The major categories of plan assets are as follows

	31st March, 2018	31st March, 2017	1st April, 2016
Funds managed by Life Insurance Corporation of India	354.04	295.38	250.37
Total	**354.04**	**295.38**	**250.37**

(v) Risk exposure
Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Group's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Group ensures that it has enough reserves to fund the liability

(vi) Defined benefit liability and employer contributions
Expected contributions to post-employment benefit plans for the year ending 31st March, 2018

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
31st March, 2018				
Gratuity	95.84	258.87	300.75	516.76
Total	**95.84**	**258.87**	**300.75**	**516.76**

42 First-time Ind AS adoption reconciliations:

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IndAS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities, if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

A.1.2 Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

		31st March, 2017	31st March, 2016
Total equity as per previous GAAP		73,915.85	42,279.60
Fair valuation of investments	1	374.55	3.78
Fair valuation of derivative instruments	2	(101.55)	111.46
Deferred sales tax loan treated as government grant	3	(5.98)	-
Government Grant of capital nature	4	(375.01)	-
Deferred tax income/(expense) on temporary differences	5	(260.80)	(60.99)
Ind AS Impact of Associates		(164.82)	(267.55)
Total equity as per Ind AS		**73,382.25**	**42,066.30**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars		31st March, 2017
Net Profit as per previous GAAP for the period ended 31st March, 2017		21,434.62
Fair valuation of investments	1	370.77
Fair valuation of derivative instruments	2	(329.10)
Deferred sales tax loan treated as government grant	3	(5.98)
Deferred tax expense on temporary differences	4	(103.16)
Remeasurements of Defined employee benefits	5	29.10
Total adjustments		**(38.37)**
Profit after tax as per Ind AS		21,396.25
Other comprehensive income	6	(29.10)
Ind AS Impact of Associates	7	102.73
Ind AS adjustments attributable to Non - Controlling interest		70.25
Total comprehensive income as per Ind AS		**21,540.13**

Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017

Particulars	Previous GAAP	Adjustments/ Reclassification	Ind AS
Net cash flow from operating activities	29,169.05	(294.41)	28,874.64
Net cash flow from investing activities	(42,829.74)	963.26	(41,866.48)
Net cash used in financing activities	10,711.14	(668.85)	10,042.29
Net increase/decrease in cash and cash equivalents	(2,949.55)	(0.00)	(2,949.55)
Cash and cash equivalents as at 1st April, 2016*	7,013.73	0.34	7,014.07
Cash and cash equivalents as at 31st March, 2017	**4,064.18**	**0.34**	**4,064.52**

The difference represents reclassification of movement in derivative instruments from Financing activities to operating activities and reclassification of interest accrued from Operating activities to cash and cash equivalents.

C: Notes to first-time adoption

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017. This increased the retained earnings by ₹ 375 as at 31st March, 2017 (1st April 2016 - ₹ 4).

Note 2: Derivative financial instruments

Under the previous GAAP, the Company applied the requirements of Accounting Standard 11 The effects of changes in foreign exchange rates to account for foreign currency forward contracts. At the inception of the contract, the forward premium or discount was separated and amortised as income or expense over the period of contract. The underlying receivables and payables were restated at the closing spot exchange rate. Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of forward contracts resulted in a loss of ₹ 102 (01 April, 2016: Gain of ₹ 111). Consequent to the above, the profit for the year ended 31st March, 2017 has decreased by ₹ 213 as a result of the fair value change on the forward contracts.

Note 3: Deferred sales tax loan

Under the previous GAAP, the interest-free government loan and government loans at below market rate interest were carried at its cost. Under Ind AS, such loans are in the nature of financial liability, carried at amortised cost, with corresponding benefit of below the market rate of interest being recognised as a government grant. Difference between the fair value of the loan and the transaction cost has been recognised as government grant. Consequent to this change, the amount of loan decreased by ₹ 17 as at 31st March, 2017 (1st April, 2016: ₹ 46). The deferred income

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

increased by ₹ 23 as at 31st March, 2017 (1st April, 2016: ₹ 46). The profit for the year and total equity as at 31st March, 2017 decreased by ₹ 6 due to amortisation of deferred income of ₹ 29 which is partially off-set by the unwinding of interest amounting to ₹ 23.

Note 4: Government grant

(i) The Company has received government grant against the capital expenditure incurred. Under the previous GAAP, the aforesaid grant were carried under capital reserve. Under Ind AS, government grant received against depreciable assets shall be credited to the statement of profit and loss over the useful life of the respective assets. Consequent to this change, the deferred government grant has been recognised amounting to ₹ 375 as at 31st March, 2017 (1st April, 2016: Nil) with corresponding decrease in capital reserve. Impact on total equity of the company as on 31st March, 2017 is ₹ 375 (1st April, 2016: Nil). There is no impact on profit for the year ended 31st March, 2017.

(ii) The Company has received government grant in the form of waiver of import duties on capital goods imported under Export Promotion Capital Goods (EPCG) scheme. Under the previous GAAP, the aforesaid waiver of duties were not required to be accounted. Under Ind AS, such duty benefit is in the nature of capital grant which is capitalised and depreciated over the useful life of the respective assets. The corresponding government grant is credited to the Statement of Profit and Loss as and when the asset is depreciated. Consequent to this change, the capital work-in-progress has increased by ₹ 1,091 as at 31st March, 2017 (1st April, 2016: Nil) with corresponding increase in deferred income. There is no impact on profit for the year ended 31st March, 2017 and total equity as at 31st March, 2017 and 1st April, 2016.

Note 5: Deferred tax

Under previous GAAP, deferred tax expense/credit were recognised on timing differences between book profits and taxable profits. Under Ind AS, deferred tax is required to be recognised on all temporary differences. Consequently, the management has recognised deferred tax liability of ₹ 164 as at 31st March, 2017 (1st April, 2016 - ₹ 61) on the above transition adjustments with a corresponding impact on retained earnings. Further, the deferred tax expense for the year ended 31st March, 2017 has decreased by ₹ 103.

Note 6: Rebates and discounts

Under the previous GAAP, rebates and discounts (not in the nature of trade discount) were recognised as other expense and the revenue was recorded on gross amounts. Under Ind AS, revenue is recognised net of rebates and discounts. Accordingly, the revenue has decreased by ₹ 11,692 for the period ended 31st March, 2017 with a corresponding decrease in other expenses. There is no impact on the total equity or profit as result of this adjustment.

Note 7: Re-measurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 increased by ₹ 29 . There is no impact on the total equity as at 31st March, 2017.

Note 8: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 9: Ind AS impact of Associates

The share of profit or loss attributable to group on account of changes in the fianancials of associates which is due to First Time adoption of Ind AS by the associates.

Note 10: Retained earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 11: Reclassifications

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

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

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements

for the year ended 31st March, 2018

44 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/Associates

(₹ In Lakh)

	As at 31st March, 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Avanti Feeds Limited	90.93%	93,788.73	88.95%	41,493.86	92.96%	(116.60)	88.94%	41,377.26
Subsidiaries:								
Indian								
1 Svimsan Exports and Imports Private Limited	-0.09%	(91.69)	0.00%	(0.43)	0.00%	0	0.00%	(0.43)
2 Avanti Frozen Foods Private Limited	28.69%	29,593.34	10.72%	5,002.86	7.05%	(8.84)	10.73%	4,994.02
Total		**1,23,290.38**		**46,496.29**		**(125.44)**		**46,370.85**
Minority Interests in all subsidiaries								
1 Avanti Frozen Foods Private Limited		(11,837.32)		(2,001.13)		3.54		(1,997.59)
Consolidated		**1,11,453.06**		**44,495.16**		**(121.90)**		**44,373.26**
Associates (Investment as per the equity method);								
Indian								
1 Srivathsa Power Projects Limited	2.17%	2,241.38	0.03%	16.25	0.00%	-	0.03%	16.25
2 Patikari Power Private Limited	0.85%	879.39	0.21%	96.39	0.60%	(0.75)	0.21%	95.63

Part A : Subsidiaries:
Salient features of financial statements of subsidiaries as per the Companies Act, 2013.

(₹ In Lakh)

S.No	Name of the subsidiary/ associates	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Invest-ments	Turnover / Total Income	Profit/ (loss) before taxation	Provision for Taxation	Profit/ (loss) after taxation	Proposed dividend	% of share holding
1	Svimsan Exports and Imports Private Limited	INR	100.00	(191.69)	0.01	91.70	-	-	(0.43)	-	(0.43)	-	100%
2	Avanti Frozen Foods Private Limited	INR	1,001.67	28,591.67	34,339.20	4,745.86	1,093.23	58,117.96	7,383.89	5,002.86	5,002.86	-	60%

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to Consolidated financial statements
for the year ended 31st March, 2018

Part B: Associates
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ In Lakh)

Name of Associates/ Joint ventures	Srivathsa Power Projects Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31-03-2017	31-03-2017
2. Shares of associates/ Joint Ventures held by the company on the year end		
Number of shares	1,66,93,630	1,06,45,200
Amount of investment in Associates		
Extent of holding %	49.99%	25.89%
3. Description of how there is significant influence	Voting Power	Voting Power
4. Reason why the associate/ joint venture is not consolidated	Not applicable	Not applicable
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	2,225.13	783.75
6. Profit/ (Loss) for the year		
i. Considered in Consolidation	16.25	95.63
ii. Not Considered in Consolidation	-	-

Notice

Notice is hereby given that the Twenty Fifth (25th) Annual General Meeting of the members of Avanti Feeds Limited (CIN: L16001AP1993PLC095778) will be held on Tuesday, the 7th August, 2018 at 11.00 AM 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 year ended 31st March 2018, the Report of the Board of Directors and the Report of the Auditors thereon.
   b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2018 and the Report of the Auditors thereon.
2. To declare dividend of ₹ 6/- per equity share of Re.1/- each fully paid-up for FY 2017-18.
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: 02822823) who retires by rotation and, being eligible, offers himself for re-appointment.

By Order of the Board
For **Avanti Feeds Limited**

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place: Hyderabad
Date: 30.06.2018

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 share holder.
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. Details of Directors seeking appointment 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.
6. Register of Members and Share Transfer Books of the Company shall remain closed from 01.08.2018 to 07.08.2018 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the dividend for FY 2017-18, if declared, at the Annual General Meeting.
7. The dividend on equity shares, if declared at the Annual General Meeting, will be credited / dispatched before 31.08.2018 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 01.08.2018 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 01.08.2018
8. 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 01.08.2018.

9. 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.

10. 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 27.06.2018.

11. 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.

12. 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

13. As per the provisions of the Sec.205 C of the Companies Act, 1956 for the financial year ended 31.03.2011, 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 31.03.2011 and / or subsequent years are requested to submit their claims to the Registrars and Transfer Agents of the Company without any delay.

14. 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.

15. 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.

16. 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.

17. The members whose names appear on the Register of Members/list of beneficial owners as on 01.08.2018 are eligible to participate in e-voting on the resolutions set forth in this notice.

18. 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 03.08.2018 and will end at 5 P.M. (IST) on 06.08.2018

19. 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.

20. 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.

21. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

22. The Company has appointed Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad to act as Scrutiniser to scrutinise the poll at the Annual General Meeting and remote e-voting process 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.

23. The Scrutiniser after scrutinising 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 Scrutiniser's Report and submit the same to Chairman. The results declared along with Scrutiniser'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.

24. A route map giving directions to reach the venue of the 25th Annual General Meeting is given at the end of the Notice.

25. 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., 07.08.2018.

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 Scrutiniser by an e-mail at 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.comIII. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

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 share transfer books are 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> In12345612345678

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

By Order of the Board
For **Avanti Feeds Limited**

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place: Hyderabad
Date: 30.06.2018

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.

AVANTI FEEDS LIMITED
CIN: L16001AP1993PLC095778
Regd. Office: H.No.37, Plot No.37, Baymount, Rushikonda,
Visakhapatnam – 530045, Andhra Pradesh.
Email: avantiho@avantifeeds.com.
Website: www.avantifeeds.com

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

DATE: 7th August, 2018

DP ID – Client 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 25th Annual General Meeting of Avanti Feeds Limited on Tuesday, the **7th August, 2018 at 11.00 AM., at Hotel Daspalla, Jagadamba Junction, Visakhatpnatam.**

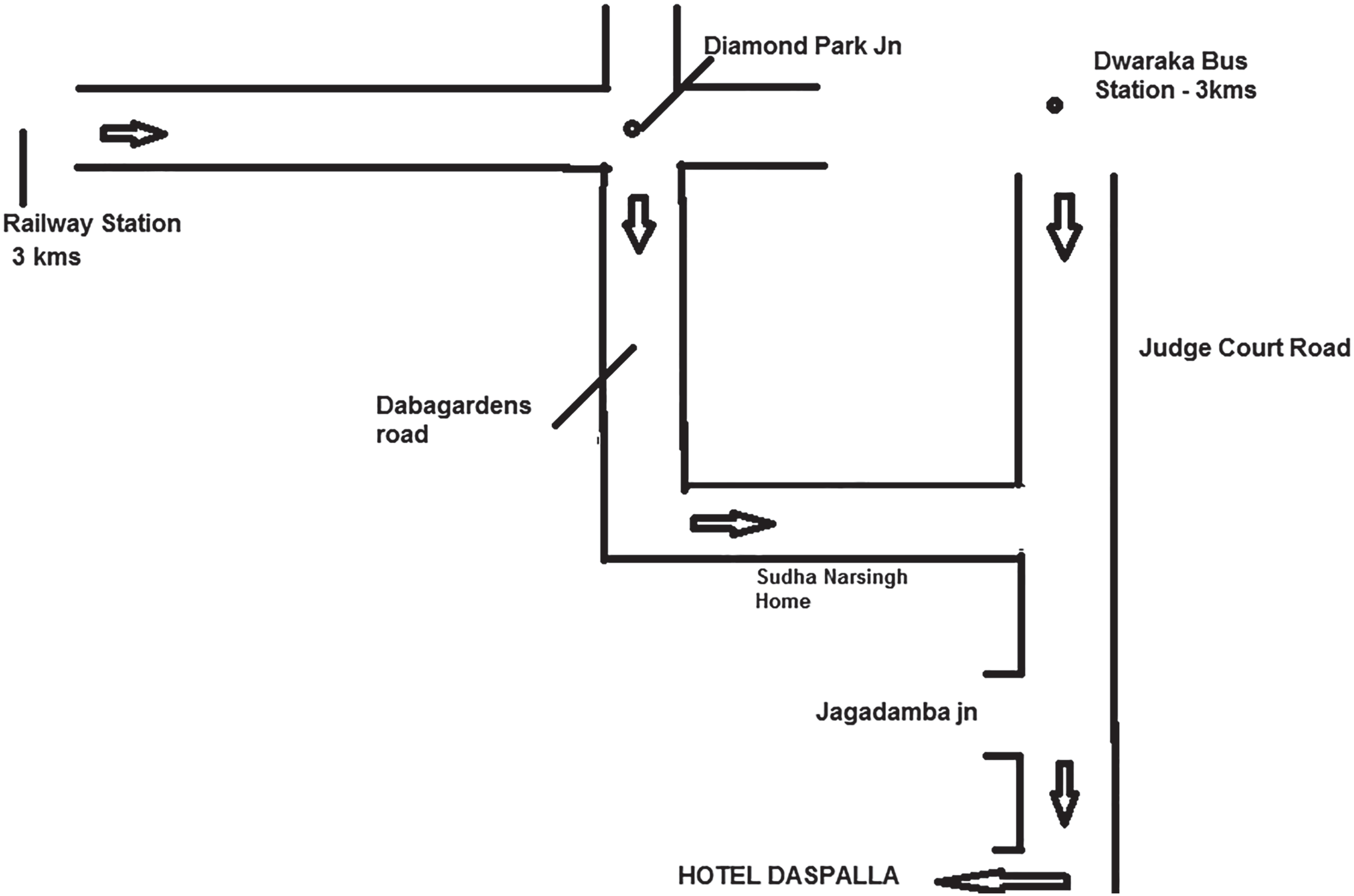
Signature of Member/Proxy

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.

Route Map for venue of the Annual General Meeting

Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhapatnam



FORM No. MGT – 11

PROXY FORM

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

CIN : CIN: L16001AP1993PLC095778
Name of the Company : Avanti Feeds Limited
Registered Office : H.No.37, Plot 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 failing

2. Name : ....Address : ....

   E-mail ID : ....Signature :..or failing

3. Name : ....Address : ....

   E-mail ID : ....Signature :..or failing

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the 7th August, 2018 at 11.00 A.M., at Hotel Daspalla, Jagadamba Junction, Visakhapatnam-530020 and at any adjournment thereof in respect of the resolutions as indicated below:

Ordinary Business:

Sl. No	**Resolutions**	**FOR**	**AGAINST**
1	To receive consider and adopt: a. The audited financial statements of the Company for the financial year ended 31st March, 2018, 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 31st March, 2018 and the Report of the Auditors thereon.		
2	To declare dividend of ₹ 6 /- per equity share of ₹ 1/- each fully paid-up for the year 2017-18.		
3	Reappointment of Sri N. Ram Prasad, (DIN:00145558) as Director, who retires by rotation.		
4	Reappointment of Mr. Bunluesak Sorajjakit (DIN:02822823) as Director, who retires by rotation.		

Signed this...................................... day of ....2018.

Afix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. 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.
2. Proxy may vote either FOR or AGAINST each resolution indicated in the Notice for the AGM

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AVANTI
FEEDS LIMITED

Avanti®
Feeds Limited

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Visakhapatnam - 530045,
Andhra Pradesh, India

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6-3-658, Somajiguda,
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