



18th
Annual Report
2010-2011

BOARD OF DIRECTORS

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Joint Managing Director and Company Secretary

A.V. Achar

N. Ram Prasad

K. Ram Mohan Rao

B.V. Kumar

M. Venkateswara Rao, Nominee-APIDC

M.S.P. Rao

Bunluesak Sorajjakit

AUDITORS

Karvy & Co
Chartered Accountants
Bhooma Plaza
Street No.4
Avenue 7, Banjara Hills
HYDERABAD - 500 034.

INTERNAL AUDITORS

Polineni Associates
Chartered Accountants
Plot No. 203
Gayatri Nilayam
1-1-721/A, Gandhinagar
HYDERABAD - 500080.

BANKERS

State Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad - 500 081

REGISTERED OFFICE

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

Website : www.avantifeeds.com

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NOTICE

Notice is hereby given that the EIGHTEENTH Annual General Meeting of the members of Avanti Feeds Limited will be held on the SATURDAY, 6TH day of AUGUST, 2011 at Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad at 11.00 AM to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2011 and Profit and Loss Account for the year ended 31st March, 2011 along with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. K. Rammohan Rao who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. N. Ramprasad who retires by rotation and is eligible for re-appointment.
4. To appoint M/s. Karvy & Company, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution.

Approval for re-appointment of Sri A. Indra Kumar as Managing Director and fix the remuneration:

"RESOLVED THAT in accordance with the provisions of Sec. 198, 269, 309, and 310 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment thereof for the time being in force and subject to obtaining necessary approvals of financial institutions, the company hereby approves reappointment of Sri. A. Indra Kumar as Managing Director of the company for a period of five years w.e.f. 01.07.2011 and further seeking approval for payment of remuneration partly by way of Salary, Allowances, and perquisites and partly by way of commission on net profits of the Company in pursuance of Sec.198 read with Sec.349 and Section 350 of the Companies Act, 1956 as detailed below subject to approvals of financial institutions and Central Government :

- I. Salary: Rs.3,40,000/- per month in the scale of Rs. 3,40,000-34,000-4,76,000.

Perquisites:

In addition to the salary as above, perquisites as under shall be payable.

Category – A:

Housing: Unfurnished accommodation or HRA subject to a limit of 60% of the salary per month.

Category – B:

- a) Company's contribution towards Provident Fund subject to a ceiling of 12% of the salary.
- b) Company's contribution towards pension / superannuation funds which shall not together with the company's contribution towards provident fund exceed 25% of the salary or such other higher percentage thereof may be laid down from time to time under the Income Tax Rules.

- c) Contribution to provident fund, superannuation fund and annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.
- d) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs1,000,000 or such higher ceiling as may be fixed from time to time by the Central Government.

II. Ex-gratia :

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

III. Commission:

In addition to salary and perquisites as above, Sri A. Indra Kumar shall be entitled to commission at the rate of 4% of the net profits of the Company in the manner laid down under Sec.309 (5) of the Companies Act, 1956 and other applicable provision of the said Act.

IV. Minimum Salary:

"**RESOLVED FURTHER** that in pursuance of the provisions of Section 198 (4) read with Schedule XIII to the Companies Act, 1956 wherein any financial year the company incurs loss or its profits are inadequate, the salary, perquisites and allowances as specified above be paid as Minimum Remuneration subject to the maximum limit of Rs.8,400,000/-, Rs.9,200,000/- and Rs.10,000,000/- for the first, second and third years of appointment respectively subject to the approval of Central Government, if any.

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

NOTES:

1. A member entitled to attend and vote at 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. Proxy in order to be effective must be deposited at the Company's Registered Office at G-2, Concorde Apartments, #6-3-658, Somajiguda, Hyderabad - 500 082, A.P., not less than 48 hours before the time for holding the meeting.
3. Register of Members and Share Transfer Books of the Company shall remain closed from 29th July, 2011 to 6th August, 2011 (both days inclusive).
4. In order to provide protection against fraudulent encashment of Dividend Warrants, members are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to enable the Company to incorporate the same in the Dividend Warrants.
5. Members are requested to notify promptly any change in their address registered with the Company to the Registered Office of the Company.
6. 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.

7. All communication relating to shares are to be addressed to the Company's Transfer Agents, M/s.Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
8. As per the provisions of the Sec.205 C of the Companies Act, 1956, Unclaimed Dividend Amount in respect of 2002-03 has been transferred to Investor Education and Protection Fund upon expiry of 7 years period. Unclaimed Dividend for the year 2003-04 will be transferred to Investor Education and Protection Fund on or before 30.09.2011. Shareholders who have not claimed Dividend for the year 2003-04 are requested to claim the dividend on or before 30.09.2011.

By Order of the Board
for **Avanti Feeds Limited**

Place: Hyderabad
Date : 21.05.2011

A. INDRA KUMAR
Managing Director

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, 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 Private Limited by filling up the Form sent alongwith Annual Report and post it to Karvy Computershare Private Limited. The postage charges for this will be paid by the company.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.5.

Sri A. Indra Kumar was appointed as the Managing Director of the Company for a period of five years effective from 01st July, 2007 and his appointment and remuneration has been approved by the Shareholders in the Annual General Meeting held on 28th September, 2007 and further the modification of the remuneration approved by the share holders in Annual general Meeting held on 23rd September, 2009.

The appointment period of Five years tenure of Sri A. Indra Kumar will be completed on 30.06.2012, however as per the provisions of the section 317(3) it is now proposed to renew his reappointment as Managing Director before the completion of his term for another period of five years starting from 1st of July, 2011 with revised managerial remuneration.

Remuneration Committee in its meeting held on 14th of May, 2011 approved the re-appointment of Sri A. Indra Kumar as Managing Director for another period of five years from 1st of July, 2011 with revised managerial remuneration and further approved the terms of remuneration payable to Sri A. Indra Kumar by making applicable the provisions of Schedule XIII of the Companies Act 1956, maximum remuneration payable in the event of inadequacy of profits shall be Rs.8,400,000/-, Rs.9,200,000/- and Rs.100,00,000/- for the first, second and third years of appointment respectively subject to the approval of Central Government

1. General Information :

- (1) Nature of Industry: Manufacturing of Shrimp & Fish Feed and Processing & export of Shrimp.
- (2) Date of commencement of commercial production :
 - Shrimp Feed : 01.11.1994
 - Fish Feed : 15.02.2008
 - Processing of Shrimp : 01.04.1998
- (3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
- (4) Financial performance :

(Rs in Lacs)

Financial Parameters	2008-2009	2009-2010	2010-2011
Turnover	7299.59	9616.10	20774.88
Net Profit as computed under Section 198	(917.22)	(147.05)	596.41
Net profit as per profit and loss Account	(703.00)	(119.52)	341.80
Amount of dividend paid	--	--	80.00
Rate of dividend declared	--	--	10%

- (5) Export performance & net foreign exchange collaborations for the financial year 2009-10 & 2010-11 :

Export turnover : Rs. 3556.05 lacs in 2009-10 and Rs.6275.17 lacs in 2010-11

Net foreign exchange collaborations : NIL

II. Information about the appointee :

- (1) Background details : Sri. A. Indra Kumar is a Chemical Engineer is having the 16 years of experience leading organisations. He had identified the opportunity in blue revolution in its nascent stage and promoted this company to set up first shrimp feed manufacturing plant in India. Before given charge as Managing Director in June'02, he guided the company in the capacity of Director and then as Executive Director.

- (2) Past Remuneration as per Schedule XIII:

Year	Amount In Lacs
2007-08	27.66
2008-09	34.52
2009-10	41.99
2010-11	41.82

- (1) Recognition & Awards: Best Industrialist Award for the year 1994-95 awarded by GOI. In recognition of his services he was given the responsibility of Executive Director and finally given the responsibility of Managing Director in June'02.

- (2) Job Profile and his suitability:

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

- (3) Remuneration Proposed: Rs.84.00 Lacs, Rs.92.00 lacs and Rs.100.00 lacs per annum respectively for the first, second and third years of re-appointment.

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

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

- (5) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personal if any.

Sri. Alluri Indra Kumar does not have any pecuniary relationship directly or indirectly with the company except for the position he is holding. He does not have any relationship with any managerial person in the company except with Mr.N.Ram Prasad, director who is his relative.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits :

Overall shrimp culture in India and particularly in the state of AP reduced due to non-availability of quality seed, un-favorable climatic conditions, anti-dumping duty by US, high input costs and depressed international prices for shrimp, which made the shrimp culture un-viable to the farmers. As a result of decline in culture and consequent steep fall in sales company suffered losses in the years 2008-09 and 2009-10. The company's performance improved considerably in the year 2010-11 due to the strategic planning and improvement in the shrimp culture activity.

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

Company is aggressively promoting its shrimp feed in new states like Gujrat, Maharashtra and Goa. Also it has initiated steps to increase its market share in Tamilnadu, Orissa and West Bengal. With the introduction of Vannamei (white shrimp) in India, company expects the revival of shrimp industry. To take advantage of Vannamei culture, company has tied up with Thai Union Group of Thailand to provide technical know how and cost effective formulations for Vannamei and to train our team and farmers in Vannamei culture practices and also help us in increasing export of processed shrimp.

(3) Expected increase in productivity and profits in measurable terms : Because of the measures initiated, it is expected that the turnover of the company will increase to 40000 MT of feed sales & 1600 MT of shrimp exports in the year 2011-12 and with farmers adapting to Vannamei culture the feed sales are expected to grow at 25% per annum up to 2014-15 and shrimp exports expected to grow at 10% per annum. Company expects to earn a return of 20% on the capital invested in shrimp feed and processed shrimp export divisions.

Mr. A. Indra Kumar may be deemed to be interested in the resolution as it relates to his remuneration and none of the other directors are interested or concerned in the resolution except Mr. N. Ram Prasad, Director who is relative of Mr. A. Indra Kumar.

By Order of the Board
for **Avanti Feeds Limited**

A. INDRA KUMAR
Managing Director

Place: Hyderabad
Date : 21.05.2011

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2011.

FINANCIAL PERFORMANCE:

	(Rs. in Lacs)	
	2010-11	2009-10
Profit/(Loss) before Interest, Depreciation & Tax	1,238.58	363.47
Interest	439.22	312.74
Depreciation	288.22	278.27
Profit/(Loss) before Tax	511.14	(227.54)
Provision for Income Tax & Deferred Tax	169.34	(108.82)
Profit/(Loss) after Tax	341.80	(119.52)
Add: Balance brought forward from Previous year	1,682.73	1,802.25
Profit/(Loss) available for appropriation	2,024.53	1,682.73
APPROPRIATION:		
Proposed Dividend on equity shares	80.00	-
Corporate Dividend Tax	12.98	-
Transfer to General Reserve	30.00	-
Surplus carried to Balance Sheet	1,901.55	1,682.73
OPERATIONS :		
Income	21,169.66	10,222.59
Profit/(Loss) before Tax	511.14	(227.54)
FEED DIVISION :		
Production (Mts)		
Shrimp Feed	27,033.37	10,390.70
Fish Feed	10,097.80	5,538.55
Sales (Mts)		
Shrimp Feed	26,641.73	10,474.68
Fish Feed	10,066.95	5,508.75
PROCESSING DIVISION :		
Production (Mts)	1,449.90	963.99
Export Sales :		
Direct (MTs)	1,327.00	935.92

The profit for the year under consideration i.e. 2010-11, before depreciation, finance charges and tax is Rs.1238.58 lacs as compared to a profit of Rs. 363.47 lacs in the previous financial year. The profit for the year after tax is Rs. 341.80 lacs as against a Loss of Rs.119.52 lacs during the previous financial year.

The Shrimp Feed sales increased by 16,167 MT as compared to previous financial year. The sale of Fish Feed also increased by 4,559 MT as compared to previous year. There is overall recovery in the shrimp culture because of farmers going for Vanamei culture and also the culture area has increased as compared to previous year.

The shrimp processing and export division sales also recorded increase of 391 MT as compared to previous financial year. The demand for shrimp in international markets has increased with the wearing off of recessionary pressures. However, the margins are still under pressure.

The four windmills in Karnataka State with a total capacity of 3.2 MW have generated 51.11 lacs units and power generated was sold to Karnataka Power Transmission Corporation Limited under PPA.

DIVIDEND

Your Directors are pleased to recommend dividend of Re.1/- per equity share of Rs.10/- each for the financial year 2010-11 aggregating to Rs. 80 lacs on 80,00,000 equity shares. The dividend if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose name appear on the register of members of the Company on 29th of July, 2011.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Details of major subsidiaries of the Company are covered in Management's Discussion and Analysis Report forming part of the Annual Report.

DIRECTORS

In terms of Article 105 and 106 of the Articles of Association of the Company Mr. N. Ram Prasad and Mr. K. Rama Mohan Rao retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. An ordinary resolution to that effect is propounded for the consideration and passing by the shareholders in ensuing AGM.

AUDITORS

The Auditors M/s. Karvy & Co., Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. Members are requested to consider their reappointment for the financial year ending 31st March, 2012 on remuneration to be decided by the Board of Directors.

PARTICULARS OF EMPLOYEES

A statement containing the particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is furnished in Annexure - 1.

SHRIMP FEED PLANT IN GUJARAT

As discussed in previous Annual Report, your company is setting up a shrimp feed manufacturing plant at Village Balda, Dist. Valead in Gujarat State with Thai Union Frozen Products Public Co. Limited., Thailand (TUF) in 51:49 equity participation. The major part of project work is completed and it is expected to start commercial production by mid July'11, two months ahead of the completion as envisaged while commencing the project work. All the necessary statutory approvals for the project are obtained.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The details regarding conservation of energy, research and development, technology absorption, foreign earnings and outgo are furnished at Annexure - 2 pursuant to the provisions of Sec.217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1998.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm and declare that:

- (a) in the preparation of Annual Accounts, the applicable accounting standards have been followed;
- (b) the accounting policies are consistently applied and reasonable, prudent judgements and estimates are made 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 profits of the Company for that period ;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE:

As a listed company, necessary measures are taken to comply with the Listing Agreement with the Stock Exchanges. A report on the Corporate Governance together with a certificate of compliance from the Auditors, forms part of this report.

ACKNOWLEDGEMENTS:

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

for and on behalf of the Board

Place: Hyderabad
Date : 21.05.2011

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Joint Managing Director &
Company Secretary

ANNEXURE – 1

Statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2011

Name of the Employee	Designation	Nature of Duties	Remuneration received Rs.(in lakhs)	Qualifications	Experience	Date of Employment	Age Yrs.	Designation, Last Employment held
A.Indra Kumar	Managing Director	Projects, Production, Exports & General Administration	45.41	B.E	25	01.04.1998	49	Executive Director Srinivasa Cystine Limited
C.Ramachandra Rao	Joint Managing Director	Finance, Secretarial, Imports & Exports and General administration	36.70	FCA, ACS & LLB	36	01.10.1998	59	Finance Manager & Company Secretary Srinivasa Cystine Limited

ANNEXURE – 2

Information pursuant to Section 217(1)(e) of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

FORM A
(See Rule 2)

Form for disclosure of particulars with respect to conservation of Energy:

A)	Power & Fuel Consumption	2010-11	2009-10
	1. Electricity		
	a) Purchased: Units (KWH)	80,91,804	41,20,052
	Total Amount (Rs.)	3,60,08,146	1,78,21,475
	Rate / Unit (Rs.)	4.45	4.33
	b) Own Generation		
	l) Through Diesel Generator		
	HSD Oil Consumed (Ltrs)	2,03,988	2,55,621
	Units (KWH)	5,73,611	7,33,194
	Units produced per liter of Diesel Oil	2.81	2.87
	Cost of HSD Oil consumed (Rs.)	77,85,722	88,17,619
	Cost / Unit (Fuel Cost / Unit (Rs.))	13.57	12.03
	2. Furnace Oil / LSHS		
	Quantity Consumed (Ltrs)	7,37,618	3,43,531
	Total Amount (Rs.)	2,60,95,578	1,04,13,530
	Quantity of Steam produced (Mts)	9,389	4,278
	Average Rate (Rs./MT)	2,779	2,434
	3. Consumption Per Unit (MT) of Production		
	Electricity (KWH)		
	Feed (PMT)	139	142
	Shrimp (PMT)	2,411	2,694
	Furnace Oil (Ltrs.)		
	Feed (PMT)	19.87	21.57

B) Research and Development:

Company continuous to receive technological support from Thai Union Feed Mill, Thailand for the efforts made by the company in its R & D.

C) Foreign Exchange Earnings & Outgoings:

	2010-11	2009-10
	Rs. in Lakhs	Rs. in Lakhs
a) Foreign Exchange Earnings (FOB)	6,275.17	3,556.05
b) Foreign Exchange Out-go	1,653.03	804.74

REPORT ON THE CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

Mandatory Requirements

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 facts 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 promoter and external Directors.

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 Managing Director and the Joint Managing Director, subject to the overall supervision and control of the Board of Directors.

(i) The details of the composition of the existing Board of Directors is given below:

Sl. No.	Name of Director	Executive Director (ED) Non Executive Director (NED), Independent Director (ID), Nominee Director (ND)	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 14 th August, 2010
1.	Sri A. Indra Kumar	MD-Promoter	6	5	Yes
2.	Sri C. Ramachandra Rao	Joint M.D. & C.S	6	6	Yes
3.	Sri N. Ram Prasad	NED	6	5	Yes
4.	Sri A. V. Achar	NED/ID	6	3	Yes
5.	Sri K. Ram Mohan Rao	NED/ID	6	4	Yes
6.	Sri M. Venkateswara Rao	ND/ID	6	6	Yes
7.	Sri B V Kumar	NED/ID	6	2	No
8.	Sri M S P Rao	NED/ID	6	2	Yes
9.	Bunluesak Sorajjakit	NED	6	3	Yes

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

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	13	...	...
2. Sri C. Ramachandra Rao	13	1	...
3. Sri N. Ram Prasad	05	...	...
4. Sri A.V.Achar	02	...	...
5. Sri K. Ram Mohan Rao	03	...	...
6. Sri M.VenkateswaraRao	04	...	...
7. Sri B V Kumar	01	...	...
8. Sri M S P Rao	09	4	...
9. Sri. Bunluesak Sorajjakit	03	...	...

- iii) The details of Board Meetings held during the financial year 2010-11

Six Board Meetings were held during the year 2010-11. The time gap between any two Board Meetings did not exceed by more than four months. The dates on which the said Board Meetings were held during 2010-11 are as follows:

Sl. No.	Date of Board Meeting
1	27.05.2010
2	19.07.2010
3	14.08.2010
4	30.10.2010
5	10.01.2011
6	12.02.2011

- iv) Note on the Directors seeking re-appointment.

Sri N. Ramprasad & Sri K. Rammohan Rao, retires by rotation and, being eligible, have offered themselves for re-appointment.

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

- 1) Name of the Director : Mr. N. Ramprasad
Date of Birth : 02.03.1956
Date of appointment : 07.04.1993
Occupation : Business
(6) Expertise in specific functional areas : He is M.S. (Chem) from United State of America with vast industrial and management experience.

Directorships in other companies	:	Srinivasa Cystine Private Limited Southern Electrodes Limited Pumps India Private Limited SC Gases Private Limited Southern Magnesium & Chemicals Limited
Committee positions held in other companies	:	No
2) Name of the Director	:	Mr. K. Rammohan Rao
Date of Birth	:	03.04.1950
Date of appointment	:	26.09.1998
Occupation	:	Agriculturist
Expertise in specific functional areas	:	Agriculturist and his experience will be helpful while formulating marketing policies.
Directorships in other companies	:	Srinivasa Cystine Pvt Ltd SCL Trading Pvt Ltd Svimsan Exports & Imports Limited
Committee positions held in other companies	:	No

Scheduling and Selection of Agenda items for Board Meetings.

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

3. Audit Committee

Name(s) of the Chairman and the Members, and the Terms of reference:

The Audit Committee comprises of following Non-executive Independent Directors. The Joint Managing Director along with the statutory auditors, internal auditors and D.G.M. (Accounts & Finance) are invitees to the meeting. The terms of reference of the audit committee are wide enough to cover all the aspects in accordance with Clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956.

Name	Designation	Meetings held during the year	Meetings attended during the tenure
Sri A V Achar	Chairman	4	2
Sri K Ram Mohan Rao	Member	4	2
Sri M S P Rao	Member	4	2
Sri. B.V.Kumar	Member	4	2
Sri. C.Ramachandra Rao	Compliance Officer	4	4

Sl.No.	Date of Meeting
01	15.05.2010
02	07.08.2010
03	29.10.2010
04	09.02.2011

The representatives of the Statutory Auditors and Internal Auditors of the Company had also attended the meetings. 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 2010-11, before it was placed in the Board. The Committee periodically interacts with the statutory 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.

4. Remuneration Committee:

- i) The Committee comprises of Four Non Executive Directors, namely, Mr.B.V.Kumar, (Chairman), Mr.A.V.Achar, N. Ram Prasad and Mr.K.Ram Mohan Rao.

The Committee would basically look into and determine the Company's policy on remuneration packages to the Executive Directors.

The Executive Directors are paid remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders at the General Meeting and such other authorities as the case may be.

- ii) The remuneration paid/payable to the Managing Director, Whole time Directors of the Company for the year ended 31st March, 2011 are as under :-

Name and Designation	All elements of remuneration package i.e., salary benefits, pension etc. (Rs. in lacs)	Fixed Component and performance linked incentives along with the performance criteria (Rs. in lacs)	Service Contact Notice Period and Severance Fees (Rs. in lacs)	Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable (Rs. In lacs)
A. Indra Kumar Managing Director	45.41	—	—	—
C. Ramachandra Rao Joint Managing Director	36.70	—	—	—

(iii) Details of payments to Non-Executive Directors during the year 2010-11 are given below:

Name of the Director	Sitting Fee (in Rs.)	Commission (in Rs.)
K. Ram Mohan Rao	4,000	---
A. V. Achar	3,000	---
N. Ram Prasad	5,000	---
M. Venkateswara Rao		
Nominee of APIDC (Paid to APIDC)	6,000	---
B.V. Kumar	2,000	---
M S P Rao	2,000	---
Mr. Bunluesak Sorajjakit	3,000	----

(iv) Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2011

Name of the Director	Number of Shares held (as on 31.03.2011)
K. Ram Mohan Rao	18400
A. V. Achar	200
N. Ram Prasad	20600
M. Venkateswara Rao*	
Nominee of APIDC (Paid to APIDC)	500000

* NOTE: Shares held by Andhra Pradesh Industrial Development Corporation

5. Shareholders and Investor Grievance Redressal Committee

Composition

A Shareholders and Investor Redressal Grievance Committee was constituted with Sri N. Ram Prasad as the Chairman and Sri K. Ram Mohan Rao and Sri A.V. Achar as the members. All the three members of the Committee are non-executive Directors. Sri C. Ramachandra Rao, Joint Managing Director & Company Secretary is the compliance officer. The Committee looks after complaints of shareholders and investors concerning transfer / transmission of shares, non-receipt of Annual Reports and dividend warrants etc. The committee met Six times during the year.

During the year the Company has received 30 requests/ complaints from the investors, all of which were resolved and no request/complaint is kept unattended for a period beyond 30 days. There were no shares pending transfer as on 31st March, 2011.

The status of shareholder's complaints during the financial year 2010-11 is as under:

SL. NO.	Nature of Complaint / Correspondence	TOTAL NO OF LETTERS RECEIVED DURING THE PERIOD	TOTAL NO OF LETTERS REPLIED DURING THE PERIOD	LETTERS PENDING
1	Non Receipt of Dividend Warrants	26	26	0
2	Non Receipt of Share Certificates	2	2	0
3	Non Receipt of Securities After Transfer	2	2	0
	TOTAL	30	30	0

6. General Body Meetings:

The details of Annual General Meetings are as follows:

Year	Location	Date	Time
2009-10	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	14.08.2010	11.00 AM
2008-09	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	23.09.2009	11.00 AM
2007-08	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	29.09.2008	11.00 AM

No Extraordinary General Meeting was held during the year 2010-11.

7. Disclosures:

- i) The Company has entered into related party transactions as set out in the notes to the accounts which are not likely to have a conflict with the Company's interest.
- ii) There were no non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three financial years.
- iii) Whistle Blower Policy: 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 victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

8. Means of Communication:

- a. The relevant information relating to the Directors who would be appointed/re-appointed at the ensuing Annual General Meeting is given in the notice convening the Annual General Meeting.
- b. The Quarterly / Half Yearly and Annual Financial results of the Company are forwarded to the Bombay and Madras Stock Exchanges and were published in Financial Express, Business Standard and Andhra Prabha, Hyderabad.
- c. The Company's results were displayed on SEBI website. (www.sebi.gov.in)

- d. The Company's results were also displayed on the Companies website. (www.avantifeeds.com)
e. The Management Discussion and Analysis Report is included elsewhere in this Annual Report.

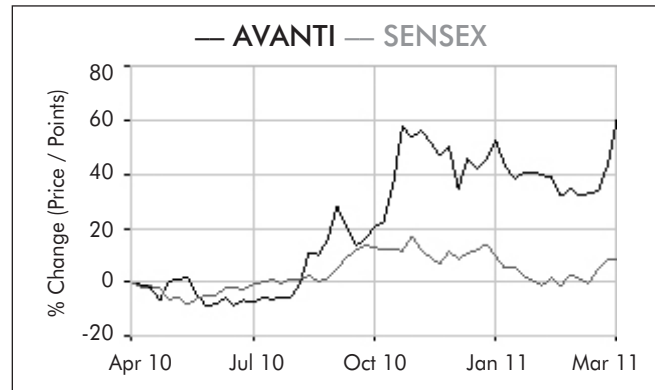
9. General Shareholders' Information:

Sl. No	Item	Details
(i)	AGM Date, Time and Venue	On 6 th August, 2011 at 11.00 A.M., Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad
(ii)	Financial Year	2010-11
(iii)	Financial Calendar (tentative)	First Quarter Results – End July, 2011. · Second Quarter / Half Year Results – End October, 2011 · Third Quarter / Nine Months Results – End January, 2012 · Fourth Quarter / Year end Results – End May, 2012
(iv)	Dates of Book Closure	29 th July, 2011 to 6 th August, 2011 (Both days inclusive).
(v)	Dividend and dividend Payment Date	Board of Directors have recommended Re. 1/- dividend per equity share of Rs. 10/- each for the financial year 2010-11
(vi)	Listing on Stock Exchanges	The Company's Shares are listed on Madras and Bombay Stock Exchanges. The Address of these Exchanges is as given below: 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. 2. The Madras Stock Exchange, Exchange Building, Post Box No.183, 11, Second Line Beach, Chennai -600 001 The Company has duly paid the Listing fees for the year 2011-12 to the Stock Exchanges where the shares of the Company are Listed.
(vii)	Stock Code	BSE : 512573 MSE : AVA NSDL/CSDL ISIN No. : INE871C01012

(viii) Market Price Data (information gathered from BSE)

Month	Open Price	High Price	Low Price	Close Price
Apr-10	22.50	25.95	21.45	23.50
May-10	24.65	26.10	23.40	23.40
Jun-10	24.25	25.40	22.00	23.20
Jul-10	23.00	25.20	22.30	23.80
Aug-10	23.15	29.80	23.00	26.50
Sep-10	27.00	33.65	26.00	27.90
Oct-10	30.35	42.10	27.00	39.75
Nov-10	42.00	43.00	34.80	37.65
Dec-10	36.85	40.15	32.50	36.60
Jan-11	36.00	39.25	31.60	34.90
Feb-11	34.85	36.75	30.80	33.25
Mar-11	33.25	37.25	31.00	36.20

Price Movement Graph



- (ix) Registrars & Share Transfer Agents: Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel: 040-2420815-28
Fax: 040-23420814, 23420857
E- mail: mailmanager@karvy.com
www.karvycomputershare.com
- (x) Share transfer system: All transfers received are processed and approved by the Share Transfer Committee which normally meets once in a fortnight or more depending upon the volume of transfers.
- (xi) Shareholding information:
a) Distribution of Share holding pattern as on 31.03.2011

Sl. No.	Category		Number of shareholders	% of shareholders	Number of Shares	% of holding
	From	To				
1	Upto	5000	3386	86.29	551610	6.90
2	5001	10000	213	5.43	172820	2.16
3	10001	20000	139	3.54	217546	2.72
4	20001	30000	66	1.68	167040	2.09
5	30001	40000	29	0.74	102931	1.29
6	40001	50000	28	0.71	131292	1.64
7	50001	100000	25	0.64	173190	2.16
8	100001	and above	38	0.97	6483571	81.04
No. of Shareholders in physical mode			1618	41.00	581994	7.27
No. of shareholders in electronic mode			2306	59.00	7418006	92.73

b) Shareholding pattern as on 31.03.2011

Sl.No	Category	No of Shares	% to paid up capital
A	Promoters Holding		
1	Promoters – Individuals	1329290	16.61
2	Promoters – Corporate Bodies	2487700	31.10
	Sub Total	3816990	47.71
B	Non-Promoters Holding		
1	Institutional Investors		
	a. Mutual Funds and	4500	0.06
	b. Banks, IFI, Insurance Cos, (Central and State Govt Institutions / Non-Govt Institutions)	500900	6.26
	c. FIs	1100	0.01
	Sub Total	506500	6.33
2	Others		
	a. Private Corporate Bodies	210624	2.63
	b. Indian Public	2200454	27.51
	c. NRIs/ OCB's	1264959	15.81
	d. Others/Clearing Members	473	0.01
	Sub Total	3676510	45.96
	Grand Total	8000000	100.00

3	Dematerialisation of shares and liquidity	<p>The Company has entered into tripartite agreements with NSDL and CDSL to establish Electronic connectivity through Company's Electronic Registrar i.e., Karvy Computershare Private Limited, Hyderabad and facilitate scripless trading. Trading in the equity shares of the Company is compulsorily in dematerialised form for all investors.</p> <p>Investors are therefore advised to open a demat account with the Depository Participant of their choice to trade in demat form. The list of depository participants is available with NSDL and CDSL. The ISIN allotted to the Company's Scrip is INE871C01012.</p> <p>92.73 % (Previous Year 88.23%) of Company's shares are now held in Electronic form. The liquidity of the Company's shares is expected to improve with the increase in holdings in demat form.</p>
4	Outstanding ADRs/ GDRs	The Company has not issued any ADR/GDR

5	Plant Locations	<p>Shrimp Feed Plant I & Wheat Flour Plant D.No.15-11-24 Kovvur-534350 W.G.Dist, A.P, India</p> <p>Shrimp Feed Plant II Vemuluru Kovvur-534350 W.G.Dist., A.P, India</p> <p>Shrimp Processing Plant Gopalapuram 533274 Ravulapalem Mandal E.G. Dist., A.P, India</p> <p>Shrimp Shell Meal Plant Velivenu Road, Samisragudem,Nidadovale Mandal, W.G. Dist., A.P, India</p> <p>Wind Mill Lakkihalli Village, Hiriyur Taluk, Chitradurga District, Karnataka State.</p>
6	Address for Correspondence	<p><u>Registered Office :</u> Avanti Feeds Limited, G-2, 6-3-658, Concorde Apartments, Somajiguda, Hyderabad – 500 082.</p> <p><u>Registrars and Transfer Agents:</u> M/s. Karvy Computershare Private Limited Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 Tel: 040-2420815-28 Fax: 040-23420814, 23420857 E-mail : mailmanager@karvy.com</p>

- (xii) Pursuant to the provision of section 205A and 205C of the Companies Act, as amended, read with Investor education and Protection fund (awareness and Protection of Investors) rules 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders / Investors who have not en-cashed their dividend warrant(s) so far are requested to make their claim to the Secretarial Department of the Company. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof.

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. 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, 2011, as envisaged in clause 49 of the listing agreement with stock exchanges.

Place: Hyderabad
Date : 21.05.2011

A. INDRA KUMAR
Managing Director

Managing Director and Chief Financial Officer Certification

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

- a. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards , applicable laws and regulations.
- b. There are, to the best of our knowledge and belief , no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company 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 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.
 - 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.

Place : Hyderabad
Date : 21.05.2011

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Joint Managing Director &
Company Secretary

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
AVANTI FEEDS LIMITED

We have examined the compliance of conditions of Corporate Governance by Avanti feeds Limited, (the Company), for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

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

for **Karvy & Co**
Chartered Accountants

(K. Ajay Kumar)
Partner
Mem. No.021989

Place : Hyderabad
Date : 21.05.2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAVEAT:

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

INDUSTRY OVERVIEW:

Indian seafood product exports during 2010-11 recorded an increase of about 20.42% over previous year in terms of value and about 10.96% in terms of quantity. During 2010-11, 7.53 lacs tones of seafoods valued at Rs.12,100 crore were exported. The European Union remained the largest market for Indian seafood accounting for 1.80 lacs tonnes at Rs.3146 crore with USA taking the second position. Exports to USA has increased to 16% as against 10.06% over the previous year.

The Frozen shrimp continued to be the major item in the export basket accounting for 46% of the total export earnings. Their share in the exports during 2010-11 increased by 13% in quantity, 35% in rupee value and 4.72% in dollar value.

It is heartening to note that after a long gap of 5 years, the aqua culture industry recovered from losses and industry started looking bright. Thanks to nod given by the Government of India for Vannamei Shrimp Culture in India coupled with remunerative export prices. The shrimp production during the first four months i.e. Jan to April 2011, registered a growth of 40% from 25000 MT to 35000 MT during the corresponding period of the previous year. The switch over of culture from Black Tiger to Vannamei is taking place gradually which would ensure a growth rate of 25-30% in the next two years.

In order to ensure sustainable growth of shrimp culture, particularly, Vannamei species, the Government of India has initiated stringent measures such as Approvals and Surveillance of Vannamei hatcheries, importation of brood stock from only approved overseas suppliers, EIA Certification of shrimps at the time of harvest, mandatory approval of Vannamei farms etc., These measures would go a long way in long term success of Indian Shrimp Culture Industry.

STRENGTHS, WEAKNESS, OPPORTUNITIES AND THREATS:

STRENGTHS:

The Company has been in the field of aqua culture industry, manufacturing feed for shrimps and fish, processing and export of shrimps. The Company has also well trained technicians to provide technical support to the farmers by updating developments in culture methods and processes. Strong dealership net work, farmer base and committed work force stands in good stead in sustained growth of company's business. Added to this, the company has strong financial, technical and marketing tie up with THAI UNION Group of Thailand to strengthen company's capabilities in the field of aqua culture. The global shrimp

consumption is also expected to increase in future, assuring consistent market. The domestic market also is expected to grow with parity in shrimp prices comparable to any other products such as meat and poultry products.

The Company has set-up a Vannamei hatchery on lease basis to supply good quality Vannamei seed to the farmers. The company has plans to set up a full fledged hatchery and multiplication Centre in due course with technical collaboration of THAI UNION.

With firm base in Andhra Pradesh, the Company is now expanding its market to other states such as Tamilnadu, West Bengal, Karnataka, Gujarat and Maharashtra. The company in joint venture with Thai Union is in the process of establishing a 10,000 MT per annum shrimp feed mill at Balda Village, Pardi Taluk, Valsad Distr., Gujarat State to cater to the feed requirement of west coast. The Plant is scheduled to commence commercial production by mid July, 2011.

WEAKNESS:

The inadequacy of infrastructure facilities, particularly among small and medium aqua culture farmers, is still a matter of great concern for reaping the benefits of Vannamei culture. There is an immediate need for government regulatory mechanism in place to check supply and usage of antibiotics and other prohibited medicines. The Govt. of India through NFDB in association with MPEDA & Seafood Exporters Association of India and other Nodal Agencies, such as, Aquaculture Development Authority are working on these issues.

OPPORTUNITIES:

The demand for sea food is increasing all over the world, particularly Indian Seafood exports as could be seen from the increase in exports during 2011-12. One of the reasons being, seafood is considered as healthier compared to other meat. India is gifted with long coast line ideally suited for development of seafood industries. A planned development would provide abundant opportunities for seafood industry. The introduction of Vannamei Species is expected to increase the shrimp production and domestic consumption of shrimps due to competitive prices compared to other meat products.

THREATS:

The aqua culture activity is dependent on climatic conditions prevailing during season to season, which is unpredictable. Natural calamities like floods, cyclones, during the culture season can have serious impact on the prospects of successful culture. In spite of technical advancement and development of Specific Pathogen Free (SPF) seed, the possibilities of the shrimps getting effected by virus and diseases cannot be ruled out.

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

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

OUTLOOK:

Feed Market:

Gradual switching over to Vannamei culture with higher stocking densities compared to Black Tiger, remunerative export prices in recent months coupled with anticipated demand for shrimps in the domestic market the production of shrimps is expected to grow significantly resulting in increased demand for shrimp feed in future.

Processing & Export of Shrimp:

Similarly, with Vannamei culture taking over from Black Tiger, the volume of shrimp production is likely to increase significantly with higher utilization of processing capacity and increase in exports. The development of domestic market would also support exports in the long run. The cost of production of Vannamei shrimps is lower than the existing Black Tiger shrimps, making Indian shrimps more competitive in the global market.

POWER :

As a long term strategy, the Company had diversified into power sector. The present investments of the company are in the following power projects :

- (a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State is operational and generating power as planned.
- (b) Srivathsa Power Projects Ltd, a 17.2 MW gas based independent power project in which company holds 50% shares, is operational and has generated positive cash flows. The company generated 110 mn units yielding a gross sales income of Rs.3024 lacs and net profit of Rs. 793.07 lacs after charging off interest, depreciation & tax. In the year 2010-11 company declared interim dividend of 10% and your company got Rs.166.59 lacs as dividend income.
- (c) Patikari Power Private Limited, the 16 MW Hydel Power Project in Himachal Pradesh with our investment of 25.88% as a joint venture project, was commissioned in February'08. During 2010-11 this project generated 71.36 million salable energy units yielding a gross sales income of Rs.1371.36 lacs and net loss of Rs. 87.88 lacs after charging interest and depreciation but before provision for deferred tax of Rs. 117.48 lacs. The project achieved capacity utilization of 90.55% to DPR during the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

In addition, a firm of Chartered Accountants has been appointed as internal auditors. The audit committee reviewed their periodical reports and their suggestions are implemented to ensure the functioning of proper internal control systems.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. Intangible Assets of the company have been dealt with in the books in accordance with AS 26 issued by ICAI and are being written off over a period of 5 years in equal installments. In the year under consideration, your company reported profit of Rs.511.14 lacs before tax adjustments as compared to loss of Rs.227.54 lacs in the previous year.

AUDITORS' REPORT

To
The Members of
M/s. AVANTI FEEDS LIMITED.

We have audited the attached Balance Sheet of M/S.AVANTI FEEDS LIMITED as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2011 ;
 - ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date

Place: Hyderabad
Date : 21.05.2011

For **KARVY & CO**
Chartered Accountants
(Registration No.001757S)
(K. AJAY KUMAR)
PARTNER
(M. No: 21989)

Annexure to the Auditors' Report

Referred to in paragraph 2 of our report

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) A substantial portion of the fixed assets have been physically verified by the management 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. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. 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 account.
- iii.
 - a) According to the information and explanations given to us, during the year the Company has not granted any loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (a) to 4 (iii) (d) of the Order are not applicable.
 - e) According to the information and explanations given to us, the Company has taken an unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. The transactions as stated in clause 4 (iii) above that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- vi. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

- viii. We have broadly reviewed the books of account and records maintained by the Company relating to the generation of wind power, pursuant to Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other product manufactured by the Company.
- ix. In respect of Statutory dues:
- a) According to the books and records as produced and examined by us in and also based on the Management representations, it was found that there were no undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable to be deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31st, 2011 for a period of more than six months from the date on which they become payable.
 - b) According to the information and explanations given to us, there are disputed amounts in respect of Service Tax, amounting to Rs.8.26 Lacs, at the forum of CESTAT, Bangalore and in respect of MP VAT, amounting to Rs.29.22 Lacs, at the forum of The Hon'ble High Court Of Madhya Pradesh; which have not been deposited with the appropriate authorities during the financial year. Except for what has been stated, there are no other amounts in respect of income tax, sales-tax, Service-tax, customs duty, wealth-tax, excise duty and Cess, that have not been deposited with the appropriate authorities on account of any dispute.
- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year and in the previous.
- xi. Based on our audit procedures and on the basis of 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. No loans have been taken by the Company from financial institutions.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, Clause 4 (xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. According, Clause 4 (xiv) of the Order is not applicable to the Company.

- xv. The Company has pledged its investment in M/s Patkari Power Pvt. Ltd with respect to a loan availed of by M/s.Patkari Power Private Limited from State Bank Of India. The company has also given a corporate guarantee in respect of term loan obtained by Avanti Thai Aqua feeds private limited. However; the terms and conditions whereof are not prejudicial to the interest of the company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were taken by the Company during the year. Accordingly, Clause 4 (xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short –term basis that have been used for long term investment.
- xviii. During the financial year, the Company has not made preferential allotment of shares to the Company covered under register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company. Accordingly, Clause 4 (xix) of the Order is not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, Clause 4 (xx) is not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no major fraud on or by the Company was noticed or reported during the year.

For **KARVY & CO**
Chartered Accountants

Place: Hyderabad
Date : 21.05.2011

(K. AJAY KUMAR)
PARTNER
(M. No: 21989)
(Firm No.01757S)

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule No.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS			
Shareholders funds			
Share Capital	1	80,000,000	80,000,000
Reserves & Surplus	2	632,484,880	607,603,037
Loan Funds			
Secured Loans	3	435,160,603	258,293,622
Unsecured Loans	4	83,728,523	74,339,016
		1,231,374,006	1,020,235,675
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block			
Gross Block	5	591,049,504	576,454,977
Less : Depreciation		324,817,647	297,903,850
Net Block		266,231,857	278,551,127
Investments	6	394,829,790	323,306,400
Deferred Tax Asset		13,175,707	23,066,573
Current Assets, Loans & Advances			
Interest Accrued		1,802,086	1,288,435
Inventories		390,500,921	272,748,568
Cash & Bank Balances		41,000,686	34,077,378
Sundry Debtors		230,077,235	89,327,212
Loans & Advances		112,250,699	133,946,267
		775,631,627	531,387,860
Less : Current Liabilities & Provisions	8	218,494,975	136,076,285
Net Current Assets		557,136,652	395,311,575
		1,231,374,006	1,020,235,675

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

C. Ramachandra Rao
Jt. Managing Director & Company Secretary

For and on behalf of the Board

A. Indra Kumar
Managing Director

N. Ram Prasad
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule No.	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
INCOME			
Operating Income	9	2,077,488,194	961,610,193
Other Income	10	39,477,837	60,648,966
		2,116,966,031	1,022,259,159
EXPENDITURE			
Material Cost	11	1,663,854,316	784,861,469
Personnel Cost	12	59,693,452	46,416,142
Manufacturing & Other Expenses	13	269,559,744	154,634,497
Finance Charges	14	43,922,150	31,273,802
Depreciation		28,822,416	27,826,961
		2,065,852,078	1,045,012,871
Profit /(Loss) before Tax		51,113,953	(22,753,712)
Current Tax		7,043,444	-
Deferred Tax Charge/(Release)		9,890,866	(10,801,602)
Profit after Tax		34,179,643	(11,952,110)
Profit brought forward from Previous Year		168,273,375	180,225,485
Profit available for appropriation		202,453,018	168,273,375
APPROPRIATIONS			
Proposed Dividend		8,000,000	-
Provision for Corporate Dividend Tax		1,297,800	-
Transfer to General Reserve		3,000,000	-
Surplus carried to Balance Sheet		190,155,218	168,273,375
TOTAL		202,453,018	168,273,375
Basic & Diluted earnings per share face value of Rs.10/- each		4.27	(1.49)

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

C. Ramachandra Rao
Jt. Managing Director & Company Secretary

For and on behalf of the Board

A. Indra Kumar
Managing Director

N. Ram Prasad
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	31st March, 2011 Rs.	31st March, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	51,113,953	(22,753,712)
Adjustment for		
Depreciation	28,822,415	27,826,961
Loss on sale of Fixed Assets	89,819	362,887
Gain on exchange fluctuations & forward contracts	(12,127,082)	(7,967,451)
Interest Paid	43,922,150	31,273,802
Interest Received	(2,963,639)	(5,886,975)
Dividend Received on Investments	(16,854,858)	(16,708,630)
Operating Profit before Working Capital Changes	92,002,758	6,146,882
Adjustment for		
Trade and Other Receivables	(119,568,107)	70,193,109
Inventories	(117,752,353)	(68,916,189)
Trade Payable	73,120,890	31,837,112
Cash generated from Operations	(72,196,812)	39,260,914
Income Tax Paid	(7,043,444)	-
Net Cash flow from Operating activities	(79,240,256)	39,260,914
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment (Net)	(71,523,390)	(38,322,253)
Dividend Received on Investments	16,854,858	16,708,630
Interest Received	2,963,639	5,886,975
Purchase of Fixed Assets	(18,253,671)	(7,927,523)
Sale of Fixed Assets	1,660,709	1,731,500
Net Cash used in Investing activities	(68,297,855)	(21,922,671)

	31st March, 2011 Rs.	31st March, 2010 Rs.
C. CASH FLOW FROM FINANCE ACTIVITIES		
Increase in Share Capital	-	-
Repayment of Borrowings	(62,693,442)	(55,394,444)
Proceeds from Borrowings	248,949,930	5,498,470
Interest Paid	(43,922,150)	(31,273,802)
Profit on exchange fluctuations & forward contracts	12,127,082	7,967,451
Dividends paid including tax on Dividend	-	-
Net Cash generated in Financing Activities	154,461,420	(73,202,325)
Net Increase / Decrease in Cash and Cash Equivalents	6,923,308	(55,864,082)
Cash and Cash Equivalents (Opening Balance)	34,077,378	89,941,460
Cash and Cash Equivalents (Closing Balance)	41,000,686	34,077,378

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

C.Ramachandra Rao
Jt. Managing Director & Company Secretary

For and on behalf of the Board

A.Indra Kumar
Managing Director

N.Ram Prasad
Director

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised 80,00,000 Equity Shares of Rs.10/- each	80,000,000	80,000,000
Issued, Subscribed and Paid-Up : 80,00,000 Equity Shares of Rs.10/- each fully paid-up	80,000,000	80,000,000
TOTAL	80,000,000	80,000,000
SCHEDULE 2 : RESERVES & SURPLUS		
Capital Reserve		
Investment Subsidy:		
Government of Andhra Pradesh	3,500,000	3,500,000
Grant-in-Aid from MFPI, Govt of India	5,000,000	5,000,000
MPEDA Subsidy	4,460,400	4,460,400
Share Premium	43,800,000	43,800,000
General Reserve		
Opening Balance	382,569,262	-
Add: Additions during the year	<u>3,000,000</u>	-
	385,569,262	382,569,262
Surplus in Profit & Loss Account	190,155,218	168,273,375
TOTAL	632,484,880	607,603,037
SCHEDULE 3 : SECURED LOANS		
Loans and advances from Banks		
Term Loans		
ICICI Bank		- 44,444,446
State Bank of India	29,000,000	47,248,996
Other Loans		
From SBI - Working Capital Loans	396,518,451	162,384,907
From I C I C I Ltd. - Hire Purchase	5,662,615	4,088,177
From Magma Finance	3,421,552	-
From HDFC Bank Limited - Hire Purchase	-	127,096
From Tata Capital Limited	557,985	-
TOTAL	435,160,603	258,293,622
SCHEDULE 4 : UNSECURED LOANS		
Sales Tax Deferment Loan	58,962,295	58,962,295
Loans and advances :		
From Subsidiaries	4,329,428	4,348,798
From Others	20,436,800	11,027,923
TOTAL	83,728,523	74,339,016

DEPRECIATION SCHEDULE AS ON 31.03.2011
SCHEDULE - 5 FIXED ASSETS

Rupees

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2010	Additions	Deletions	Total Cost as on 31.03.2011	Upto 31.03.2010	For the year	On Deletions/ Adjustments	Total upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Freehold Land	13,261,104	-	-	13,261,104	-	-	-	-	13,261,104	13,261,104
2	Buildings	84,580,651	704,779	-	85,285,430	23,798,468	2,127,854	-	25,926,322	59,359,108	60,782,182
3	Plant & Machinery	438,193,361	4,155,264	1,364,354	440,984,271	248,763,929	23,564,953	777,486	271,551,396	169,432,875	189,429,431
4	Office Equipment	12,143,412	1,792,224	137,700	13,797,936	10,189,743	151,002	117,863	10,222,882	3,575,054	1,953,669
5	Furniture & Fixtures	3,877,711	94,887	-	3,972,598	2,267,115	208,984	-	2,476,099	1,496,499	1,610,596
6	Vehicles	24,398,738	11,506,516	2,157,089	33,748,165	12,884,595	2,769,623	1,013,270	14,640,948	19,107,217	11,514,143
	TOTAL	576,454,977	18,253,670	3,659,143	591,049,504	297,903,850	28,822,416	1,908,619	324,817,647	266,231,857	278,551,125
	Previous Year Figures	575,288,438	7,927,523	6,760,984	576,454,977	274,743,486	27,826,961	4,666,597	297,903,850	278,551,127	300,544,952

Schedules forming part of Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 6 : INVESTMENTS		
a) Trade Investments - Unquoted		
<u>Long Term:</u>		
Equity shares - Fully paid in Subsidiary companies		
10,00,000 Shares of Rs.10/- each in Svimsan Exports & Imports Ltd.	10,000,000	10,000,000
Avanti Thai Aqua Feeds Pvt. Ltd. (39,94,800 shares @ Rs.10/- each)	39,948,000	38,448,000
Equity shares - Fully paid in Associate companies		
Srivathsa Power Projects Limited (1,66,93,630 shares @ Rs.10/- each)	167,053,800	167,053,800
Patikari Power Private Limited (1,06,45,200 shares @ Rs.10/- each)	106,452,000	106,452,000
b) Non-Trade Investments		
<u>Quoted - Equity Shares</u>		
2,880 Equity Shares of Rs.130/- each in IDBI	54,000	54,000
5,000 Equity Shares of Rs.10/- each in Bluegold Maritech Ltd.	-	5,000
7,800 Equity Shares of Rs.10/- each in UCO Bank Limited	93,600	93,600
Mutual Fund with S.B.I.	70,028,390	
<u>Unquoted - Equity Shares</u>		
1,20,000 Equity Shares of Rs.10/- each in Bhimavaram Hospitals	1,200,000	1,200,000
TOTAL	394,829,790	323,306,400
Quoted Investments		
Book Value	70,175,990	152,600
Market Value	71,274,026	771,900
Unquoted Investments		
Book Value	324,653,800	323,153,800

Schedules forming part of Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES		
a) Current Assets		
Interest Accrued	1,802,086	1,288,435
Inventories - At cost or Net Realisable Value as valued and certified by the Management)		
Stores & Spares	26,432,815	18,797,574
Raw Materials	164,611,680	152,637,075
Finished Goods	187,840,405	92,153,544
Packing Materials	1,772,344	1,123,873
Work-in-process	5,732,931	7,264,077
Stock in Transit	4,110,746	772,425
TOTAL	390,500,921	272,748,568
Cash & Bank Balances		
Cash balance on Hand	5,789,417	2,264,990
Balances with Scheduled Banks		
In Current Accounts	11,338,703	8,515,579
In Margin Money Accounts	22,566,536	21,733,860
In Un Claimed Dividend Accounts	1,306,030	1,562,949
TOTAL	41,000,686	34,077,378
Sundry Debtors		
(Unsecured, considered good)		
Debts due over Six Months	18,555,355	29,141,329
Others debts	211,521,880	60,185,883
TOTAL	230,077,235	89,327,212
b) Loans & Advances		
(Unsecured, considered good recoverable in cash or in kind or for value to be received)		
Advance for Purchases	3,081,316	6,105,844
Advances to Other body corporates	3,088,145	3,071,998
Staff Advances	3,775,141	2,469,071
Other Advances	8,045,382	6,991,508
Recoverable from Govt. Authorities (DEPB)	47,267,820	87,424,945
Advance Tax	21,812,498	18,562,233
Deposits	25,180,397	9,320,668
TOTAL	112,250,699	133,946,267

Schedules forming part of Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Total outstanding dues of micro and small enterprises	-	-
Due to Others	101,495,551	77,345,889
Creditors for Expenses	31,063,235	15,458,802
Unclaimed Dividend	1,306,030	1,562,949
Trade Deposit from Customers	37,811,384	15,868,176
TOTAL - A	171,676,200	110,235,816
Provisions		
Provision for Income Tax	23,729,498	14,686,054
Provision for Retirement benefits	13,791,477	11,154,415
Provision for Dividend & Dividend Tax	9,297,800	-
TOTAL - B	46,818,775	25,840,469
TOTAL - (A + B)	218,494,975	136,076,285

Schedules forming part of Profit & Loss Account for the year ended on 31st March, 2011

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 9 : Operating Income		
Domestic Sales	1,334,440,938	529,048,420
Export Sales	644,351,238	365,610,202
Electricity Sales (Wind Mills)	17,363,362	20,739,571
Export Incentives	81,332,656	46,212,000
	2,077,488,194	961,610,193
SCHEDULE 10 : OTHER INCOME		
Interest on Deposits (Gross) (T.D.S Current Year Rs.250,079 Previous year Rs.293,213)	2,963,639	5,886,975
Anti Dumping Duty Refund Received	240,061	28,413,558
Income from Investments: - Dividend from other investments	16,854,858	16,708,630
Gain on Exchange Fluctuations	12,127,082	7,967,451
Miscellaneous Income	7,292,197	1,672,352
	39,477,837	60,648,966
SCHEDULE 11 : MATERIAL COST		
a) Raw Materials Consumed	1,716,074,385	775,406,826
b) Packing Materials Consumed	41,935,646	19,459,149
Total Consumption (a + b)	1,758,010,031	794,865,975
c) Increase in Stocks		
Opening Stock		
Work in Process	7,264,077	16,080,445
Finished Goods	92,153,544	73,332,669
Closing Stock		
Work in Process	5,732,931	7,264,077
Finished Goods	187,840,405	92,153,544
Increase in Stocks	(94,155,715)	(10,004,506)
Total Material Cost (a + b - c)	1,663,854,316	784,861,469

Schedules forming part of Profit & Loss Account for the year ended on 31st March, 2011

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 12 : PERSONNEL COST		
Salaries, Wages & Bonus	49,722,543	37,177,165
Contribution to P F and Other Funds	8,518,966	8,065,388
Staff Welfare Expenses	1,451,943	1,173,589
	59,693,452	46,416,142
SCHEDULE 13 :MANUFACTURING & OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Power & Fuel	69,889,446	37,052,624
Consumable Stores	24,353,403	10,279,154
Manufacturing Expenses	17,790,626	10,026,576
Factory Maintenance	1,175,138	1,444,039
Wind Mill Maintenance	2,508,475	2,353,275
Repairs & Maintenance - Buildings	431,707	927,247
Repairs & Maintenance - Machinery	2,029,941	2,487,660
Repairs & Maintenance - Others	1,514,160	1,809,580
<u>Administrative Expenses:</u>		
Rent	1,018,075	819,211
Electricity Charges	300,693	228,107
Rates & Taxes	1,861,352	1,141,543
Service Tax	554,283	333,176
Insurance	5,670,174	6,879,887
Travelling & Conveyance	12,123,290	6,914,511
Vehicle Maintenance	2,219,643	2,295,592
Communication Expenses	2,479,606	2,035,229
Printing & Stationery	817,868	682,642
Directors' Sitting Fee	26,000	22,000
Auditors Remuneration		
As Auditors	551,500	330,900
Tax Matters	110,300	110,300
Reimbursement of Expenses	93,283	80,801

Schedules forming part of Profit & Loss Account for the year ended on 31st March, 2011

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
Remuneration to Directors	7,736,560	7,252,016
Repairs & Maintenance		
Buildings	45,866	147,389
Others	433,761	261,818
Professional Charges	2,759,745	3,071,372
General Expenses	4,752,863	4,369,115
Loss on sale of Fixed Assets	89,819	362,887
Loss on Sale of DEPB	1,602,016	1,598,120
Donation	30,000	12,600
<u>Selling Expenses:</u>		
Advertisement	422,588	762,163
Carriage Outward	13,301,749	8,746,729
Ocean Freight & Export Expenses	22,569,804	13,384,853
Marketing Expenses	20,619,994	6,093,157
Royalty	5,590,691	1,071,037
Cash Discount	39,317,162	16,606,867
Bad Debts Written Off	768,163	2,640,320
Dubtfull Debts	2,000,000	—
	269,559,744	154,634,497
SCHEDULE 14 : FINANCE CHARGES		
Interest		
On Fixed Loans	6,863,662	11,240,792
On Other Loans	27,399,502	14,846,208
Bank Charges	9,658,986	5,186,802
	43,922,150	31,273,802

SCHEDULE – 15 - NOTES FORMING PART OF ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES and NOTES TO ACCOUNTS

1. Significant Accounting Policies

a. Basis of Accounting

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the accounting standards notified under Section 211(3C) of the Companies Act, 1956 of India (the Act) and the relevant provisions of the Act.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported value of assets and liabilities on the date of the financial statements and reported amount of revenue and expenditure for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c. Revenue Recognition

Revenue from sales is recognised on dispatch to customers and is recorded net of trade discount and returns.

d. Fixed Assets

All the Fixed Assets are stated at cost reducing depreciation, wherever applicable. Cost comprises the purchase price and any other attributable costs of bringing the assets to its working condition for its intended use.

e. Assets taken on Hire Purchase

Assets taken on Hire Purchase arrangements are accounted for as fixed assets in accordance with Accounting Standard 19 'Accounting for Leases' issued by the Institute of Chartered Accountants of India.

f. Depreciation

Depreciation is provided on straight line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Wind mills are considered as continues process plants and depreciation is provided accordingly on straight line basis.

g. Investments

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature.

Investments other than Long Term Investments are stated at cost or market value whichever is less. Any increase/reduction in the carrying cost is credited/charged to the profit and loss account.

h. Inventories

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

I. Retirement Benefits

- a) All employees of the company are entitled to retirement benefits of Provident Fund and Gratuity.
- b) Gratuity liability to employees is covered by the Group Gratuity Scheme of SBI Life and provision is made on the basis of actuarial valuation carried out by SBI Life at the Balance Sheet date and charged to Profit & Loss Account.
- c) Contributions to the Provident Fund are accounted for at the prescribed rates every month on accrual basis.
- d) Superannuation Policy taken from Life Insurance Corporation of India covers the pension of the Senior Executives as decided by the Company.
- e) Leave Encashment Scheme of SBI Life covers accrued Leave Encashment liability to employees and provision is made on the basis of actuarial valuation carried out by SBI Life at the Balance Sheet date and charged to Profit & Loss Account.

j. Foreign Currency Transactions / Exchange Fluctuations:

1. Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.
2. Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
3. In case of monetary items, which are covered by forward exchange contracts, the difference between the exchange rate on the date of such contracts and the year-end rate is recognized in the Profit and Loss Account. Any profit/loss arising on cancellation of forward exchange contract is recognized as Income or Expense of the year. Premium/Discount arising on such forward exchange contracts is amortized as Income/Expense over the life of contract.

k. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition of a fixed asset are capitalized as part of the cost of the asset till the date the asset is ready for commercial use.

Other borrowing costs are treated as an expense in the period in which they are incurred.

l. Taxation:

The current charge for taxes is calculated in accordance with relevant tax regulations applicable to the company.

The deferred tax for the timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been subsequently enacted as of the balance sheet date.

Deferred Tax Assets arising from timing differences are recognised and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date.

m. Earnings per Share

The basic and diluted earnings per share are computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

n. Intangible Assets

Technical know how fee paid for manufacturing process and purchase of brand name were treated as intangible assets as per AS 26 issued by the Institute of Chartered Accountants of India and written off over 5 years.

o. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

p. Provisions and Contingent Liabilities

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation of a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

q. Government Grants

The subsidies received from the government authorities are reduced from the cost of the respective assets in the year of receipt.

II NOTES TO ACCOUNTS

1. Contingent liabilities not provided for

Particulars	As on 31.03.2011 Rs. in Lacs	As on 31.03.2010 Rs. in Lacs
On Account of Bank Guarantees	826.02	1120.32
On account of Inland Letters of Credit	22.69	--
On account of Foreign Letters of Credit	235.90	500.64
Service Tax Demand	8.26	8.26
MPVAT demand for soya transactions in 2005-06	29.22	29.22

2. Capital commitments not provided for on account of pending execution (net of advance) – Rs. NIL (Previous Year Rs. NIL).

3.
 - a) Working Capital Loans from SBI, Industrial Finance Branch, Hyderabad is secured by the hypothecation of stocks of raw materials, finished goods, work-in-process, receivables and first charge on fixed assets of the company and guaranteed by Managing Director of the company in his personal capacity.
 - b) The term loan of Rs. 1020.00 lacs was taken from SBI, Industrial Finance Branch, Hyderabad for the purpose of finance of windmills for power generation is obtained by first charge on the fixed assets of the company covering plant and machinery and other immovable assets both present and future and a second charge on all the current assets of the company and guaranteed by Managing Director of the company in his personal capacity. During the year an amount of Rs. 182.49 lacs was repaid. An amount of Rs. 146.00 lacs is payable with in next 12 months period.
 - c) Vehicle loans availed from ICICI Bank Ltd., Magma Finance and Tata Capital Limited are secured by hypothecation of vehicles.
4. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
5. Un-claimed dividend pertinent to the year 2002-03 amounting to Rs. 2,52,995/- was credited to the Investor Education and Protection Fund during the year.
6. Managerial remuneration:

Computation of Net Profit in accordance with Sec.349 of the Companies Act, 1956

Particulars	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Profit before tax	51,113,953	(22,753,712)
Add : Loss on sale of Fixed Assets	89,819	362,887
Managerial Remuneration	8,211,760	7,685,816
Provision for Doubtful debts		
Total	59,415,532	(14,705,009)
Less : Profit on sale of Assets	-	-
Profit on sale of Investments	-	-
Total	-	-
Net Profit in accordance as per Sec.309 (5)	59,641,135	(14,705,009)
Maximum Remuneration to Managing Director & Joint Managing Director as per Section 309 @ 10%	5,941,553	-

Details of amounts paid/payable to Managing Director and Whole Time Directors:

Particulars	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Salary	6,953,646	6,477,000
PF Contribution	475,200	433,800
Perquisites	177,664	160,766
Contribution to Super Annuation Scheme	605,250	614,250
Total	8,211,760	7,685,816

Due to the inadequacy of Profits, the company has paid remuneration in accordance with the provisions of Table B of Part II of Schedule XIII of the Companies act, 1956.

The above remuneration excludes provision for gratuity, since the liability is determined for all the employees on an independent actuarial valuation basis. The specific amount of gratuity of directors cannot be ascertained separately.

7. Employee Benefits:

The company has classified the various benefits prescribed to employees as under:

I Defined Contribution Plans:

- a) Provident Fund
- b) State Defined contribution plans
 - Employers contribution to Employee's Pension Scheme 1995.
 - Employers contribution to Employees State Insurance

During the year the company has recognized the following amounts in the Profit and Loss Account:

- Employer's Contribution to Provident Fund Rs. 3,419,907/-
- Employers contribution to Employees State Insurance Rs.6,99,442/-

II. Defined benefit plans:

Provision for Gratuity and Leave Encashment has been provided in accordance with AS-15. Actuarial valuation was performed in respect of the Gratuity and Leave Encashment based on the following assumptions:

All actuarial gains and losses arising during the year are recognized in the Profit & Loss Account for the year.

The following table sets out the status of the leave encashment and gratuity plans as required under AS-15(Revised)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Opening defined benefit obligation	11,417,142	9,542,216
Current services cost	1,079,481	1,859,901
Interest cost	885,872	720,212
Actuarial losses/ (gain)	1,096,460	373,930
Benefits paid	687,478	1,079,111
Closing defined benefit obligation	13,791,477	11,417,142
Change in the fair value of assets		
Opening fair value of plan assets	6,033,028	5,714,340
Expected return on plan assets	2,569,159	449,869
Actuarial gains/ (losses)	3,096,392	50,766
Contributions by employer	996,550	897,170
Benefits paid	687,478	1,079,117
Closing fair value of plan assets	6,869,333	6,033,028
Amount recognized in Balance Sheet		
Present Value of Funded Obligations	13,791,477	11,417,142
Fair Value of Plan Assets	6,869,333	6,033,028
Net Liability	6,922,144	5,384,114
Amounts in the balance sheet		
Provisions for gratuity & leave encashment	13,791,477	11,154,415
Net liability / (asset)	7,615,799	5,764,914
Expense recognized in statement of Profit & Loss Account		
Current services cost	1,079,481	1,859,901
Interest on Defined Benefit Obligation	885,872	720,212
Expected return on plan assets	2,569,159	449,868
Net actuarial losses / (gains) recognized in year	1,999,932	323,164
Amount, included in "Employee Benefit Expense"	2,534,580	2,453,048
Actual return on plan assets	527,233	500,635
Summary of Actuarial Assumptions		
Financial assumptions at the valuation date:		
Discount Rate	8%	8%
Expected Rate of Return on Plan Assets	8%	8%
Salary Escalation Rate	5%	5%

III. Other Benefit Plans:

The Liability for leave encashment as at the year end is Rs.63,93,635/-

8. Segmental information

I. Primary Segment

The Company's business is organized into three main business segments mainly Shrimp Feed, Shrimp Exports and Wind Mills. Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organization structure, and the internal financial reporting system.

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

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

Segment Revenue & Results

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

Segment Assets and Liabilities

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

II. Secondary Segment:

Geographical Segment

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

(Amount in Lacs)

Name of the Country	Revenue		Location of Assets		Additions to Fixed Assets	
	As on 31.03.11	As on 31.03.10	As on 31.03.11	As on 31.03.10	As on 31.03.11	As on 31.03.10
India	13,518.05	5,497.88	13,454.52	11,303.10	182.53	79.28
U S A	5,193.37	1,966.46	709.15	155.41	-	-
Rest of World	1,250.14	1,689.64	335.02	104.61	-	-
Total	19,961.56	9,153.98	14,498.69	11,563.12	182.53	79.28

INFORMATION PURSUANT TO AS - 17 ISSUED BY ICAI

Rs. in Lacs

	Shrimp Feed		Shrimp Processing		Wind Mills		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue										
External Sales	13307.77	5275.13	7293.47	4133.57	173.63	207.40	0.00	0.00	20774.87	9616.09
Inter-segment sales	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	13307.77	5275.13	7293.47	4133.57	173.63	207.40	0.00	0.00	20774.87	9616.09
Segment Result										
Operating Profit	444.04	(407.15)	40.42	(220.74)	71.12	106.60	0.00	0.00	555.58	(521.28)
Other Income	108.13	71.70	98.40	353.59	0.00	0.00	188.25	181.20	394.78	606.49
Interest Expense	243.75	165.79	144.83	91.89	50.64	55.05	0.00	0.00	439.22	312.74
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income Tax										
- Current Tax & PY Taxes	0.00	0.00	0.00	0.00	0.00	0.00	69.67	0.00	70.43	0.00
- Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	98.41	(108.02)	98.91	(108.02)
Net Profit	304.68	(501.24)	(6.01)	40.96	20.48	51.55	20.17	289.21	341.80	(119.52)
	As on	As on	As on	As on	As on	As on	As on	As on	As on	As on
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Other Information										
Segment Assets	5153.64	4517.54	3366.71	1764.69	1087.44	1183.79	4890.90	4097.11	14498.69	11563.12
Segment Liabilities	3754.45	3149.95	1821.87	595.73	290.03	476.60	1507.49	464.81	7373.84	4687.09
Capital Employed	1399.19	1367.59	1544.84	1168.96	797.41	707.18	3383.41	3632.30	7124.85	6876.04
Capital Expenditure	67.12	19.91	50.96	51.79	0.00	0.00	64.46	7.57	182.54	79.27
Depreciation	129.22	123.75	71.81	66.52	76.12	76.12	11.07	11.88	288.22	278.27

9. Related Parties

Name of the related parties and description of their relationship:

1. Subsidiary : Svimsan Exports & Imports Limited
: Avanti Thai Aqua Feeds Private Limited
2. Key Managerial Personnel : Sri A. Indra Kumar, Managing Director
: Sri C. Ramachandra Rao, Joint Managing Director
3. Associate Companies : Srinivasa Cystine Private Limited
: SCL Trading Private Limited
: Srivathsa Power Projects Limited
: Patikari Power Private Limited
: Bounty Hatcheries Private Limited
4. Companies over which Significant Influence is exercised :
: Rama Sea Foods Private Limited
: Avanti Thai Bio Proteins Private Limited
: Sanjeeva Agro Vat Private Limited

Transactions with the related parties:

(Amount in Lacs)

Particulars	Subsidiaries		Key Management Personnel		Associate Companies		Companies over which significant influence is exercised	
	As on 31.03.11	As on 31.03.10	As on 31.03.11	As on 31.03.10	As on 31.03.11	As on 31.03.10	As on 31.03.11	As on 31.03.10
Sale of Fixed Assets	5.87	-	-	-	-	-	-	0.00
Investment	499.48	100.00	-	-	2735.06	3119.54	-	-
Interest Paid	-	-	-	-	32.55	0.00	3.08	0.00
Remuneration	-	-	82.12	76.86	9.00	9.00	-	0.00
Interest received	-	-	-	-	-	-	-	-

10. The Hire Purchase Loans of Rs.121.85 Lacs are secured by the hypothecation of respective Vehicles.

The Company has entered into any financial lease contracts during the year. The Fixed Assets includes 'Vehicles' which were acquired under Hire Purchase arrangements and are in the nature of Finance Lease as defined in AS 19. The total carrying cost of the same and the installments payable in future and the finance charges debited to the profit and loss account are as under:

- i) Carrying Cost as on 31st March, 2011 is Rs.96,42,152/- (previous year Rs.42,15,273/-)
- ii) Amount debited to the profit & loss account during the year is Rs.571,087/- (previous year Rs. 65,969/-)
- iii) Future Installment Payable & Present Value

(Rupees)

Particulars	Not Larthan One Year		Later than 1 Year not Later Than 5 years		Later than 5 Years	
	As on 31st March 2011	As on 31st March 2010	As on 31st March 2011	As on 31st March 2010	As on 31st March 2011	As on 31st March 2010
Minimum Installment Payable	3,569,316	1,466,700	4,548,131	2,748,573	Nil	Nil
Present Value of Installment Payable	3,359,619	1,389,698	3,605,453	2,336,287	Nil	Nil

11. Earnings Per Share

Particulars	For the Year ended 31.03.2011 Rs.	For the Year ended 31.03.2010 Rs.
Net(Loss) / Profit for the year	34,179,643	(11,952,110)
Weighted Average number of Equity Shares Outstanding during the year	8,000,000	8,000,000
Basic & diluted earnings per share Face Value Rs. 10/- each	4.27	(1.49)

12. Deferred Tax Assets/Liabilities:

Deferred Tax Assets	2010-11 Rs.	2009-10 Rs.
Carry Forward Losses	15,537,000	36,466,338
Minimum Alternate Tax	13,026,582	7,516,764
Disallowances U/s 40(3b)	33,76,432	-
TOTAL	31,940,014	4,39,83,102
Deferred Tax Liabilities		
Difference between book and tax depreciation	18,764,307	20,916,529
TOTAL	18,764,307	20,916,529
NET DEFERRED TAX ASSET / (LIABILITY)	13,175,707	2,30,66,573

Wind Power division of the company enjoys 100% tax benefit for a period of 10 years under Section 80IA of the Income Tax Act, 1961. Therefore, amount of depreciation which will be adjusted during the initial period of 10 years aggregating to Rs.1109.56 lacs is not considered for providing the deferred tax liability.

Quantitative Details :

Sl. No.	Particulars	2010-11 (MT/PA)	2009-10 (MT/PA)
a)	Installed Capacity		
	Feed Division	42,000.00	42,000.00
	Processing Division	2,720.00	2,720.00
	Wheat Flour – Captive Consumption	10,000.00	10,000.00
	Shrimp Shell Meal–Captive Consumption	720.00	720.00
	Power from wind mills	3.2 MW	3.2 MW
b)	Actual Capacity Utilization		
	Feed Division		
	Shrimp Feed	27,033.38	10,390.70
	Fish Feed	10,097.80	5,538.55
	Processing Division	1,449.90	963.99
	Wheat Flour (for Captive Consumption)	12,801.05	3,993.43
	Power from wind mills (units in thousands)	5,188.27	6,207.53
c)	Opening Stock of Finished Goods		
	Shrimp Feed	145.80	229.78
	Fish Feed	39.65	9.85
	Wheat Flour	114.63	45.84
	Shrimps	197.27	172.00
d)	Closing Stock of Finished Goods		
	Shrimp Feed	537.45	145.80
	Fish Feed	70.50	39.65
	Wheat Flour	159.22	114.63
	Shrimps	320.17	197.27

Sl. No.	Particulars	2010-11		2009-10	
		Quantity (MT)	Value (Rs.in Lacs)	Quantity (MT)	Value (Rs.in Lacs)
e)	Turnover				
	Shrimp Feed	26,641.73	11,680.64	10,474.68	4,435.54
	Fish Feed	10,066.95	1,610.76	5,508.75	827.55
	Shrimp Exports				
	Direct	1,327.00	6,443.51	935.92	3,656.10
	Export Incentives	----	813.33	—	462.12
	Shrimp Local Sales	9.06	36.63	2.79	15.36
	Bran	162.89	16.38	131.52	12.03
	Power from wind mills (units in thousands)	5,111.01	173.63	6,103.63	207.40
	Total		20,774.88		9,616.10
f)	Consumption of Raw Materials				
	Fish Meal	7,883.26	4,404.66	3,351.49	1,651.01
	Wheat	12,860.21	1,843.63	5,111.30	692.13
	Other Materials	16,542.33	4,042.26	7,906.89	1,790.98
	Shrimp(Processed)–Direct	2,224.28	6,870.19	1,471.92	3,619.95
	Total	39,510.08	17,160.74	17,841.60	7,754.07

Sl. No.	Particulars	2010-11		2009-10	
		Value (Rs.in Lacs)	% age	Value (Rs.in Lacs)	% age
i)	Value of Imported and Indigenous Raw Materials consumed and their percentage to total				
	Imported	1,493.18	8.70%	1,250.11	16.12%
	Indigenous	15,667.56	91.30%	6,503.96	83.88%
	Total	17,160.74	100.00%	7,754.07	100.00%
ii)	Value of Imported and Indigenous packing and Stores consumed and their percentage to total				
	Imported	72.61	10.95%	33.47	11.25%
	Indigenous	590.28	89.05%	263.91	88.75%
	Total	662.89	100.00%	297.38	100.00%

Sl. No.		2010-11 Rs. in Lacs	2009-10 Rs. in Lacs
g)	Value of imports made by the company during the financial year calculated on CIF basis in respect of Capital Goods	—	---
	Spares & Consumables	72.62	9.09
	Raw Materials	1,504.15	777.81
h)	Earnings in foreign exchange Exports on FOB basis	6,275.17	3,556.05
l)	Expenditure in foreign currency on account of Traveling	20.35	10.60
	Royalty	55.91	7.24

14. Other particulars as required under part II of schedule VI is either 'NIL' or 'NOT APPLICABLE' in case of this company.
15. Previous year figures have been regrouped / reclassified wherever considered necessary to conform to this year's classification.

16. Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration No. State Code
 Balance Sheet
 Date Month Year

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Preferential Allot.
 Bonus Issue Private Placement

III Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Deferred Tax Asset

IV Performance of the Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Profit before Tax Profit after Tax
 Earning per Share in Rs. . Dividend Rate %

**V Generic Name of Three Principal Products / Services of the Company
(As per monetary terms)**

Item Code No. (ITC Code)
 Product Description

Signature to Schedules '1' to '15'
As per our Report of even date

for and on behalf of the Board

For Karvy&Co.
Chartered Accountants

A.Indra Kumar
Managing Director

K.Ajay Kumar
Partner

C.Ramachandra Rao
Joint Managing Director & Company Secretary

N.Ram Prasad
Director

Place: Hyderabad
Date: 21.05.2011

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

	Svimsan Exports & Imports Limited	Avanti Thai Aqua Feeds Private Limited
1. Name of the Subsidiary Company	Svimsan Exports & Imports Limited	Avanti Thai Aqua Feeds Private Limited
2. Financial year of the subsidiary ended on	31st March, 2011	31st March, 2011
3. Holding Company's Interest	100%	51%
4. The net aggregate amount of the subsidiary's profits after deducting losses or vice versa so far as it concern members of the holding company and is not dealt with in the Company's accounts:		
a) Profit/(Loss) for the current financial year and	(19,453/-)	605,317/-
b) Profit/(Loss) for the previous financial years since it became the holding company's subsidiary	(1,86,46,900/-)	783,428/-
5. The net aggregate amount of the subsidiary profit after deducting losses or vice versa so far as those profits are dealt with in the company's accounts :		
a) for the current financial year and	NIL	1,187,827/-
b) for the previous financial year since it became the holding company's subsidiary	NIL	1,566,856/-
6. Changes in the interest of the Company between the end of last financial year and 31st March, 2011	–	Holding increased by 1% from 50% in the previous year to 51% in the current year.
7. Material changes between the end of the last financial year and 31st March, 2011	–	<ul style="list-style-type: none"> i) Increase in fixed assets Rs.4.62 lacs ii) Increase in capital work in progress Rs.1017.96 lacs iii) Increase in pre-operative expenses pending capitalization Rs.87.23 lacs iv) Term Loan availed Rs.374.71 lacs v) Creditors for capital works Rs.43.83 lacs

For and on behalf of the Board

Place: Hyderabad
Date :21.05.2011**A. INDRA KUMAR**
Managing Director

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors,

M/s. AVANTI FEEDS LIMITED

1. We have examined the attached consolidated Balance Sheet of AVANTI FEEDS LIMITED and its subsidiary ("the Group") as at 31st March, 2011, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date and annexed thereto. These consolidated financial statements are the responsibility of the management of AVANTI FEEDS LIMITED. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements', notified under the Companies (Accounting Standards) Rules, 2006 ("the rules") and on the basis of the separate audited financial statements of AVANTI FEEDS LIMITED and its subsidiary.
4. On the basis of the foregoing and the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of AVANTI FEEDS LIMITED and its subsidiary, we are of the opinion that, the consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31st March, 2011,
 - b) In the case of the consolidated profit and loss account of the consolidated results of operations of the Group for the year ended on that date,and
 - c) In the case of the cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

for **KARVY & CO**
Chartered Accountants
(Registration No.001757S)

(K.AJAY KUMAR)
PARTNER
M.No.21989

Place : Hyderabad
Date : 21.05.2011

Consolidated Balance Sheet as at 31st March, 2011

	Schedule No.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS			
Shareholders funds			
Share Capital	1	80,000,000	80,000,000
Reserves & Surplus	2	615,207,271	588,956,136
Minority Interest		39,813,938	—
Loan Funds			
Secured Loans	3	472,631,654	258,293,622
Unsecured Loans	4	92,469,644	83,000,268
		1,300,122,507	1,010,250,026
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	592,829,577	576,454,977
Less : Depreciation		324,969,514	297,903,850
Net Block		267,860,063	278,551,127
Capital Work In Progress	6	101,795,642	—
Pre-operative Expenditure		9,303,177	—
Investments	7	344,881,790	313,306,400
Deferred Tax Asset		13,087,407	23,066,573
Current Assets, Loans & Advances	8		
Interest Accrued		1,802,086	1,288,435
Inventories		390,500,921	272,748,568
Cash & Bank Balances		45,565,479	34,210,472
Sundry Debtors		230,077,235	89,327,212
Loans & Advances		118,687,225	134,105,845
		786,632,946	531,680,532
Less : Current Liabilities & Provisions	9	224,054,683	136,354,606
Net Current Assets		562,578,263	395,325,926
Miscellaneous Expenditure (Preliminary expenditure to the extent not written off or adjusted)		616,165	—
		1,300,122,507	1,010,250,026

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

C. Ramachandra Rao
Jt. Managing Director & Company Secretary

For and on behalf of the Board

A. Indra Kumar
Managing Director

N. Ram Prasad
Director

Consolidated Profit & Loss Account for the year ended 31st March, 2011

	Schedule No.	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
INCOME			
Operating Income	10	2,077,488,194	961,610,193
Other Income	11	41,420,408	60,661,366
		2,118,908,602	1,022,271,559
EXPENDITURE			
Material Cost	12	1,663,854,316	784,861,469
Personnel Cost	13	61,672,313	46,416,142
Manufacturing & Other Expenses	14	274,195,539	154,737,816
Finance Charges	15	45,964,603	31,276,933
Depreciation		28,973,979	27,826,961
		2,074,660,750	1,045,119,321
Profit /(Loss) before Tax		44,247,852	(22,847,762)
Transferred to Pre-operative Expenses	16	8,723,028	
Current Tax		7,643,699	-
Deferred Tax Charge /(Release)		9,979,166	(10,801,602)
Profit after Tax		35,348,015	(12,046,160)
Profit brought forward from Previous Year		151,193,331	161,672,633
Minority Interest		1,365,938	
Profit available for appropriation		185,175,408	149,626,473
APPROPRIATIONS			
Proposed Dividend		8,000,000	-
Provision for Corporate Dividend Tax		1,297,800	-
Transfer to General Reserve		3,000,000	-
Surplus carried to Balance Sheet		172,877,608	149,626,473
TOTAL		185,175,408	149,626,473
Basic & Diluted earnings per share face value of Rs.10/- each		4.42	(1.51)

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

For and on behalf of the Board

A.Indra Kumar
Managing Director

N.Ram Prasad
Director

C.Ramachandra Rao
Jt. Managing Director & Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2011

	31st March, 2011 Rs.	31st March, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	52,970,881	(22,847,762)
Adjustment for		
Depreciation	28,973,978	27,826,961
Loss on sale of Fixed Assets	89,819	362,887
Gain on exchange fluctuations & forward contracts	(12,127,082)	(7,967,451)
Interest Paid	45,757,565	31,276,933
Interest Received	(4,899,055)	(5,886,975)
Dividend Received on Investments	(16,854,858)	(16,708,630)
Operating Profit before Working Capital Changes	93,911,248	6,055,962
Adjustment for		
Trade and Other Receivables	(123,247,061)	74,670,712
Inventories	(117,752,353)	(68,916,189)
Trade Payable	77,504,072	27,436,226
Cash generated from Operations	(69,584,094)	39,246,711
Income Tax Paid	(7,643,699)	-
Net Cash flow from Operating activities	(77,227,793)	39,246,711
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment (Net)	(70,023,390)	(38,322,253)
Dividend Received on Investments	16,854,858	16,708,630
Interest Received	4,899,055	5,886,975
Purchase of Fixed Assets	(18,867,000)	(7,927,523)
Capital working - In Progress	(101,795,642)	
Pre Operative Expenses	(8,723,027)	
Sale of Fixed Assets	1,660,708	1,731,500
Net Cash used in Investing activities	(175,994,438)	(21,922,671)

	31st March, 2011 Rs.	31st March, 2010 Rs.
C. CASH FLOW FROM FINANCE ACTIVITIES		
Repayment of Borrowings	(62,693,442)	(55,394,444)
Proceeds from Borrowings	286,420,981	5,498,470
Interest Paid	(45,757,565)	(31,276,932)
Profit on exchange fluctuations & forward contracts	12,127,082	7,967,451
Net Cash generated in Financing Activities	190,097,056	(73,205,455)
Net Increase/Decrease in Cash and Cash Equivalents	(63,125,175)	(55,881,415)
Cash and Cash Equivalents (Opening Balance)	108,690,654	90,091,887
Cash and Cash Equivalents (Closing Balance)	45,565,479	34,210,472

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

C.Ramachandra Rao
Jt. Managing Director & Company Secretary

For and on behalf of the Board

A.Indra Kumar
Managing Director

N.Ram Prasad
Director

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised 80,00,000 Equity Shares of Rs.10/- each	80,000,000	80,000,000
Issued, Subscribed and Paid-Up : 80,00,000 Equity Shares of Rs.10/- each fully paid-up	80,000,000	80,000,000
Total	80,000,000	80,000,000
SCHEDULE 2 : RESERVES & SURPLUS		
Subsidies	12,960,401	12,960,401
Share Premium	43,800,000	43,800,000
General Reserve		
Opening Balance	382,569,262	
	3,000,000	
Add: Additions during the year	385,569,262	382,569,262
Surplus in Profit & Loss Account	172,877,608	149,626,473
Total	615,207,271	588,956,136
SCHEDULE 3 : SECURED LOANS		
Loans and advances from Banks		
Term Loans	66,471,051	91,693,442
From SBI - Working Capital Loans	396,518,451	162,384,907
Vehicle Loans	9,642,152	4,215,273
Total	472,631,654	258,293,622
SCHEDULE 4 : UNSECURED LOANS		
Sales Tax Deferment Loan	58,962,295	58,962,295
From Others	33,507,349	24,037,973
Total	92,469,644	83,000,268

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011
SCHEDULE 5 : FIXED ASSETS

Rupees

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2010	Additions	Deletions	Total Cost as on 31.03.2011	Upto 31.03.2010	For the year	On Deletions/ Adjustments	Total upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
Pre hold Land	13,261,104	-	-	13,261,104	-	-	-	-	13,261,104	13,261,104
Buildings	84,580,651	704,779	-	85,285,430	23,798,468	2,127,854	-	25,926,322	59,359,108	60,782,182
Plant & Machinery	438,193,361	4,155,264	1,364,354	440,984,271	248,763,929	23,564,953	777,486	271,551,396	169,432,875	189,429,431
Office Equipment :	12,143,412	2,405,553	137,700	14,411,265	10,189,743	191,724	117,863	10,263,604	4,147,661	1,953,669
Furniture & Fixtures	3,877,711	94,887	-	3,972,598	2,267,115	208,984	-	2,476,099	1,496,499	1,610,596
Vehicles	25,565,482	11,506,516	2,157,089	34,914,909	12,884,899	2,880,464	1,013,270	14,752,093	20,162,816	12,680,583
Total	577,621,721	18,866,999	3,659,143	592,829,577	297,904,154	28,973,979	1,908,619	324,969,514	267,860,063	279,717,565
Previous Year Figures	575,288,438	7,927,523	6,760,984	576,454,977	274,743,486	27,826,961	4,666,597	297,903,850	278,551,127	300,544,952

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE - 6 : CAPITAL WORK IN PROGRESS		
Plant and Machinery - Imported	21,577,574	-
Plant and Machinery - Indigenous		
Generators	391,565	-
MT Boiler	508,065	-
Bucket Elevators	3,869,081	-
Compressor	466,901	-
Gearec Motors	1,155,360	-
Motors ABB	874,950	-
Transformers	674,210	-
Unbalance Vibratory Motors	506,053	-
Water Softener	131,040	-
Tools and Spares	58,675	-
Land & Buldings		
Factory buildings	60,351,232	-
Land and site Development	11,230,936	-
TOTAL	101,795,642	-
SCHEDULE 7 : INVESTMENTS		
a) Trade Investments - Unquoted		
 Long Term:		
Srivathsa Power Projects Limited (1,66,93,630 shares @ Rs.10/- each)	167,053,800	167,053,800
Patikari Power Private Limited (1,06,45,200 shares @ Rs.10/- each)	106,452,000	106,452,000
Avanti Thai Aqua Feeds Private Limited (3,844,800 shares @ Rs.10/- each)	—	38,448,000
b) Non-Trade Investments		
 Quoted - Equity Shares		
2,880 Equity Shares of Rs.130/- each in IDBI	54,000	54,000
5,000 Equity Shares of Rs.10/- each in Bluegold Maritech Ltd.	-	5,000
7,800 Equity Shares of Rs.10/- each in UCO Bank Limited	93,600	93,600
Mutual Fund with S.B.I.	70,028,390	-

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Unquoted - Equity Shares		
1,20,000 Equity Shares of Rs.10/- each in Bhimavaram Hospitals	1,200,000	1,200,000
Total	344,881,790	313,306,400
Quoted Investments		
Book Value	70,157,990	152,600
Market Value	71,274,026	771,900
Unquoted Investments		
Book Value	274,705,800	313,153,800
SCHEDULE 8 : CURRENT ASSETS, LOANS & ADVANCES		
A) Current Assets		
Interest Accrued	1,802,086	1,288,435
Inventories - At cost or Net Realisable Value as valued and certified by the Management)		
Stores & Spares	26,432,815	18,797,575
Raw Materials	164,611,680	152,637,075
Finished Goods	187,840,405	92,153,543
Packing Materials	1,772,344	1,123,873
Work-in-process	5,732,931	7,264,077
Stock in Transit	4,110,746	772,425
	390,500,921	272,748,568
Cash & Bank Balances		
Cash balance on Hand	7,365,234	2,306,527
Balances with Scheduled Banks		
In Current Accounts	14,327,679	8,607,136
In Lien Accounts	23,872,566	23,296,809
	45,565,479	34,210,472
Sundry Debtors (Unsecured, considered good)		
Debts due over Six Months	18,555,355	29,141,329
Others debts	211,521,880	60,185,883
	230,077,235	89,327,212

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
B) Loans & Advances (Unsecured, considered good recoverable in cash or in kind or for value to be received)		
Advance for Purchases	3,181,504	6,105,844
Advance for Capital Goods Purchase	2,379,811	-
Advance for Services for Capital Services	1,694,536	-
Other Advances	15,579,324	12,532,577
Recoverable from Govt. Authorities (DEPB)	47,267,820	87,424,945
Advance Tax	22,951,734	18,569,712
Deposits	25,632,496	9,472,767
	118,687,225	134,105,845
SCHEDULE 9 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Total outstanding dues of micro and small enterprises	-	-
Due to Others	101,495,551	77,345,889
Creditors for Expenses	31,668,974	15,729,644
Creditors for Capital Goods Supplied	1,766,365	-
Creditors for Capital Services Provided	1,859,171	-
Unclaimed Dividend	1,306,030	1,562,949
Trade Deposit from Customers	37,811,384	15,868,176
Total	175,907,475	110,506,658
Provisions		
Provision for Income Tax	25,057,931	14,693,533
Provision for Retirement benefits	13,791,477	11,154,415
Provision for Dividend & Dividend Tax	9,297,800	-
TOTAL - B	48,147,208	25,847,948
TOTAL - (A + B)	224,054,683	136,354,606

Schedules forming part of Consolidated Profit & Loss Account for the year ended 31st March, 2011

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 10 : OPERATING INCOME		
Domestic Sales	1,334,440,938	529,048,420
Export Sales	644,351,238	365,610,202
Electricity Sales (Wind Mills)	17,363,362	20,739,571
Export Incentives	81,332,656	46,212,000
	2,077,488,194	961,610,193
SCHEDULE 11 : OTHER INCOME		
Interest on Deposits (Gross) (T.D.S Current Year Rs.445,478 Previous year Rs.293,213)	4,899,055	5,886,975
Anti Dumping Duty Refund Received	240,061	28,413,558
Income from Investments: - Dividend from other investments	16,854,858	16,708,630
Gain on Exchange Fluctuations	12,127,082	7,967,451
Miscellaneous Income	7,299,352	1,684,752
	41,420,408	60,661,366
SCHEDULE 12 : MATERIAL COST		
a) Raw Materials Consumed	1,716,074,385	775,406,826
b) Packing Materials Consumed	41,935,646	19,459,149
Total Consumption (a + b)	1,758,010,031	794,865,975
c) Increase in Stocks		
Opening Stock		
Work in Process	7,264,077	16,080,445
Finished Goods	92,153,544	73,332,669
Closing Stock		
Work in Process	5,732,931	7,264,077
Finished Goods	187,840,405	92,153,543
Increase in Stocks	(94,155,716)	(10,004,506)
Total Material Cost (a + b - c)	1,663,854,316	784,861,469
SCHEDULE 13 : PERSONNEL COST		
Salaries, Wages & Bonus	51,524,633	37,177,165
Contirbution to P F and Other Funds	8,518,966	8,065,388
Staff Welfare Expenses	1,628,714	1,173,589
	61,672,313	46,416,142

Schedules forming part of Consolidated Profit & Loss Account for the year ended 31st March, 2011

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
SCHEDULE 14: MANUFACTURING & OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Power & Fuel	69,889,446	37,052,624
Consumable Stores	24,353,403	10,279,154
Manufacturing Expenses	17,790,626	10,026,576
Factory Maintenance	1,175,138	1,444,039
Wind Mill Maintenance	2,508,475	2,353,275
Repairs & Maintenance	3,975,808	5,224,487
<u>Administrative Expenses:</u>		
Rent	1,082,080	819,211
Electricity Charges	542,085	228,107
Rates & Taxes	2,093,282	1,145,133
Service Tax	554,283	333,176
Insurance	5,775,867	6,879,887
Travelling & Conveyance	13,320,883	6,914,511
Vehicle Maintenance	2,348,515	2,295,592
Communication Expenses	2,539,437	2,035,229
Printing & Stationery	872,606	682,642
Directors' Sitting Fee	26,000	22,000
Auditors Remuneration		
As Auditors	617,680	341,930
Tax Matters	110,300	110,300
Reimbursement of Expenses	93,283	80,801
Remuneration to Directors	7,736,560	7,252,016
Repairs & Maintenance		
Buildings	45,866	147,389
Others	433,761	261,818
Professional Charges	4,778,806	3,157,487
General Expenses	5,219,363	4,371,699
Loss on sale of Fixed Assets	89,819	362,887
Loss on Sale of DEPB	1,602,016	1,598,120
Donation	30,000	12,600

Schedules forming part of Consolidated Profit & Loss Account for the year ended 31st March, 2011

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
<u>Selling Expenses:</u>		
Advertisement	422,588	762,163
Carriage Outward	13,301,749	8,746,729
Ocean Freight & Export Expenses	22,569,804	13,384,853
Marketing Expenses	20,619,994	6,093,157
Royalty	5,590,691	1,071,037
Cash Discount	39,317,162	16,606,867
Bad Debts Written Off	768,163	2,640,320
Doubtfull Debts	2,000,000	–
	274,195,539	154,737,816
SCHEDULE 15 : FINANCE CHARGES		
Interest		
On Fixed Loans	7,423,711	11,240,792
On Other Loans	27,399,502	14,846,208
Bank Charges	11,141,390	5,189,933
	45,964,603	31,276,933
SCHEDULE 16 : PRE-OPERATIVE EXPENDITURE		
Personnel Cost	1,978,861	
Travelling Expenses & Conveyance	1,197,593	–
Legal & Professional charges	2,013,752	–
General Expenses	227,249	–
Electricity Charges	241,392	–
Office Maintenance	588,300	–
Depreciation	151,563	–
Rent	64,005	–
Rates & Taxes	217,860	–
Financing charges	2,042,453	–
TOTAL	8,723,028	–

SCHEDULE 17: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS**I. SIGNIFICANT ACCOUNTING POLICIES****Principles of consolidation**

- A. The consolidated financial statements relate to Avanti Feeds Limited and its subsidiary. They are prepared on the following basis:

The financial statements of the company and its subsidiary companies are combined on a line –by –line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions, resulting in unrealized profits or losses ,except wherever otherwise stated in accordance with accounting standard (AS)-21 –“Consolidated Financial Statements” notified under the Companies (Accounting Standards) Rules, 2006 (“the rules”).

- B. The difference between cost of investment in subsidiaries and company's share of net assets at the time of acquisition of share in the subsidiaries is recognized in financial statement as Goodwill or Capital Reserve as case may be.
- C. Minority interest in the net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separately from liabilities and equity of company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of:

- a) The amount of equity attributable to minority at the date on which investment in subsidiaries is made ; and
- b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- D. Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- E. The financial statements of subsidiaries and associates, used in the consolidation are drawn up to the same reporting date as that of the company i.e. 31st March, 2011 except for certain associate for which financial statements as on reporting date are not available.
- F. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as they are reflected in the company's financial statements.
- G. The consolidated financial statements include the accounts of Avanti Feeds Limited and its subsidiary companies as detailed here under:

Sl. No.	Name of the Subsidiary	Country of incorporation	Holding Company's interest	Financial Year of Subsidiary ended on
1	Svimsan Exports & Imports Limited	India	100%	31st March, 2011
2	Avanti Thai Aqua Feeds Private Limited.	India	51%	31st March, 2011

H. Other Significant Accounting Policies :

These are set out under significant accounting policies as given in the unconsolidated financial statements of the company and its subsidiary companies.

- I. Although the transactions of the subsidiary companies , which have been carried out with the holding company are negligible and insignificant, notes and schedules have been prepared.

As per our Report of even date
for **KARVY & CO**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 21.05.2011

For and on behalf of the Board

A.Indra Kumar
Managing Director

N.Ram Prasad
Director

C.Ramachandra Rao
Jt. Managing Director & Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details:

Registration No. State Code
 Balance Sheet
 Date Month Year

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue
 Preferential Allot.
 Bonus Issue
 Private Placement

III Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital
 Reserves & Surplus
 Secured Loans
 Unsecured Loans

Application of Funds

Net Fixed Assets
 Investments
 Deferred Tax Asset
 Net Current Assets

IV Performance of the Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Profit before Tax
 Profit after Tax
 Earning per Share in Rs.
 Dividend Rate %

V Generic Name of Three Principal Products / Services of the Company

(As per monetary terms)

Item Code No. (ITC Code)
 Product Description

Signature to Schedules '1' to '15'
 As per our Report of even date

for and on behalf of the Board

For Karvy & Co.
 Chartered Accountants

A. Indra Kumar
 Managing Director

K. Ajay Kumar
 Partner

C. Ramachandra Rao
 Joint Managing Director & Company Secretary

N. Ram Prasad
 Director

Place: Hyderabad

Date: 21.05.2011

Financial Information of Subsidiary Companies

S.No	Name of the Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Total Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation
1.	Avanti Thai Aqua Feeds Private Limited	INR	783.96	27.55	1187.10	1187.10	--	18.76	6.88	11.88
2	Svimsan Imports & Exports Limited	INR	100.00	(186.66)	230.10	230.10	--	--	--	-



Registered Office : G-2, Concorde Apartments,
6-3-658, Somajiguda, Hyderabad - 500 082.