

20th Annual Report 2012-2013



In the Business of quality prawn & fish feed and prawn exports



Shrimp Feed Plant located at Kovvur, West Godavari District, Andhra Pradesh



Shrimp Feed Plant located at Vemuluru, West Godavari District, Andhra Pradesh

BOARD OF DIRECTORS

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Joint Managing Director and Company Secretary

A.V. Achar

N. Ram Prasad

K. Ramamohana Rao

B.V. Kumar

Anita Rajendra, IAS, Nominee-APIDC

M.S.P. Rao

Bunluesak Sorajjakit

Wai Yat Paco Lee

AUDITORS

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

BANKERS

State Bank of India

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 Twentieth Annual General Meeting of the members of Avanti Feeds Limited will be held on Saturday, the 27th July, 2013 at 11.00 A.M. at Surana Udyog Hall, the Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2013 and Statement of Profit and Loss for the year ended 31st March, 2013 along with Auditors' Report and Directors' Report thereon.
2. To declare a dividend of Rs.6.50 per equity share of Rs.10/- each fully paid up for the year 2012-13.
3. To appoint a Director in place of Mr. M.S.P.Rao who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. K.Ramamohana Rao who retires by rotation and is eligible for re-appointment.
5. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

By Order of the Board
for Avanti Feeds Limited

Place: Hyderabad
Date:25.05.2013

A.INDRA KUMAR
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll 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 22nd July, 2013 to 27th July, 2013 (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 communications 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 2004-05 has been transferred to Investor Education and Protection Fund upon expiry of 7 years period and for the financial year ended 31st March, 2006 would be transferred to the IEPF. As such, Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 and / or subsequent years are requested to submit their claims to the Registrar and Transfer Agents of the Company without any delay.

By Order of the Board
for Avanti Feeds Limited

Place: Hyderabad
Date : 25.05.2013

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.

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have immense pleasure in presenting their Twentieth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2013. Your company has achieved highest ever turnover of Rs. 64,803.77 lacs and before tax profit of Rs. 4,414.81 lacs and profit after tax of Rs. 3,019.15 lacs for the year.

FINANCIAL PERFORMANCE:

(Rs. in Lacs)

	2012-13	2011-12
Profit/(Loss) before Interest, Depreciation & Tax	5,250.52	4,717.86
Interest	337.33	314.44
Depreciation	498.38	400.42
Profit/(Loss) before Tax	4,414.81	4003.00
Provision for Income Tax & Deferred Tax	1,395.66	1,195.98
Profit/(Loss) after Tax	3,019.15	2,807.02
Add: Balance brought forward from Previous year	3,749.94	1,929.10
Profit/(Loss) available for appropriation	6,769.09	4,736.12
APPROPRIATION:		
Proposed Dividend on equity shares	590.40	590.40
Corporate Dividend Tax	100.34	95.78
Transfer to General Reserve	350.00	300.00
Surplus carried to Balance Sheet	5,728.35	3,749.94
OPERATIONS :		
Income	65,061.82	39,676.76
Profit/(Loss) before Tax	4,414.81	4,003.00
FEED DIVISION :		
Production (MTs)		
Shrimp Feed	1,05,422	59,230
Fish Feed	402	3,589
Sales (MTs)		
Shrimp Feed	1,02,988	59,838
Fish Feed	405	3,647
PROCESSING DIVISION :		
Production (MTs)	2713	1,966
Export Sales :		
Direct (MTs)	2551	2,102

The profit for the year under consideration i.e. 2012-13, before depreciation, interest and tax is Rs. 5,250.52 lacs as compared to a profit of Rs.4,717.86 lacs in the previous financial year. The profit for the year after tax is Rs.3,019.15 lacs as against a profit of Rs.2,807.02 lacs during the previous financial year.

For the third consecutive year, there was an overall increase in the shrimp culture both in terms of water spread area and stocking density of shrimp culture mainly because of success of Vannamei shrimp culture many farmers converted from Black Tiger shrimp cultivation to Vannamei shrimp cultivation. Remunerative international prices for shrimps has also encouraged new farmers in taking up the shrimp cultivation. Your directors are glad to inform that your company's Shrimp Feed sales grew by 72%. Your Company's high quality of shrimp feed and technical support to the farmers by educating them with best culture practices has made our feed one of the most preferred by the farmers. The year 2012-13 ended with shrimp feed sales at 1,02,988 MT, an increase of 43,150 MT as compared to previous financial year .

The shrimp processing and export division sales recorded export of 2551 MT as against 2102 MT in the previous year, registering an increase of 21%. During the first quarter of the year under consideration, renovation of processing plant was undertaken and higher capacity IQF machine was installed and commissioned.

The four windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 62.14 lac units as against 64.65 lac units generated during the previous year and power generated was sold to Karnataka Power Transmission Corporation Limited under PPA.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Re.6.50 per equity share of Rs.10/- each for the financial year 2012-13 aggregating to Rs.590.40 lacs on 90,83,042 equity shares. The dividend if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose name appears on the register of members of the Company on 22nd of July,2013.

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 No.2/2011 and Notification No. 51/12/2007-CL-III issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company is not attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company 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 company 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 company.

DIRECTORS:

During the year under review, Mrs. C. Mariamma, nominee of APIDC was appointed as a Director in place of Mr. M. Venkateswara Rao on 18.08.2012 as per APIDC's letter dt.16/17.08.2012. Subsequently Mrs. Anita Rajendra, IAS was appointed as a Director in place of Mrs. C. Mariamma on 25.05.2013 as per APIDC's letter dt. 10.05.2013.

In terms of Article 105 and 106 of the Articles of Association of the Company, Mr. M.S.P. Rao and Mr. K.Ramamohana Rao retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Ordinary resolutions 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, 2014 on a remuneration to be decided by the Board of Directors.

COST AUDIT:

In pursuance of Section 233(B) of the Companies Act and Notification dated 3rd June, 2011 of Ministry of Corporate Affairs, the Board of Directors have appointed M/s Sagar Associates, Chartered Accountants, Hyderabad to certify the compliance report in respect of the cost records for the year 2011-12. The cost Audit compliance report for the year ended 31st Mach, 2012 duly certified by the cost accountant was filed with the Central Government within the stipulated time. The cost auditors (represented by Sri E. Vidyasagar) attended the Audit Committee Meeting where cost audit compliance report was discussed.

The Board of Directors appointed M/s Sagar Associates, Cost Accountants, Hyderabad as Cost auditors to carry out the Audit of cost accounts of the company for the year 2012-13. The due date for filing the Cost Audit Report for the financial year 2012-13 is September, 30, 2013.

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.

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 judgments 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, 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 : 25.05.2013

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, 2013.

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	220.85	B.E	27	01.04.1998	51	Executive Director Srinivasa Cystine Limited
C.Ramachandra Rao	Joint Managing Director	Finance, Secretarial, Imports & Exports and General administration	209.95	FCA, ACS & LLB	38	01.10.1994	61	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, 2013.

FORM A
(See Rule 2)

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

(Rs. in Lacs)

A)	Power & Fuel Consumption	2012-13	2011-12
	1. Electricity		
	a) Purchased: Units (KWH)	98,36,094	91,19,298
	Total Amount (Rs. in lacs)	603.28	422.85
	Rate / Unit (Rs.)	6.13	4.64
	b) Own Generation		
	Through Diesel Generator		
	HSD Oil Consumed (Ltrs)	14,82,646	6,13,565
	Units (KWH)	45,50,921	18,24,962
	Units produced per liter of Diesel Oil	3.07	2.97
	Cost of HSD Oil consumed (Rs. in lacs)	687.76	266.32
	Cost / Unit (Fuel Cost)/ Unit (Rs.)	15.11	14.59
	2. Diesel/ Furnace Oil for Boiler		
	Quantity Consumed (Ltrs)	13,01,705	9,12,296
	Total Amount (Rs. in lacs)	614.88	392.30
	Quantity of Steam produced (Mts)	18,180	12,012
	Average Rate (Rs./MT)	3,382	3,266
	3. Consumption Per Unit (MT) of Production		
	Electricity (KWH)		
	Feed (PMT)	98	113
	Shrimp (PMT)	1481	1964
	Diesel/Furnace Oil (Ltrs.)		
	Feed (PMT)	12.30	14.50

B) Research and Development:

Company continues 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:

(Rs. in Lacs)

	2012-13	2011-12
a) Foreign Exchange Earnings (FOB)	12,987.81	10,807.10
b) Foreign Exchange Out-go	2,658.21	2,381.15

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 facets of its operations, and in all its interactions with its stakeholders, including shareholders, lenders and the Government. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. The Company's Board extends its fiduciary responsibilities in the widest sense of the term and also endeavors to enhance long term shareholder value by serving and protecting the interests of all the stakeholders.

The Company has set up during 2011-12, an internal Risk & Compliance Department headed by a Chartered Accountant having 15 years of experience in the relevant field. The department is responsible to ensure compliance of all the statutory requirements by the company. This department is also responsible for internal audit and periodical risk appraisal, internal as well as external, of all the functional departments in the organization. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

The shrimp feed production plants at Kovvur and Vemuluru in West Godavari District of Andhra Pradesh are ISO 9001:2008 certified. Company's Gujarat plant is also in the process of implementing ISO 9001 standards. The Shrimp Processing & Export Division of the Company has implemented systems complying with BRC Global Standard for food, ISO 22000:2005 and Best Aqua Culture Practice Certified.

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 Board of Directors as at 31st March, 2013 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 18 th August, 2012
1.	A. Indra Kumar	MD-Promoter	6	6	Yes
2.	C. Ramachandra Rao	Joint Managing Director & C.S	6	6	Yes
3.	N. Ram Prasad	NED	6	6	Yes
4.	A. V. Achar	NED/ID	6	5	Yes
5.	K. Ramamohana Rao	NED/ID	6	2	Yes
6.	M. Venkateswara Rao (upto 17.08.2012)	ND/ID	2	1	No
7.	C. Mariamma (from 18.08.2012)	ND/ID	4	3	No
7.	B V Kumar	NED/ID	6	5	Yes
8.	M S P Rao	NED/ID	6	0	No
9.	Bunluesak Sorajjakit	NED	6	4	No
10.	Wai Yat Paco Lee	NED	5	4	Yes

(ii) Number of other companies or committees the Director is a Director / Chairman

Sl. No.	Name of the Director	No. of other Companies in which Director	No. of Committees (Excluding Avanti Feeds Limited)	
			Membership	Chairmanship
1.	A. Indra Kumar	9	—	—
2.	C. Ramachandra Rao	9	—	—
3.	N. Ram Prasad	4	—	-
4.	A.V. Achar	2	—	-
5.	K. Ramamohana Rao	3	—	—
6.	M. VenkateswaraRao	3	—	—
7.	C. Mariamma	6	—	—
8.	B.V. Kumar	1	—	—
9.	M.S.P. Rao	9	—	—
10.	Bunluesak Sorajjakit	6	—	—
11.	Wai Yat Paco Lee	1	—	—

(iii) The details of Board Meetings held during the financial year 2012-13

Six Board Meetings were held during the year 2012-13. 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 2012-13 are as follows:

Sl. No.	Date of Board Meeting
1	11.05.2012
2	14.07.2012
3	18.08.2012
4	27.10.2012
5	02.02.2013
6	08.03.2013

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

Mr. MSP Rao and Mr. K. Ramamohana Rao retire 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. M.S.P. Rao
Date of Birth : 15.06.1953
Date of appointment : 27.04.2005
Occupation : Business
Expertise in Specific functional areas : Technical & Industrial.
Directorships in other companies : Teesta Urja Limited
Countrywide Power Transmission Limited
Teestavalley Power Transmission Limited
Concord Relator Pvt Ltd
Athena Kynshi Power Private Limited
Athena Emra Power Private Limited
Athena Projects Private Limited
APPL Power Private Limited
Athena Infra projects Pvt Ltd - Managing Director
Committee positions : NIL
Held in other companies
- 2) Name of the Director : Mr. K. Ramamohana 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 Ltd
Committee positions held in other companies : NIL

Scheduling and Selection of Agenda items for Board Meetings.

- ii. 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.
- iii. The meetings were held at the Registered Office of the Company.
- iv. The information placed before the Board inter alia include.
 1. Quarterly results of the Company and its operating divisions or business segments.
 2. Minutes of the meetings of Audit Committee and other Committees of the Board.
 3. The information on recruitment and remuneration of senior personnel just below the Board Level, including appointment of Chief Financial Officer and the Company Secretary.
 4. Non compliance of any regulatory, statutory nature or listing requirements and shareholders services such as delay in share transfer etc.
 5. Show cause, demand prosecution notices and penalty notices which are materially important.
 6. General notice of interest of Directors.
 7. Terms of reference of Board Committees.
 8. Any material default in financial obligations to and by the Company etc.

a) 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) and Head of Risk and Compliance Department 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.

Sl. No.	Name	Designation	Meetings held during the year	Meetings attended during the tenure
1.	A V Achar	Chairman	4	04
2.	K Ramamohana Rao	Member	4	03
3.	M S P Rao	Member	4	03
4.	B V Kumar	Member	4	04
5.	C Ramachandra Rao	Compliance Officer	4	04

Sl.No.	Date of Meeting
01	05.05.2012
02	07.07.2012
03	20.10.2012
04	25.01.2013

The representatives of the Statutory Auditors of the Company have 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 2012-13, 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:

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

- (i) The remuneration paid/payable to the Managing Director, Whole time Directors of the Company for the year ended 31st March, 2013 are as under:

(Rs. In lacs)

Sl. No.	Name and Designation	All elements of remuneration package i.e., salary benefits, pension Commission on profits etc.	Fixed Component and performance linked incentives along with the performance criteria	Service Contract Notice Period and Severance Fees	Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable
1.	A. Indra Kumar Managing Director	220.85	—	—	—
2.	C. Ramachandra Rao Joint Managing Director	209.95	—	—	—

- (ii) Details of payments to Non-Executive Directors during the year 2012-13 are given below:

(Rs. In lacs)

Sl. No.	Name of the Director	Sitting Fee	Commission
1.	K. Ramamohana Rao	25,000	—
2.	A.V. Achar	50,000	—
3.	N. Ram Prasad	35,000	—
4.	M. Venkateswara Rao Nominee of APIDC (Paid to APIDC)	5,000	—
5.	C. Mariamma Nominee of APIDC [Paid to APIDC]	15,000	—
6.	B.V. Kumar	50,000	—
7.	M.S.P Rao	15,000	—
8.	Mr. Bunluesak Sorajjakit	20,000	—
9.	Mr. Wai Yat Paco Lee	20,000	—

(iii) Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2013:

Sl. No.	Name of the Director	Number of equity shares of Rs.10/- each held (as on 31.03.2013)
1.	A. V. Achar	200
2.	N. Ram Prasad	20,600
3.	C. Mariamma Nominee of APIDC (shares held by APIDC)	5,00,000
4.	Bunluesak Sorajjakit & Wai Yat Paco Lee Nominees of Thai Union Frozen Products pcl. [Shares held by Thai Union Frozen Products pcl.]	22,82,042

5. Shareholders and Investor Grievance Redressal Committee

Composition :

A Shareholders and Investor Redressal Grievance Committee was constituted with Mr. N. Ram Prasad as the Chairman and Mr. K. Ramamohana Rao and Mr. A.V. Achar as the members. All the three members of the Committee are non-executive Directors. Mr. 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 Eight times during the year.

During the year the Company has received 88 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, 2013.

The status of shareholder's complaints during the financial year 2012-13 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	Change/Correction of address	32	32	NIL
2	Non-receipt of Dividend warrants	15	15	NIL
3	Loss of securities and Request for issue of duplicate certificate	14	14	NIL
4	Request for ECS facility	6	6	NIL
5	Request for Exchange of old certificates with new certificates	3	3	NIL
6	Request for Transmission of securities/Deletion of joint name due to death	7	7	NIL
7	Non-receipt of securities	5	5	NIL
8	Dividend warrants for revalidation	3	3	NIL
9	Change/Correction of Bank Mandate	2	2	NIL
10	Non-receipt of Annual Reports	1	1	NIL
	Total	88	88	NIL

6. General Body Meetings:

The details of Annual General Meetings held during preceding three years are as follows:

S.No.	Year	Location	Date	Time
1.	2011-12	Surana Udyog Hall, FAPCCI Building, FAPCCI Marg, Red Hills, Hyderabad	18.08.2012	11.00 A.M.
2.	2010-11	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	06.08.2011	11.00 A.M.
3.	2009-10	Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad	14.08.2010	11.00 A.M.

7. Disclosures:

- a) 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.
- b) 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.
- c) Whistle Blower Policy: The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

8. Means of Communication:

- i. 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.
- ii. 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, and Andhra Prabha, Hyderabad.
- iii. The Company's results were displayed on SEBI website (www.sebi.gov.in)
- iv. The Company's results were also displayed on the Companies website. (www.avantifeeds.com)
- v. The Management Discussion and Analysis Report is included elsewhere in this Annual Report.

9. General Shareholders' Information:

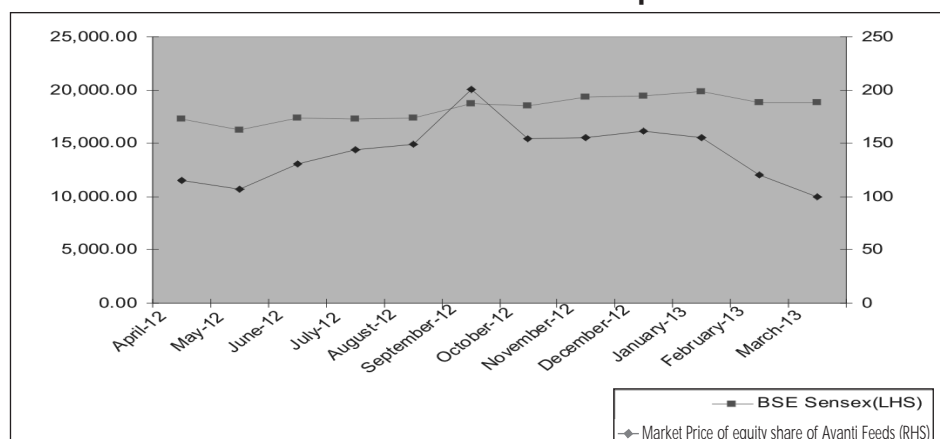
Sl.No	Item	Details
(i)	AGM Date, Time and Venue	On 27th July, 2013 at 11.00 A.M. at Surana Udhayog Hall, FAPCCI Marg, FAPCCI Building, Red Hills, Hyderabad
(ii)	Financial Year	2013-14
(iii)	Financial Calendar (tentative)	<ul style="list-style-type: none"> ◆ First Quarter Results – End of July, 2013. ◆ Second Quarter / Half Year Results – End of October, 2013 ◆ Third Quarter / Nine Months Results – End of January, 2013 ◆ Fourth Quarter / Year end Results – End of May, 2014
(iv)	Dates of Book Closure	22nd July 2013 to 27th July, 2013 (Both days inclusive).
(v)	Dividend & Due date for dividend Payment	Board of Directors has recommended a dividend of Rs.6.50 ps per Equity share of Rs.10/- each fully paid for the financial year 2012-13. On approval of the shareholders, the dividend warrants will be dispatched with in the statutory time limit.
(vi)	Listing on Stock Exchanges	<p>The Company's Shares are listed on Bombay and Madras Stock Exchanges. The Address of these Exchanges are given below:</p> <ol style="list-style-type: none"> 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 <p>The Company has duly paid the Listing fees for the year 2013-14 to the Stock Exchanges where the shares of the Company are Listed.</p>
(vii)	Stock Code	<p>BSE : 512573 MSE : AVA NSDL/CSDL ISIN No. : INE871C01012</p>

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

(Rs)

S.No.	Month	Open Price	High Price	Low Price	Close Price
1.	Apr-12	96.55	116.00	93.50	114.80
2.	May-12	117.30	138.50	93.15	106.95
3.	Jun-12	113.45	139.80	104.15	130.85
4.	Jul-12	130.80	163.60	128.00	144.05
5.	Aug-12	143.05	159.50	122.00	149.55
6.	Sep-12	153.10	210.90	151.00	201.10
7.	Oct-12	201.10	201.10	147.50	153.95
8.	Nov-12	154.00	167.00	142.70	154.85
9.	Dec-12	157.00	185.00	155.10	161.20
10.	Jan-13	162.05	173.80	149.30	155.25
11.	Feb-13	152.45	156.00	110.70	120.05
12.	Mar-13	118.00	124.95	96.05	100.05

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: 040-23420815-28, Fax: 040-23420814, 23420857
E- mail: mailmanager@karvy.com
www.karvycomputershare.com
- (x) Share transfer system: All transfers received are electronically processed and approved by the Share Transfer Committee which normally meets once in a fortnight or more depending upon the volume of transfers.
- (xi) Shareholding information:
a) Distribution of Share holding pattern as on 31.03.2013

Sl. No.	Category		Number of shareholders	% of shareholders	Number of Shares	% of holding
	From	To				
1	1	5000	3524	87.73	499091	5.50
2	5001	10000	198	4.93	158437	1.74
3	10001	20000	130	3.24	198788	2.19
4	20001	30000	58	1.44	147446	1.62
5	30001	40000	17	0.42	60354	0.66
6	40001	50000	16	0.40	75062	0.83
7	50001	100000	26	0.65	199510	2.20
8	100001 & above		48	1.19	7744354	85.26
	Total		4017	100.00	9083042	100.00

b) Details of Shareholding in physical mode and electronic mode as on 31.03.2013:

Sl.No.	Details	Number of shareholders	% of shareholders	Number of Shares	% of holding
1.	Physical mode	1537	38.26	1434807	15.80
2.	Electronic mode	2480	61.74	7648235	84.20
	Total	4017	100.00	9083042	100.00

Dematerialisation of shares and liquidity:

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. 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 INE871C0102. 90.91% (Previous year 94.90%) 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.

Outstanding ADRs/GDRs: The company has not issued any ADR/GDR

Plant locations:

- i. Shrimp Feed Plant I & Wheat flour Plant,**
Door No.15-11-24
Kovvur-534350,
West Godavari District,
A.P. India

- ii. Shrimip Feed Plant II,**
Vemulu, Kovvur-534350,
West Godavari District,
A.P. India.

- iii. Shrimp Processing Plant,**
Gopalapuram 533274,
Ravulapalem Mandal
E.G. Dist., A.P., India

- iv. Wind Mill,**
Lakkiahalli Village,
Hiriyur Taluk,
Chitradurga District,
Karnataka State.

Address for correspondence:

Registered Office:

Avanti Feeds Limited,
G-2, 6-3-658,
Concorde Apartments,
Somajiguda,
Hyderabad – 500 082
Email: Investors@avantifeeds.com

Registrars and Transfer Agents:

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

b) Shareholding pattern as on 31.03.2013

Sl. No.	Category	No of Shares	% to paid up capital
A	Promoters Holding:		
1	Promoters Individuals	1305440	14.37
2	Promoters - Corporate Bodies	2487700	27.39
	Sub-Total	3793140	41.76
B	Non-Promoters shareholding:		
1	Institutional Investors		
	a. Mutual Funds	4200	0.05
	b. Banks, Fis, Insurance Cos [Central and State Govt Public Financial Institutions/Non-Govt Institutions]	500900	5.51
	c. FII's	100	0.00
	Sub-total	505200	5.56
2	Others:		
	a. Private Corporate Bodies	271115	2.98
	b. Indian Public	2150451	23.68
	c. NRIs/OCBs/FBs	2360772	25.99
	d. Other Clearing Members	2364	0.03
	Sub-total	4784702	52.68
	Grand Total	9083042	100.00

- (xii) Pursuant to the provisions of section 205A and 205C of the Companies Act, as amended, read with Investor education and Protection fund (awareness and Protection of Investors) rules, 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders / Investors who have not en-cashed their dividend warrant(s) so far are requested to make their claim to the Secretarial Department / Registrar and Share Transfer Agents 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, 2013, as envisaged in clause 49 of the listing agreement with stock exchanges.

Place: Hyderabad
Date : 25.03.2013

A. INDRAKUMAR
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 :

1. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - b. 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.
2. 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.
3. 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.
4. We have indicated to the auditors and the Audit Committee
 - a. Significant changes in internal controls during the year.
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - c. 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 : 25.05.2013

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, 2013 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 : 25-05-2013

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 2012-13 recorded an increase of about 10.69% over previous year in terms of value and about 3.51% in terms of quantity. During 2012-13, 8.92 lacs tones of seafoods valued at Rs. 18,372 crores were exported. The value of exports of frozen shrimp constituted as much as 52.21% in terms of value amounting to Rs.9,608 crores though in terms of quantity, shrimp exports constitute 25.32%. The share of Frozen Shrimp in the exports of marine food during 2012-13 increased to 52% in rupee value and 52% in dollar value terms as compared to 49% and 50% respectively in the earlier year. In terms of quantity shrimp exports accounted for 2.26 lac tons as compared to 1.89 lac tons during the previous year.

The major export market has been USA, Europe, Japan and South East Asia during 2012-13 for shrimp exports.

It is heartening to note that for the third consecutive year the shrimp culture industry registered growth during 2012-13. The growth in shrimp culture is due to continued changeover from Black Tiger shrimp cultivation to Vannamei Shrimp Culture supported by remunerative export prices during the year 2012-13. This trend is being continued during the current year also.

In order to ensure sustained growth of shrimp culture, with specific emphasis on Vannamei shrimp culture, the Government of India has initiated stringent regulatory measures such as mandatory approvals for setting up hatcheries, import of brood stock from specified approved overseas suppliers and continuous surveillance of Vannamei hatchery operations, mandatory approval of Vannamei farms, EIA Certification of shrimps at the time of harvest, etc., In a significant development, the MPEDA has successfully implemented indigenous Brood Stock Multiplication Centre at Visakhapatnam and commenced sale of vannamei brood stock to hatcheries, which is an import substitute. 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 engaged in manufacturing high quality feed for shrimps, fish, operating Vannamei hatchery and processing & export of shrimps. The Company has also well trained technical team to provide technical support to the farmers and assisting farmers with information and knowledge of global standard aquaculture practices and also updating developments in culture methods and processes. Presence of 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

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 is also expected to grow in future with parity of shrimp prices with any other comparable products such as meat and poultry products.

The Company is operating a Vannamei hatchery on a leasehold hatchery producing Vannamei seed for supply of good quality Vannamei seed to the farmers. The company has been planning to set-up a state-of-art Vannamei hatchery in South India with technical expertise of THAI UNION for which the company has been scouting for an appropriate location and a suitable land.

In order to meet the significant increase in demand for shrimp feed the Company is setting up a 50,000 MT per annum shrimp manufacturing facility at the existing plant at Kovvur. Company has already acquired land to the extent of 5.97 acres adjacent to the existing factory and project implementation work is in progress. It is expected that the project will commence operations by January'14.

WEAKNESS:

Notwithstanding the fact of significant growth in shrimp production as well as shrimp exports during 2012-13, the shrimp culture industry is continued to be concerned about inadequate infrastructure facilities, particularly inadequate power supply to aquaculture farmers and inadequate cold store chain which are matter of great concern. Though, it is similar to agriculture in many respects, the recognition of aquaculture on par with agriculture is evading government's approval in order to avail some of the benefits available to agriculture.

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 2012-13. 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 industry. A planned development would provide abundant opportunities for seafood industry. The successful adoption of Vannamei Species culture is poised for a significant increase in the shrimp production and export. Increase in production of shrimps in the country is also expected to increase 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 affected by virus and diseases cannot be ruled out.

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

However, development of 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:

Vannamei culture with higher stocking densities compared to Black Tiger species and increase in area of aquaculture is expected to increase the consumption of shrimp feed manifold. Remunerative export prices for shrimps and gradual increase 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 predominance of Vannmei shrimp culture, the volume of shrimp production will be increased 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 Black Tiger shrimps, which will have both export market as well as domestic market.

POWER :

The Company has investment in the following power projects :

- (a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State is operational and has generated 62.14 lac units during the year.
- (b) Srivathsa Power Projects Pvt 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 410.17 lac units yielding a gross sales income of Rs.1518.00 lacs and net profit of Rs.122.00 lacs after charging off interest, depreciation & tax. In the year 2012-13 company declared dividend of 10% and your company got Rs.166.94 lacs as dividend income.

The GAIL, at par with other customers, has drastically reduced gas supply w.e.f. February,2012 resulting in significant fall in power generated by the Company from 1057.70 lac units in 2011-12 to 410.17 lac units in 2012-13 units. However, Company is looking for possible alternate source of gas availability through ONGC isolated wells, RLNG, etc., for long term sustenance.

- (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 2012-13 this project generated 704.90 lacs salable energy units, yielding a gross sales income of Rs.1,358.98 lacs and net loss of Rs.82.26 lacs after charging interest and depreciation.

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 periodically verified by internal as well as external auditors for preparing financial statements and for maintaining accountability of the assets.

In addition, Company has set up a Risk & Compliance Department headed by a Chartered Accountant having 15 years of experience in the relevant field. The department is responsible to ensure compliance of all the statutory requirements by the company. This department is also responsible for internal audit and periodical risk appraisal, internal as well as external. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. In the year under consideration, your company reported profit of Rs. 4414.81 lacs before tax adjustments as compared to profit of Rs.4003.00 lacs in the previous year.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Avanti Feeds Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Hyderabad
Date : 25.05.2013

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

(K. AJAY KUMAR)
Partner
(M. No: 021989)

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Avanti Feeds Limited ('the Company') for the year ended March 31, 2013. We report that:

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. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion, 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 accounts.

- 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.
 - (b) According to the information and explanations given to us, the Company has not taken any 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. According to the information and explanations given to us, contracts or arrangements which need to be entered, during the period, in the register to be 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 maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of production and processing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. In respect of Statutory dues:**
- (a) According to the books and records as produced and examined by us 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 31, 2013 for a period of more than six months from the date on which they became 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, in respect of MP VAT, amounting to Rs.29.22 Lacs, at the forum of The Hon'ble High Court of Madhya Pradesh and in respect of Electricity Duty, amounting to Rs 3.64 Lacs, at the forum of The Hon'ble High Court of Andhra Pradesh; which have not been deposited with the appropriate authorities as on March 31st 2013. 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 financial year.
- 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 and financial institutions. The Company did not have any debentures outstanding as at the Balance Sheet date.
- 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. Accordingly, Clause 4 (xiv) of the Order is not applicable to the Company.
- xv.** The Company has pledged its investment in equity share of M/s.Patikari Power Private Limited to the extent of 42.50 Lacs equity shares of Rs.10 each with respect to a loan availed by M/s.Patikari Power Private Limited from consortium of banks led by State Bank of India. However, the terms and conditions thereof are not prejudicial to the interest of the Company.

- xvi.** In our opinion, and according to the information and explanations given to us, the term loans have been utilised, on an overall basis, for the purposes for which they were obtained.
- 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.** The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the period.
- 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.
- xxi.** In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

Place: Hyderabad
Date : 25.05.2013

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

(K. AJAY KUMAR)
PARTNER
(M. No: 021989)

BALANCE SHEET AS AT 31st MARCH, 2013

(Rs. in lacs)

	Note	As at 31 st March, 2013	As at 31 st March, 2012
A EQUITY & LIABILITIES			
1 Shareholders Funds			
a) Share Capital	2	908.30	908.30
b) Reserves & Surplus	3	11,077.82	8,749.41
2 Non-current Liabilities			
a) Long term borrowings	4	1,193.00	1,462.27
b) Deferred tax liabilities (net)	5	100.00	99.10
c) Other long term liabilities	6	154.50	119.50
d) Long term provisions	7	145.90	156.28
3 Current Liabilities			
a) Short term borrowings	8	4,628.42	3,278.44
b) Trade payables	9	1,979.00	1,224.64
c) Other current liabilities	10	2,953.00	1,644.59
d) Short term provisions	11	1,057.00	707.72
TOTAL – EQUITY & LIABILITIES		24,196.94	18,350.25
B ASSETS			
1 Non-current Assets			
a) Fixed Assets :	12		
Tangible		5,071.16	4,292.19
Intangible		13.61	16.79
Capital work in progress		158.64	167.13
b) Non-current investments	13	2,848.54	2,848.54
c) Long term loans & advances	14	498.32	180.52
d) Other non-current assets	15	94.07	72.05
2 Current Assets			
a) Current Investments	16	25.15	1,727.62
b) Inventories	17	9,716.21	4,215.26
c) Trade receivables	18	3,972.63	1,550.51
d) Cash & Bank balances	19	858.08	2,204.23
e) Short term loans & advances	20	311.87	522.21
f) Other Current assets	21	628.66	553.20
TOTAL ASSETS		24,196.94	18,350.25
C. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41			

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

K. Ajay Kumar
Partner
Membership No. 021989

Place : Hyderabad
Date : 25.05.2013

For and on behalf of the Board

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Jt. Managing Director &
Company Secretary

N. Ram Prasad
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Rs. in lacs)

	Note	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
INCOME			
Revenue from Operations	22	64,803.77	39,341.48
Other Income	23	258.05	335.28
Total Revenue		65,061.82	39,676.76
EXPENDITURE :			
Cost of Materials Consumed	24	51,633.33	26,796.99
Purchases of Stock-in-Trade	25	-	695.68
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	26	(1,935.69)	417.43
Employee Benefits expense	27	2,162.29	1,582.31
Finance Costs	28	337.33	314.44
Depreciation & Amortisation Expense	12	498.38	400.42
Manufacturing Expenses	29	3,281.55	1,959.39
Selling & Distribution Expenses	30	3,708.51	2,143.72
Other Expenses	31	849.78	1,310.67
Total Expenses		60,535.48	35,621.05
Profit before exceptional items & Tax		4,526.34	4,055.71
Exceptional items	32	111.53	52.71
Profit before tax		4,414.81	4,003.00
Tax Expense			
Current Tax		1,394.76	966.00
Deferred Tax		0.90	229.98
Profit for the year		3,019.15	2,807.02
Earning per equity share of Rs.10 each Basic & Diluted (in Rs.)	33	33.24	30.90
NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41			

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

Chartered Accountants

Firm Registration No. 017575

K. Ajay Kumar

Partner

Membership No. 021989

Place : Hyderabad

Date : 25.05.2013

For and on behalf of the Board

A. Indra Kumar

Managing Director

C. Ramachandra Rao

Jt. Managing Director &

Company Secretary

N. Ram Prasad

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Rs. in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	4,414.81	4,003.00
Adjustment for		
Depreciation	498.38	400.42
Exceptional Items	111.53	61.37
Bad Debts Written Off	23.87	150.78
Doubtful Debts	-	81.82
Excess Provision Written off	-	89.06
Credit Balances Written back	-	(3.09)
Loss/(Gain) on exchange fluctuations & forward contracts	(23.74)	302.47
Interest Paid	337.33	314.44
Interest Received	(18.65)	(18.83)
Dividend Received on Investments	(191.21)	(272.09)
Operating Profit before Working Capital Changes	5,152.32	5,109.35
Adjustment for		
Trade and Other Receivables	(2,650.97)	50.25
Inventories	(5,500.95)	(310.25)
Trade Payable	1,996.69	1,154.74
Cash generated from Operations	(1,002.91)	6,004.09
Income Tax Paid	(1,051.89)	(966.00)
Net Cash flow from Operating activities	(2,054.80)	5,038.09
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment (Net)	1,702.47	(1,027.33)
Dividend Received on Investments	191.21	272.09
Interest Received	18.65	18.83
Purchase of Fixed Assets	(1,311.43)	(1,157.05)
Bank loans not considered as cash & cash equivalents	(84.77)	135.29
Sale of Fixed Assets	26.82	14.73
Net Cash used in Investing activities	542.95	(1,743.44)

(Rs. in lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
C. CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from long term borrowings	-	565.19
Repayment of long term borrowings	(269.27)	(330.01)
Increase in short term borrowings/(decrease)	1,349.97	(934.43)
Interest Paid	(337.33)	(314.44)
Gain on exchange fluctuations & forward contracts	23.74	(302.47)
Dividends paid including tax on Dividend	(686.18)	(93.29)
Net Cash generated in Financing Activities	80.93	(1,409.45)
Net Increase / Decrease in Cash and Cash Equivalents	(1,430.92)	1,885.19
Cash and Cash Equivalents (Opening Balance)	2,102.12	216.93
Cash and Cash Equivalents (Closing Balance)	671.20	2,102.12

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

K. Ajay Kumar
Partner
Membership No. 021989

Place : Hyderabad
Date : 25.05.2013

For and on behalf of the Board

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Jt. Managing Director &
Company Secretary

N. Ram Prasad
Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1) SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as discussed in para 2.1(a) below.

Summary of Significant Accounting Policies

A Presentation and disclosure of financial statements

During the previous year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

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. Tangible Fixed Assets

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

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

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

D. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

E. Intangible Assets

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

F. Expenditure incurred during construction period

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is related to construction or is incidental thereto.

G. Impairment of tangible and intangible fixed assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

H. Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants received for capital expenditure are reduced from the carrying value of the asset are presented by deducting them from the carrying value of the assets. Other government grants towards expenditures of revenue nature are reduced from the respective expenditure head.

I. 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, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

J. Inventories

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

K. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sales

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

Dividend and interest income

Dividend is recognised when the unconditional right to receive the income is established. Income from deposits, loans and interest bearing securities is recognised on the time proportionate method.

L. Retirement Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates defined benefit plan for its employees towards gratuity and leave encashment. The cost of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plans using the projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which it occurs in the statement of profit and loss.

Gratuity and Accumulated leave, which are expected to become payable as a result of staff turnover within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such staff turnover on the basis of past experiences.

M. 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 statement of profit and loss 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 Statement of Profit and Loss. 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.

N. Income Taxes

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

O. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

P. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Q. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

R. Cash and cash equivalents

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

S. Amalgamation

The amalgamation has been accounted for under the “Pooling Interest Method” as prescribed by Accounting Standard (AS-14) “Accounting for Amalgamation” issued by the Institute of Chartered Accountants of India.

T. Previous Year figures have been re-grouped/re-classified, wherever necessary to confirm to the current year presentation.

2. SHARE CAPITAL

(Rs. in lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Authorised Share Capital : 1,58,50,000 equity shares of Rs. 10 each (Previous year 80,00,000 equity shares of Rs. 10 each)	1,585.00	800.00
Issued, Subscribed and paid up : 90,83,042 Equity Shares of Rs. 10 each fully paid up (Previous year 80,00,000 Equity Shares of Rs. 10 each fully paid up)	908.30	800.00
Share Suspense Account: (In consequence to Amalgamation of Avanti Thai Aqua Feeds Private Limited ("ATAF") with the Company, 10,83,042 Equity Shares of Rs. 10 each fully paid up were issued to shareholders of ATAF as consideration w.e.f. 01.04.2011. Pending issue and allotment of the equity shares, the face value of shares to be allotted are shown against "Share Suspense Account")	-	108.30
Total	908.30	908.30

2.1 Amalgamation of Avanti Thai Aqua Feeds Private Limited with the company

- a. In terms of the scheme of Amalgamation & Arrangement (Scheme) approved by orders dated 18th April, 2012 of Hon'ble High Court of Andhra Pradesh, M/s. Avanti Thai Aqua Feeds Private Limited (ATAF) whose core business is to manufacture and sell shrimp feed has been amalgamated with the Company with effect from April 1, 2011.
- b. The amalgamation has been accounted for under the "Pooling Interest Method" as prescribed by Accounting Standard (AS-14) "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- c. In accordance with the said scheme:
 1. All the assets, debts, liabilities, duties and obligations of "Avanti Thai Aqua Feeds Private Limited" have been vested in the Company with effect from April 1, 2011 and have been recorded at their respective book values under pooling interest method of accounting for amalgamation. There were no differences in the accounting policies of "Avanti Thai Aqua Feeds Private Limited" and the Company.
 2. 10,83,042 equity shares of Rs. 10/- each have to be allotted to the shareholders of "Avanti Thai Aqua Feeds Private Limited" in the ratio of 20 equity shares of Rs. 10/- of the company for every 71 equity shares of Rs. 10/- each of "Avanti Thai Aqua Feeds Private Limited".
 3. In accordance with the said scheme, any excess/shortfall of the Net Assets Value taken over by the Company over the paid-up value of equity shares to be issued and allotted has been transferred to Capital Reserve.

2.2. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 st March, 2013		As at 31 st March, 2012	
	No's	Amount Rs.in lacs	No's	Amount Rs.in lacs
Equity shares of Rs. 10/- each fully paid up				
At the beginning of the year	80,00,000	800.00	80,00,000	800.00
Changes during the year	10,83,042	108.30	NIL	NIL
Outstanding at the end of the year	90,83,042	908.30	80,00,000	800.00

2.3 Terms/ rights attached to equity shares

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

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders at Rs.6.50 (March 31, 2012: Rs.6.50).

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

Name of the shareholders	As at 31 st March, 2013		As at 31 st March, 2012	
	No's	% Holding	No's	% Holding
Srinivasa Cystine Private Limited	2,226,000	24.51	2,226,000	27.83
Thai Union Frozen Products PCL, Thailand	2,282,042	25.12	1,199,000	14.99
Alluri Indra Kumar (HUF)	545,950	6.01	545,950	6.82
Andhra Pradesh Industrial Development Corporation Ltd	500,000	5.50	500,000	6.25
Alluri Indra Kumar	523,380	5.76	494,530	6.18

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

3. Reserves & surplus

(Rs. in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Capital Reserve :		
Balance at the beginning of the year	405.78	129.60
Capital Reserve arising on account of amalgamation of Avanti Thai Aqua Feeds Private Limited with the Company	-	276.18
Balance at the end of the year (a)	405.78	405.78
Share Premium		
Balance at the beginning of the year	438.00	438.00
Balance at the end of the year (b)	438.00	438.00
General Reserve :		
Balance at the beginning of the year	4,155.69	3,855.69
Add : Transferred from Profit & Loss Account	350.00	300.00
Balance at the end of the year (c)	4,505.69	4,155.69
Profit & Loss Account :		
Balance at the beginning of the year	3,749.94	1,901.55
Add :		
Transferred from Avanti Thai Aqua Feeds Private Limited on account of amalgamation	-	27.55
Profit for the year	3,019.15	2,807.02
	6,769.09	4,736.12
Less : Appropriations		
Transferred to General Reserve	350.00	300.00
Proposed Dividend	590.40	590.40
Tax on Dividend	100.34	95.78
Total of Profit & Loss Account	5,728.35	3,749.94
Grand total of Reserves & Surplus	11,077.82	8,749.41

3.1 The computation of the amount transferred to Capital Reserve as a consequence of Amalgamation in the previous year 2011-12 is as under: (Rs. in lacs)

	Book Value of Assets	For the year 2011-12
a)	Fixed Assets	1,034.24
b)	Investments	-
c)	Net Current Assets	53.67
d)	Pre-Operative Expenditure pending capitalization	93.03
e)	Miscellaneous Expenditure	6.16
	Total Assets (I)	1,187.10
	Book Value of Liabilities :	
a)	Secured Loans	374.71
b)	Deferred Tax Liability	0.88
	Total Liabilities (II)	375.59
	Net Value of Assets (I-II)	811.51
	Less :	
a)	Equity Shares issued to shareholders of "ATAF" 10,83,042 equity shares of Rs. 10/- (each)	108.30
b)	Cancellation of equity holding of company in ATAF : 39,94,800 equity shares of Rs.10/- each	399.48
		507.78
	Appropriation :	
	Amount credited to Capital Reserve on Amalgamation	276.18
	Amount credited to Profit & Loss Account on Amalgamation	27.55

4. Long Term Borrowings & Current Maturities of Long Term Debt :

(Rs. in Lacs)

	As at 31st March, 2013		As at 31st March, 2012	
	Long Term	Current Maturities	Long Term	Current Maturities
Secured Loans :				
a) Term Loan from State Bank of India	575.00	160.00	854.98	81.00
Vehicle Loans :				
b) From I C I C I Bank Limited	38.10	26.97	7.07	26.92
c) From Magma Fincorp Limited	-	7.50	7.50	13.99
d) From HDFC Bank Limited	0.34	1.89	2.23	1.70
e) From Tata Capital Limited	-	-	0.87	2.46
Unsecured Loan				
Deferred Payment Liability - Sales Tax	579.56	-	589.62	-
Total	1,193.00	196.36	1,462.27	126.07

4.1 The long term loan of Rs.935.98 lacs was taken from State Bank of India, Industrial Finance Branch, Hyderabad for the implementation of shrimp feed manufacturing project at Gujarat. The loan is secured by first charge on fixed assets of the Company, pledge of 4.71 lacs equity shares of the Company held by Mr.A. Indra Kumar, Pledge of 2.62 lacs equity shares of the Company held by Sanjeeva Agro-vet Private

Limited, Corporate Guarantee of Srinivasa Cystine (P) Limited and Sanjeeva Agro-vet Private Limited, associate companies and personal guarantee of Mr.A.Indra Kumar, Managing Director of the Company.

- 4.2 Other loans stated above are vehicle loans and are secured by hypothecation of respective vehicles.
- 4.3 Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers from 2001-02 to 2004-05 was converted in to interest free loan for period of 14 years. The first instalment of the loan is due for payment in June, 2015.

5. Deferred Tax Liability (net)

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Provision for employee benefits	44.48	10.63
Provision for doubtful debts	33.04	59.35
TOTAL	77.52	69.98
Deferred Tax Liabilities		
Difference between book and tax depreciation	177.52	169.08
TOTAL	177.52	169.08
NET DEFERRED TAX LIABILITY	100.00	99.10

6. Other Long Term Liabilities

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Security Deposits Received from Dealers	154.50	119.50
Total	154.50	119.50

- 6.1 Security Deposits taken from dealers for supplying them shrimp feed on credit terms. Interest is paid on these deposits @ 9% per annum (Previous year 10% p.a.).

7. Long Term Provisions

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Provision for Retirement benefits	145.90	156.28
Total	145.90	156.28

8. Short Term Borrowings :

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Working Capital loans from State Bank of India	4628.42	3,278.44
Total	4,628.42	3,278.44

8.1 Working Capital loans of Rs.4,628.42 lacs was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets, pledge of 4.74 lac equity shares of the Company held by Mr.A. Indra Kumar, Pledge of 2.67 lac equity shares of the Company held by Sanjeeva Agro-vet Private Limited and personal guarantee of Mr.A.Indra Kumar, Managing Director of the Company.

9. Trade Payables

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Micro and Small enterprises	-	-
Others	1,979.00	1,224.64
Total	1,979.00	1,224.64

10. Other Current Liabilities

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
a) Current Maturities of long term debt (refer note 4)	196.36	126.07
b) Unpaid Dividends	20.60	11.85
c) Advance from customers	490.75	339.77
d) Interest accrued but not due	66.05	0.69
e) Creditors for expenses	2,179.24	1,166.21
Total	2,953.00	1,644.59

11. Short Term Provisions

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Provision for employee benefits	75.96	21.54
Other Provisions		
Proposed Dividend	590.40	590.40
Tax on proposed dividend	100.34	95.78
Provision for Income Tax (net of Advance Tax paid for current year Rs. 1051.54 lacs. Previous Year NIL)	290.30	-
Total	1,057.00	707.72

(Rs. in Lacs)

Fixed Assets

Note 12

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2012	Additions	Deletions	Total Cost as on 31.03.2013	Upto 31.03.2012	For the year	On Deletions	Total upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
TANGIBLE ASSETS :											
1	Free Hold Land	295.10	171.93	-	467.03	-	-	-	-	467.03	295.10
2	Buildings	1,646.95	266.13	-	1,913.08	303.51	55.56	-	359.07	1,554.01	1,343.44
3	Plant & Machinery	5,331.39	666.33	453.83	5,543.89	2,942.73	394.56	448.65	2,888.64	2,655.25	2,388.66
4	Office Equipment	126.78	28.05	37.00	117.83	75.01	13.17	35.57	52.61	65.22	51.77
5	Furniture & Fixtures	39.80	15.96	14.77	40.99	23.33	1.87	13.87	11.33	29.66	16.47
6	Vehicles	327.85	163.03	36.07	454.81	131.10	30.04	6.32	154.82	299.99	196.75
	Total (A) :	7,767.87	1,311.43	541.67	8,537.63	3,475.68	495.20	504.41	3,466.47	5,071.16	4,292.19
INTANGIBLE ASSETS :											
1	Computer Software	19.63	-	-	19.63	2.84	3.18	-	6.02	13.61	16.79
	Total (B) :	19.63	-	-	19.63	2.84	3.18	-	6.02	13.61	16.79
CAPITAL WORK IN PROGRESS :											
1	Capital Work in progress	167.13	-	8.49	158.64	-	-	-	-	158.64	167.13
	Total (C) :	167.13	-	8.49	158.64	-	-	-	-	158.64	167.13
	Total (A+B+C) :	7,954.63	1,311.43	550.16	8,715.90	3,478.52	498.38	504.41	3,472.49	5,243.41	4,476.11
	Previous Year Figures :	5,928.29	2,273.99	247.65	7,954.63	3,248.49	400.42	170.38	3,478.53	4,476.10	2,679.80

13. Non-current Investments

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
A) Trade Investments - Unquoted investment in equity shares		
Subsidiary companies :		
Svimsan Exports & Imports Limited 10,00,000 Shares of Rs.10/- each fully paid (Previous year 10,00,000 Shares of Rs.10/- each fully paid)	100.00	100.00
Associate companies :		
Srivathsa Power Projects Limited 1,66,93,630 shares of Rs.10/- each fully paid (Previous year 1,66,93,630 shares of Rs.10/- each fully paid)	1,670.54	1,670.54
Patikari Power Private Limited * 1,06,45,200 shares of Rs.10/- each fully paid (Previous year 1,06,45,200 shares of Rs.10/- each fully paid)	1,064.52	1,064.52
* Out of 1,06,45,200 equity shares, 42,50,000 shares have been pledged with respect to loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.		
	2,835.06	2,835.06
B) Non-Trade Investments - Quoted		
IDBI Bank Limited 2,880 Equity Shares of Rs.10/- each fully paid (Previous year 2,880 Equity Shares of Rs.10/- each fully paid)	0.54	0.54
UCO Bank Limited 7,800 Equity Shares of Rs.10/- each fully paid (Previous year 7,800 Equity Shares of Rs.10/- each fully paid)	0.94	0.94
Unquoted - Equity Shares		
Bhimavaram Hospitals Limited 1,20,000 Equity Shares of Rs.10/- each fully paid (Previous year 1,20,000 Equity Shares of Rs.10/- each fully paid)	12.00	12.00
	13.48	13.48
Total non-current Investments (A + B)	2,848.54	2,848.54

Quoted Investments

Book Value

1.48

1.48

Market Value

6.66

9.16

Unquoted Investments

Book Value

2,847.06

2,847.06

14. Long Term Loans & Advances

(Unsecured And Considered Good)

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Advance for Capital Works	367.76	21.28
Advances to Other body corporate	-	25.89
Deposits with Electricity Boards & rental deposits	125.72	113.93
Staff Advances	4.84	19.42
Total	498.32	180.52

15. Other Non-current Assets

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Deposits with Defined Benefit Plans	94.07	72.05
Total	94.07	72.05

16. Current Investments

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
INVESTMENTS IN MUTUAL FUNDS - UNQUATED, FULLY PAID UP:		
SBI Gold Fund - Growth 2,50,000 units of Rs. 10.00 each (Previous year 2,50,000 units of Rs. 10.0584 each)	25.15	25.15
SBI Premier Liquid Fund - Institutional - Daily Dividend Nil (Previous year 59,954.6228 units of Rs.1003.25 each)	-	601.15
SBI Premier Liquid Fund - Super Institutional - Daily Dividend Nil (Previous year 99,720.4723 units of Rs.1003.25 each)	-	1,000.44
SBI Debt Fund Series - 90 days Nil (Previous year 10,00,000 units of Rs.10.088)	-	100.88
Total	25.15	1,727.62

17. Inventories

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Raw Materials		
- In godowns	5,336.43	2,057.10
- In transit	89.32	105.47
Packing Materials	251.04	184.44
Work-in-process	294.31	81.48
Finished Goods	3,159.68	1,436.82
Stores & Spares	585.43	349.95
Total	9,716.21	4,215.26

18. Trade Receivables

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Secured & Considered Good :		
More than six months	0.62	-
Others	1,222.37	479.93
Unsecured & Considered Good :		
More than six months	-	-
Others	2,749.64	1,070.58
Unsecured & Considered Doubtful :		
More than six months	3.77	91.27
Others	98.05	10.55
Total	4,074.45	1,652.33
Less : Provisions	101.82	101.82
Total	3,972.63	1,550.51

19. Cash & Bank Balances

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Cash & Cash Equivalentants :		
Cash in hand	15.21	9.26
Balances with Banks :		
In Current Accounts	355.99	292.86
In Fixed Deposit Accounts (Maturity less than 3 months)	300.00	1,800.00
	671.20	2102.12
Other Bank Balances		
Margin Money Accounts *	166.28	90.26
Unpaid Dividend Accounts	20.60	11.85
	186.88	102.11
Total	858.08	2,204.23

*19.1 Margin Money Accounts are the deposits with bank lien marked for imports and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

20. Short Term Loans and Advances

(Unsecured And Considered Good)

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Advance for Purchases	144.83	292.81
Other Advances	117.04	150.88
Advance Tax (Net of provision for tax)	-	52.55
Staff Advances	50.00	25.97
Total	311.87	522.21

21. Other Current Assets

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Export Incentives Receivable	462.79	489.40
Freight reimbursement receivable	156.62	41.58
Accrued Interest	9.25	22.22
Total	628.66	553.20

22. Revenue from Operations

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
a. Sale of Goods		
Domestic Sales		
i) Shrimp Feed	49,992.85	26,367.52
ii) Fish Feed	65.84	589.82
iii) Shrimp Seed	55.98	74.39
iv) Wheat Bran	70.00	116.90
v) Processed Shrimp	2.07	8.39
vi) Electricity Sales (Wind Mills)	207.91	216.41
Export Sales		
Processed Shrimp	13,523.13	10,808.46
b. Other Operating Revenues		
Export Incentives	853.89	1,159.59
Income from sale of Certified emission reductions	32.10	-
Total	64,803.77	39,341.48

23. Other Income

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Interest on :		
i) Bank Deposits	9.54	14.42
ii) Others	9.11	4.41
Dividend from :		
- Current Investments	24.00	21.29
- Non-current Investments	167.21	250.79
Gain on Exchange Fluctuations (net)	23.74	-
Profit on sale of fixed assets	-	4.26
Miscellaneous Income	24.45	40.11
Total	258.05	335.28

24. Cost Of Materials Consumed

(Rs. in Lacs)

	For the Year Ended 31st March, 2013		For the Year Ended 31st March, 2012	
	Qty. in MT	Value	Qty. in MT	Value
Fish Meal	24,666.72	14,448.62	14,001.42	7,075.92
Wheat & Wheat Flour	34,706.44	6,233.11	22,765.55	3,195.59
Soya DOC	35,973.24	12,245.57	20,408.54	4,463.42
Other Materials	9,731.68	6,704.74	7,462.08	3,523.89
Shrimp (Head on)	4,025.76	10,623.93	2,950.35	7,740.10
Packing Material	-	1,377.36	-	798.07
Total	109,103.84	51,633.33	67,587.94	26,796.99

25. Purchases of Stock in Trade

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Shrimp feed imported	-	695.68
Total	-	695.68

25.1 During the previous year Company imported 1500 MT of shrimp feed from Thai Union Feed Mill Co Ltd, Thailand and sold to its dealers to cater to the temporary increase in demand due to peak season.

26. Changes in inventories of finished goods, stock-in-process and stock-in-trade (Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Inventories (at close)		
Finished Goods	3,159.68	1,436.82
Work-in-process	294.31	81.48
Total Inventories (at close)	3,453.99	1,518.30
Inventories (at commencement)		
Finished Goods	1,436.82	1,878.40
Work-in-process	81.48	57.33
Total Inventories (at commencement)	1,518.30	1,935.73
Net (Increase)/Decrease	(1,935.69)	417.43

27. Employee Benefits Expense

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Salaries, wages & bonus	1,563.53	1,104.63
Contribution to P F and Other Funds	146.65	123.94
Staff Welfare Expenses	31.98	18.25
Remuneration to Directors	420.13	335.49
Total	2,162.29	1,582.31

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

I. Defined Contribution Plans:

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Employer's Contribution to Provident Fund	71.40	48.42
Employer's Contribution to Super Annuation Fund	6.92	6.28
Employer's Contribution to ESI	11.51	9.47

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 Statement of Profit and Loss 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 :

(Rs. in lacs)

Particulars	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Change in the present value of defined obligation		
Opening present value of defined benefit obligation	177.81	137.91
Current services cost	24.96	14.07
Interest cost	7.38	10.69
Actuarial losses/ (gain)	20.73	23.74
Benefits paid	(9.01)	(8.60)
Closing present value of defined benefit obligation	221.87	177.81
Change in the fair value of assets		
Opening fair value of plan assets	79.00	68.69
Expected return on plan assets	10.43	5.69
Actuarial gains/ (losses)	(15.27)	0.10
Contributions by employer	28.92	13.12
Benefits paid	(9.01)	(8.60)
Closing fair value of plan assets	94.07	79.00
Amount recognized in the Balance Sheet		
Present Value of Funded Obligations	221.87	177.81
Less: Fair Value of Plan Assets	94.07	78.99
Net Liability	127.80	98.82
Expense recognized in Statement of Profit and Loss		
Current services cost	24.96	14.07
Interest on Defined Benefit Obligation	7.38	10.69
Expected return on plan assets	10.43	5.69
Net actuarial losses / (gains) recognized in year	36.00	23.64
Amount, included in "Employee Benefit Expense"	57.91	42.71
Actual return on plan assets	(4.84)	5.79
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%

28. Finance Costs

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Interest Expenses	278.44	260.97
Other borrowing costs	58.89	53.47
Total	337.33	314.44

29. Manufacturing Expenses

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Power & Fuel	1,905.92	1,081.47
Repairs & Maintenance		
- Buildings	94.65	52.98
- Plant & Machinery	41.91	62.86
- Electricals	12.46	10.48
- Windmills maintenance	28.77	25.55
- Laboratory maintenance	6.68	13.77
Consumable Stores	650.38	398.45
Other Manufacturing Expenses	540.78	313.83
Total	3,281.55	1,959.39

30. Selling & Distribution Expenses

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Advertisement	11.47	4.81
Carriage Outward	158.30	91.66
Ocean Freight & Export Expenses	666.93	363.20
Marketing Expenses	410.50	482.45
Royalty	290.71	145.09
Cash Discount	2,170.60	1,056.51
Total	3,708.51	2,143.72

31. Other Expenses

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Rent	12.11	6.58
Electricity Charges	5.76	3.79
Rates & Taxes	62.24	33.41
Insurance	112.86	75.99
Traveling & Conveyance	249.99	167.55
Vehicle Maintenance	26.16	21.43
Communication Expenses	38.33	31.86
Printing & Stationery	13.28	9.25
Directors' Sitting Fee	2.35	1.95
Auditors Remuneration		
- As Auditors	8.99	8.27
- Tax Matters	2.29	2.21
Reimbursement of Expenses	2.14	2.01
Repairs & Maintenance		
Buildings	8.08	19.52
Others	7.04	9.55
Professional Charges	88.07	64.26
Bank Charges	54.43	92.46
General Expenses	110.79	85.62
Loss on Sale of DEPB	8.43	36.35
Loss on Exchange Fluctuation	-	302.47
Donation	2.15	1.56
Export incentives receivables written off	-	89.06
Loss on Sale of Fixed Assets	4.22	-
Assets Written off	6.20	12.92
Bad Debts Written Off	23.87	150.78
Provision for Doubtful Debts	-	81.82
Total	849.78	1,310.67

32. Exceptional Items

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Impairment of assets	-	52.71
Anti-dumping Duty	111.53	-
Total	111.53	52.71

32.1 Department of Commerce of USA carried out review and determined Anti-Dumping Duty (ADD) at 3.23% on shrimp exports made to USA during the period from 01.02.2011 to 31.01.2012. Company had paid ADD @ 1.69% at the time of export. The differential duty payable is Rs.111.53 lacs.

32.2 Company had set up Shrimp Shell Manufacturing plant in the year 2000 to process the waste

generated from shrimp processing unit. Shrimp Shell Meal was used as a raw material for manufacturing shrimp feed. However, with the high cost of Furnace Oil, the processing of shrimp waste became unviable. The plant is idle since 2007 and there is no possibility of reviving it in future. The initial investment in Plant & Machinery was Rs.180.56 lacs in the year 2000 and the depreciated value was Rs.52.71 lacs in the year 2011-12 and was written off as impairment in the year 2011-12.

33. Earning Per Share

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Profit for the year (Rs. In Lacs)	3,019.15	2,807.02
Weighted Average number of Equity Shares outstanding during the year (in Numbers)	9,083,042	9,083,042
Basic & diluted earnings per share - Face Value of Rs.10/- each (in Rs.)	33.24	30.90

34. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.934.00 lacs (Previous Year Rs.79.06 lacs) net of capital advances Rs.367.76 lacs (Previous Year Rs.21.28 lacs).

35. Contingent Liabilities Not Provided For

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Service Tax Demand	8.26	8.26
MP VAT demand for soya transactions in 2005-06	29.22	29.22
Electricity Duty	3.64	-

35.1 The Customs and Central Excise Department levied penalty of Rs.8.26 lacs for delay in payment of Service Tax on royalty for the period April 1, 2006 to September 30, 2008 paid to Thai Union Feed Mill Co. Ltd. This levy of penalty is being contested by the Company at CESTAT, Bangalore.

35.2 Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used part for own consumption in manufacturing of shrimp feed and rest was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand for Rs.29.22 lacs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

35.3 Company approached High Court of Andhra Pradesh against levy and collection of Electricity Duty on self generated power from DG sets. Honble High Court granted stay on recovery of the same and the matter is pending for final hearing.

36. Dues To Micro And Small Enterprises

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. 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.

37. 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.

In Shrimp processing division, shrimp are purchased from the farmers and are processed and exported to various countries.

Company had installed four windmills of 3.2MW 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.

(Rs. in Lacs)

Name of the country	Revenue		Location of assets		Additions to fixed assets	
	For the Year Ended 31 st March, 2013	For the Year Ended 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012	During the Year ended 31 st March, 2013	During the Year ended 31 st March, 2012
India	51,280.64	28,787.89	21,803.35	17,526.82	1,311.43	2273.99
USA	12,319.88	8,186.62	2,122.06	544.50	-	-
Rest of the world	1,203.25	2,366.97	271.53	278.93	-	-
Total	64,803.77	39,341.48	24,196.94	18,350.25	1,311.43	2273.99

(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	50,184.66	27,148.62	14,379.09	11,976.45	240.02	216.41			64,803.77	39,341.48
Inter-segment sales	-	-	-	-	-	-			-	-
Total Revenue	50,184.66	27,148.62	14,379.09	11,976.45	240.02	216.41			64,803.77	39,341.48
Segment Result										
Operating Profit	2,575.51	2,537.42	1,897.30	1,489.38	132.81	113.44			4,605.62	4,140.24
Other Income	12.68	18.57	43.48	3.17	-	-	201.89	313.54	258.05	335.28
Interest Expense	186.25	212.51	151.08	169.42	-	24.97	-	-	337.33	406.90
Exceptional Items	-	52.71	111.53	-	-	-	-	12.92	111.53	65.63
Income Tax										
- Current Tax & PY Taxes							1,394.76	966.00	1,394.76	966.00
- Deferred Tax							0.90	229.97	0.90	229.97
Net Profit	2,401.94	2,290.77	1,678.17	1,323.13	132.81	88.47	(1,193.77)	(895.35)	3,019.15	2,807.02
Other Information										
Segment Assets	13,755.13	7,898.71	5,904.72	2,737.03	926.75	1,006.38	3,610.34	6,708.13	24,196.94	18,350.25
Segment Liabilities	9,011.67	3,315.72	2,329.37	1,440.54	14.99	22.59	854.80	3,913.69	12,210.82	8,692.54
Capital Employed	4,743.46	4,582.99	3,575.35	1,296.49	911.76	983.79	2,755.54	2,794.44	11,986.12	9,657.71
Capital Expenditure	605.83	2196.79	657.00	65.17	-	-	48.60	12.03	1,311.43	2273.99
Depreciation	282.21	218.87	119.39	84.17	76.12	76.12	20.65	21.26	498.38	400.42

38. Related Parties

38.1 Name of the related parties and description of their relationship:

1. Subsidiary : Svimsan Exports & Imports 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
: Thai Union Frozen Products PCL
: Thai Union Feed Mill Co. Ltd.
: Rama Sea Foods Private Limited
: Sanjeeva Agro Vet Private Limited
: Laxai-Avanti Life Sciences Private Limited
: Sri Sai Srinivasa Agro Farms & Developers Private Limited
4. Companies over which Significant Influence is exercised : Srivathsa Power Projects Limited
: Patikari Power Private Limited

38.2. Transactions with the related parties:

(Rs. in Lacs)

Particulars	Key Management Personnel		Associate Companies	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Interest Paid	-	-	4.86	35.63
Remuneration	430.80	348.74	-	-
Rent Paid	1.80	1.80	1.80	1.80
Royalty paid	-	-	290.71	145.09
Purchase of Shrimp Feed	-	-	-	695.68
Sale of Shrimp	-	-	75.53	-
Dividend Paid	68.84	10.20	310.38	36.92

39. Foreign Currency Inflow & Out Flow

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
i) Value of imports made by the company during the financial year calculated on CIF basis in respect of		
Capital Goods	324.81	315.58
Spares & Consumables	270.76	179.32
Raw Materials	1,465.14	1,056.11
Shrimp Feed imported for trading	-	644.38
ii) Earnings in foreign exchange		
Exports on FOB basis	12,987.81	10,807.10
iii) Expenditure in foreign currency on account of		
Traveling	13.65	7.91
Royalty	290.71	145.09
Quality Insurance Premium	9.14	20.76
Dividend	148.42	12.00
Other expenditures	24.04	-
Anti-Dumping Duty	111.54	-

40. Consumption of Imported and Indigenous Raw Materials

(Rs. in Lacs)

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Value	%age	Value	%age
Imported	1,634.84	3.17	1,663.58	6.21
Indigenous	49,998.49	96.83	25,133.41	93.79
Total	51,633.33	100.00	26,796.99	100.00

41. Details of NRI Shareholders and Dividend paid in Foreign Currency

(Rs. in Lacs)

Year of remittance	On account of Financial year	No. of Non-Resident Shareholders	No. of Shares held	Amount of Dividend
2012/2013	2011/2012	2	2,283,442	148.42
2011/2012	2010/2011	2	1,200,400	12.00

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

1. Name of the Subsidiary Company	Svimsan Exports & Imports Limited
2. Financial year of the subsidiary ended on	31 st March, 2013
3. Holding Company's Interest	100%
4. The net aggregate amount of the subsidiary's profits after deducting losses or vice versa so far as it concern members of the holding company and is not dealt with in the Company's accounts: Profit/(Loss) for the current financial year and Profit/(Loss) for the previous financial years since it became the holding company's subsidiary	(1.08) (188.39)
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 b) for the previous financial year since it became the holding company's subsidiary	NIL NIL
6. Change in the interest of the Company between the end of last financial year and 31 st March, 2013	NIL
7. Material changes between the end of the of last financial year and 31 st March, 2013	NIL

Place: Hyderabad
Date: 25.05.2013

For and on behalf of the board

A. Indra Kumar
Managing Director

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
Avanti Feeds Limited

We have audited the accompanying consolidated financial statements of Avanti Feeds Limited ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended March 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Place: Hyderabad
Date : 25.05.2013

(K. AJAY KUMAR)
PARTNER
(M. No: 021989)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs. in lacs)

	Note	As at 31 st March, 2013	As at 31 st March, 2012
A EQUITY & LIABILITIES			
1 Shareholders Funds			
a) Share Capital	2	908.30	908.30
b) Reserves & Surplus	3	10,888.35	8,561.02
2 Non-current Liabilities			
a) Long term borrowings	4	1,193.00	1,462.27
b) Deferred tax liabilities (net)	5	100.00	99.10
c) Other long term liabilities	6	154.50	119.50
d) Long term provisions	7	145.90	156.28
3 Current Liabilities			
a) Short term borrowings	8	4,628.42	3,278.44
b) Trade payables	9	1,979.00	1,224.64
c) Other current liabilities	10	3,043.20	1,734.82
d) Short term provisions	11	1,057.00	707.72
TOTAL – EQUITY & LIABILITIES		24,097.67	18,252.09
B ASSETS			
1 Non-current Assets			
a) Fixed Assets :	12		
Tangible		5,071.16	4,292.19
Intangible		13.61	16.79
Capital work in progress		158.65	167.13
b) Non-current investments	13	2,748.54	2,748.54
c) Long term loans & advances	14	498.49	181.44
d) Other non-current assets	15	94.07	72.05
2 Current Assets			
a) Current Investments	16	25.15	1,727.62
b) Inventories	17	9,716.21	4,215.26
c) Trade receivables	18	3,972.63	1,550.51
d) Cash & Bank balances	19	858.63	2,205.15
e) Short term loans & advances	20	311.87	522.21
f) Other Current assets	21	628.66	553.20
TOTAL ASSETS		24,097.67	18,252.09
C. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-41			

As per our Report of even date
for **KARVY & CO**
Chartered Accountants
Firm Registration No. 01757S
K. Ajay Kumar
Partner
Membership No. 021989
Place : Hyderabad
Date : 25.05.2013

For and on behalf of the Board

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Jt. Managing Director & Company Secretary

N. Ram Prasad
Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in lacs)

	Note	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
INCOME			
Revenue from Operations	22	64,803.77	39,341.48
Other Income	23	258.05	335.28
Total Revenue		65,061.82	39,676.76
EXPENDITURE :			
Cost of Materials Consumed	24	51,633.33	26,796.99
Purchases of Stock-in-Trade	25	-	695.68
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	26	(1,935.69)	417.43
Employee Benefits expense	27	2,162.29	1,582.31
Finance Costs	28	337.33	314.44
Depreciation & Amortisation Expense	12	498.38	400.42
Manufacturing Expenses	29	3,281.55	1,959.39
Selling & Distribution Expenses	30	3,708.51	2,143.72
Other Expenses	31	850.86	1,312.40
Total Expenses		60,536.56	35,622.78
Profit before exceptional items & Tax		4,525.26	4,053.98
Exceptional items	32	111.53	52.71
Profit before tax		4,413.73	4,001.27
Tax Expense			
Current Tax		1,394.76	966.00
Deferred Tax		0.90	229.97
Profit for the year		3,018.07	2,805.30
Earning per equity share of Rs.10 each Basic & Diluted (in Rs.)	33	33.23	30.89
Notes forming part of the Financial Statements 1-41			

As per our Report of even date
for KARVY & CO
Chartered Accountants
Firm Registration No. 01757S
K. Ajay Kumar
Partner
Membership No. 021989
Place : Hyderabad
Date : 25.05.2013

For and on behalf of the Board

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Jt. Managing Director & Company Secretary

N. Ram Prasad
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	4,413.73	4,001.27
Adjustment for		
Depreciation	498.38	400.42
Exceptional Items	111.53	61.37
Bad Debts Written Off	23.87	150.78
Doubtful Debts	-	81.82
Excess Provision Written off	-	89.06
Credit Balances Written back	-	(3.09)
Loss/(Gain) on exchange fluctuations & forward contracts	(23.74)	302.47
Interest Paid	337.33	314.44
Interest Received	(18.65)	(18.83)
Dividend Received on Investments	(191.21)	(272.09)
Operating Profit before Working Capital Changes	<u>5,151.24</u>	<u>5,107.62</u>
Adjustment for		
Trade and Other Receivables	(2,650.21)	50.25
Inventories	(5,500.95)	(310.25)
Trade Payable	1,996.64	1,156.05
Cash generated from Operations	<u>(1,003.28)</u>	<u>6,003.67</u>
Income Tax Paid	(1,051.89)	(966.00)
Net Cash flow from Operating activities	<u>(2,055.17)</u>	<u>5,037.67</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment (Net)	1,702.47	(1,027.33)
Dividend Received on Investments	191.21	272.09
Interest Received	18.65	18.83
Purchase of Fixed Assets	(1,311.43)	(1,157.05)
Bank Balance not considered as cash and cash equivalents	(84.77)	135.29
Sale of Fixed Assets	26.82	14.73
Net Cash used in Investing activities	<u>542.95</u>	<u>(1,743.44)</u>

(Rs. in lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
C. CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from long term borrowings	-	565.19
Repayment of long term borrowings	(269.27)	(330.01)
Increase in short term borrowings/(decrease)	1,349.97	(934.43)
Interest Paid	(337.33)	(314.44)
Profit on exchange fluctuations & forward contracts	23.74	(302.47)
Dividends paid including tax on Dividend	(686.18)	(93.29)
Net Cash generated in Financing Activities	<u>80.93</u>	<u>(1,409.45)</u>
Net Increase / Decrease in Cash and Cash Equivalents	(1,431.29)	1,884.77
Cash and Cash Equivalents (Opening Balance)	2,103.04	218.27
Cash and Cash Equivalents (Closing Balance)	<u>671.75</u>	<u>2,103.04</u>

As per our Report of even date

For and on behalf of the Board

for KARVY & CO

Chartered Accountants

Firm Registration No. 01757S

K. Ajay Kumar

Partner

Membership No. 021989

Place : Hyderabad

Date : 25.05.2013

A. Indra Kumar

Managing Director

C. Ramachandra Rao

Jt. Managing Director &
Company Secretary

N. Ram Prasad

Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AT THE YEAR ENDED 31ST MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as discussed in para 2.1(a) below.

Summary of significant accounting policies

a) Change in accounting policy

Presentation and disclosure of financial statements

During the previous year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

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) Tangible fixed assets

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

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

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

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

e) Intangible assets

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

f) Expenditure incurred during construction period

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is related to construction or is incidental thereto.

g) Impairment of tangible and intangible fixed assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants received for capital expenditure are reduced from the carrying value of the asset are presented by deducting them from the carrying value of the assets. Other government grants towards expenditures of revenue nature are reduced from the respective expenditure head.

i) 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, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Inventories

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

k) Revenue recognition

Revenue is recognized to the extent it is probable the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sales

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

Dividend and Interest income

Dividend is recognised when the unconditional right to receive the income is established. Income from deposits, loans and interest bearing securities is recognised on the time proportionate method.

l) Retirement benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates defined benefit plan for its employees towards gratuity and leave encashment. The cost of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plans using the projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which it occurs in the statement of profit and loss.

Gratuity and Accumulated leave, which are expected to become payable as a result of staff turnover within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such staff turnover on the basis of past experiences.

m) 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 statement of profit and loss 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 Statement of Profit and Loss. 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.

n) Income taxes

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and

accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

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

s) Amalgamation

The amalgamation has been accounted for under the "Pooling Interest Method" as prescribed by Accounting Standard (AS-14) "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.

t) Previous Year figures have been re-grouped/re-classified, wherever necessary to confirm to the current year presentation.

2. Share Capital

(Rs. in lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Authorised Share Capital : 1,58,50,000 equity shares of Rs.10 each (Previous year 80,00,000 equity shares of Rs.10 each)	1,585.00	800.00
Issued, Subscribed and paid up : 90,83,042 Equity Shares of Rs.10 each fully paid up (Previous year 80,00,000 Equity Shares of Rs.10 each fully paid up)	908.30	800.00
Share Suspense Account: (In consequence to Amalgamation of Avanti Thai Aqua Feeds Private Limited ("ATAF") with the Company, 10,83,042 Equity Shares of Rs.10 each fully paid up were issued to shareholders of ATAF as consideration w.e.f. 01.04.2011. Pending issue and allotment of the equity shares, the face value of shares to be allotted are shown against "Share Suspense Account") -	-	108.30
Total	908.30	908.30

2.1 Amalgamation of Avanti Thai Aqua Feeds Private Limited

- a. In terms of the scheme of Amalgamation & Arrangement ("Scheme") approved by orders dated 18th April, 2012 of Hon'ble High Court of Andhra Pradesh, M/s. Avanti Thai Aqua Feeds Private Limited ("ATAF") whose core business is to manufacture and sell shrimp feed has been amalgamated with the Company with effect from April 1, 2011.
- b. The amalgamation has been accounted for under the "Pooling Interest Method" as prescribed by Accounting Standard (AS-14) "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- c. In accordance with the said scheme:
 1. All the assets, debts, liabilities, duties and obligations of "ATAF" have been vested in the Company with effect from April 1, 2011 and have been recorded at their respective book values under pooling interest method of accounting for amalgamation. There were no differences in the accounting policies of "ATAF" and the Company.
 2. 10,83,042 equity shares of Rs. 10/- each has to be allotted to the shareholders of "ATAF" in the ratio of 20 equity shares of Rs. 10/- of the company for every 71 equity shares of Rs. 10/- each of "ATAF".
 3. In accordance with the said scheme, any excess/shortfall of the Net Assets Value taken over by the Company over the paid-up value of equity shares to be issued and allotted has been transferred to Capital Reserve.

2.2. Reconciliation of the shares outstanding at the beginning and at the end of the year (Rs. in Lacs)

	As at 31 st March, 2013		As at 31 st March, 2012	
	No's	Amount	No's	Amount
Equity shares of Rs. 10/- each fully paid up At the beginning of the year	8,000,000	800.00	8,000,000	800.00
Changes during the year : In consequence to amalgamation of Avanti Thai Aqua Feeds Private Limited with the Company shares issued to pursuant to Scheme of Amalgamation.	1,083,042	108.30	NIL	NIL
Outstanding at the end of the year	9,083,042	908.30	8,000,000	800.00

2.3 Terms/ rights attached to equity shares

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

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders at Rs.6.50 (March 31, 2012: Rs.6.50).

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

Name of the shareholders	As at 31 st March, 2013		As at 31 st March, 2012	
	No's	% Holding	No's	% Holding
Srinivasa Cystine Private Limited	2,226,000	24.51	2,226,000	27.83
Thai Union Frozen Products PCL, Thailand	2,282,042	25.12	1,199,000	14.99
Alluri Indra Kumar (HUF)	545,950	6.01	545,950	6.82
Andhra Pradesh Industrial Development Corporation Limited	500,000	5.50	500,000	6.25
Alluri Indra Kumar	523,380	5.76	494,530	6.18

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

3. Reserves & Surplus

(Rs. in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
Capital Reserve :		
Balance at the beginning of the year	405.78	129.60
Capital Reserve arising on account of amalgamation of Avanti Thai Aqua Feeds Private Limited with the Company	-	276.18
Balance at the end of the year (a)	405.78	405.78
Share Premium		
Balance at the beginning of the year	438.00	438.00
Balance at the end of the year (b)	438.00	438.00
General Reserve :		
Balance at the beginning of the year	4,155.69	3,855.69
Add : Transferred from Profit & Loss Account	350.00	300.00
Balance at the end of the year (c)	4,505.69	4,155.69
Profit & Loss Account :		
Balance at the beginning of the year	3,561.55	1,714.88
Add :		
Transferred from Avanti Thai Auqa Feeds Private Limited on account of amalgamation	-	27.55
Profit for the year	3,018.07	2,805.30
	6,579.62	4,547.73
Less : Appropriations		
Transferred to General Reserve	350.00	300.00
Proposed Dividend	590.40	590.40
Tax on Dividend	100.34	95.78
Total of Profit & Loss Account	5,538.88	3,561.55
Grand total of Reserves & Surplus	10,888.35	8,561.02

3.1 The computation of the amount transferred to Capital Reserve as a consequence of Amalgamation in the previous year 2011-12 is as under:

(Rs. in Lacs)

Book Value of Assets		For the year 2011-12
a)	Fixed Assets	1,034.24
b)	Investments	-
c)	Net Current Assets	53.67
d)	Pre-Operative Expenditure pending capitalization	93.03
e)	Miscellaneous Expenditure	6.16
	Total Assets (I)	1,187.10
	Book Value of Liabilities :	
a)	Secured Loans	374.71
b)	Deferred Tax Liability	0.88
	Total Liabilities (II)	375.59
	Net Value of Assets (I-II)	811.51
	Less :	
a)	Equity Shares issued to shareholders of "ATAF" 10,83,042 equity shares of Rs. 10/- (each)	108.30
b)	Cancellation of equity holding of company in ATAF : 39,94,800 equity shares of Rs. 10/- each	399.48
		507.78
	Appropriation :	
	Amount credited to Capital Reserve on Amalgamation	276.18
	Amount credited to Profit & Loss Account on Amalgamation	27.55

4. Long Term Borrowings & Current Maturities of Long Term Debt :

(Rs. in Lacs)

	As at 31 st March, 2013		As at 31 st March, 2012	
	Long Term	Current Maturities	Long Term	Current Maturities
Secured Loans :				
a) Term Loan from State Bank of India	575.00	160.00	854.98	81.00
Vehicle Loans :				
b) From I C I C I Bank Limited	38.10	26.97	7.07	26.92
c) From Magma Fincorp Limited	-	7.50	7.50	13.99
d) From HDFC Bank Limited	0.34	1.89	2.23	1.70
e) From Tata Capital Limited	-	-	0.87	2.46
Unsecured Loan				
Deferred Payment Liability - Sales Tax	579.56	-	589.62	-
From Associated Company	-	90.10	-	90.10
Total	1,193.00	286.46	1,462.27	216.17

- 4.1 The long term loan of Rs.935.98 lacs was taken from State Bank of India, Industrial Finance Branch, Hyderabad for the implementation of shrimp feed manufacturing project at Gujarat. The loan is secured by first charge on fixed assets of the Company, pledge of 4.71 lacs equity shares of the Company held by Mr.A. Indra Kumar, Pledge of 2.62 lacs equity shares of the Company held by Sanjeeva Agro-vet Private Limited, Corporate Guarantee of Srinivasa Cystine (P) Limited and Sanjeeva Agro-vet Private Limited, associate companies and personal guarantee of Mr.A. Indra Kumar, Managing Director of the Company.
- 4.2 Other loans stated above are vehicle loans and are secured by hypothecation of respective vehicles.
- 4.3 Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers from 2001-02 to 2004-05 was converted in to interest free loan for period of 14 years. The first instalment of the loan is due for payment in June, 2015.

5. Deferred tax liability (net)

(Rs. in Lacs)

Deferred Tax Assets	As at 31 st March, 2013	As at 31 st March, 2011
Provision for employee benefits	44.48	10.63
Provision for doubtful debts	33.04	59.35
Total	77.52	69.98
Deferred Tax Liabilities		
Difference between book and tax depreciation	177.52	169.08
Total	177.52	169.08
NET DEFERRED TAX LIABILITY	100.00	99.10

6. Other Long Term Liabilities

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Security Deposits Received from Dealers	154.50	119.50
Total	154.50	119.50

- 6.1 Security Deposits taken from dealers for supplying them shrimp feed on credit terms. Interest is paid on these deposits @ 9% per annum (Previous year 10% p.a.).

7. Long Term Provisions

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Provision for Retirement benefits	145.90	156.28
Total	145.90	156.28

8. Short Term Borrowings :

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Working Capital loans from State Bank of India	4,628.42	3,278.44
Total	4,628.42	3,278.44

8.1 Working Capital loans of Rs.4,628.42 lacs was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets, pledge of 4.74 lac equity shares of the Company held by Mr. A. Indra Kumar, Pledge of 2.67 lac equity shares of the Company held by Sanjeeva Agro-vet Private Limited and personal guarantee of Mr.A.Indra Kumar, Managing Director of the Company.

9. Trade Payables

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Micro and Small enterprises	-	-
Others	1,979.00	1,224.64
Total	1,979.00	1,224.64

10. Other Current Liabilities

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Current Maturities of long term debt (refer note 4)	286.46	216.17
Unpaid Dividends	20.60	11.85
Advance from customers	490.75	339.77
Interest accrued but not due	66.05	0.69
Creditors for expenses	2,179.34	1,166.34
Total	3,043.20	1,734.82

11. Short Term Provisions

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Provision for employee benefits	75.96	21.54
Other Provisions		
Proposed Dividend	590.40	590.40
Tax on proposed dividend	100.34	95.78
Provision for Income Tax (net of Advance Tax paid for current year Rs.1051.54 lacs. Previous Year NIL)	290.30	-
Total	1,057.00	707.72

(Rs. in Lacs)

Fixed Assets

Note 12

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		Cost as on 01.04.2012	Additions	Deletions	Total Cost as on 31.03.2013	Upto 31.03.2012	For the year	On Deletions	Total upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
TANGIBLE ASSETS :											
1	Free Hold Land	295.10	171.93	-	467.03	-	-	-	-	467.03	295.10
2	Buildings	1,646.95	266.13	-	1,913.08	303.51	55.56	-	359.07	1,554.01	1,343.44
3	Plant & Machinery	5,331.39	666.33	453.83	5,543.89	2,942.73	394.56	448.65	2,888.64	2,655.25	2,388.66
4	Office Equipment	126.78	28.05	37.00	117.83	75.01	13.17	35.57	52.61	65.22	51.77
5	Furniture & Fixtures	39.80	15.96	14.77	40.99	23.33	1.87	13.87	11.33	29.66	16.47
6	Vehicles	327.85	163.03	36.07	454.81	131.10	30.04	6.32	154.82	299.99	196.75
	Total (A) :	7,767.87	1,311.43	541.67	8,537.63	3,475.68	495.20	504.41	3,466.47	5,071.16	4,292.19
INTANGIBLE ASSETS :											
1	Computer Software	19.63	-	-	19.63	2.84	3.18	-	6.02	13.61	16.79
	Total (B) :	19.63	-	-	19.63	2.84	3.18	-	6.02	13.61	16.79
CAPITAL WORK IN PROGRESS :											
1	Capital Work in progress	167.13	-	8.49	158.64	-	-	-	-	158.64	167.13
	Total (C) :	167.13	-	8.49	158.64	-	-	-	-	158.64	167.13
	Total (A+B+C) :	7,954.63	1,311.43	550.16	8,715.90	3,478.52	498.38	504.41	3,472.49	5,243.41	4,476.11
	Previous Year Figures :	5,928.29	2,273.99	247.65	7,954.63	3,248.49	400.42	170.38	3,478.53	4,476.10	2,679.80

13. Non-current Investments

(Rs. in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
A) Trade Investments - Unquoted investment in equity shares		
Associate companies :		
Srivathsa Power Projects Limited 1,66,93,630 shares of Rs.10/- each fully paid (Previous year 1,66,93,630 shares of Rs.10/- each fully paid)	1,670.54	1,670.54
Patikari Power Private Limited * 1,06,45,200 shares of Rs.10/- each fully paid (Previous year 1,06,45,200 shares of Rs.10/- each fully paid)	1,064.52	1,064.52
* Out of 1,06,45,200 Equity shares 42,50,000 shares have been pledged with respect of loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.		
	2,735.06	2,735.06
B) Non-Trade Investments - Quoted		
IDBI Bank Limited 2,880 Equity Shares of Rs.10/- each fully paid (Previous year 2,880 Equity Shares of Rs.10/- each fully paid)	0.54	0.54
UCO Bank Limited 7,800 Equity Shares of Rs.10/- each fully paid (Previous year 7,800 Equity Shares of Rs.10/- each fully paid)	0.94	0.94
Unquoted - Equity Shares		
Bhimavaram Hospitals Limited 1,20,000 Equity Shares of Rs.10/- each fully paid (Previous year 1,20,000 Equity Shares of Rs.10/- each fully paid)	12.00	12.00
	13.48	13.48
Total non-current Investments (A+B)	2,748.54	2,748.54

Quoted Investments

Book Value	1.48	1.48
Market Value	6.66	9.16

Unquoted Investments

Book Value	2,747.06	2,747.06
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14. Long Term Loans & Advances

(Unsecured and Considered Good)

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Advance for Capital Works	367.76	21.28
Advances to Other body corporate	-	25.89
Deposits with Electricity Boards & rental deposits	125.89	114.85
Staff Advances	4.84	19.42
Total..	498.49	181.44

15. Other Non-current Assets

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Deposits with Defined Benefit Plans	94.07	72.05
Total	94.07	72.05

16. Current Investments

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
INVESTMENTS IN MUTUAL FUNDS - UNQUATED, FULLY PAID UP:		
SBI Gold Fund - Growth 2,50,000 units of Rs. 10.00 each (Previous year 2,50,000 units of Rs. 10.0584 each)	25.15	25.15
SBI Premier Liquid Fund - Institutional - Daily Dividend Nil (Previous year 59,954.6228 units of Rs. 1003.25 each)	-	601.15
SBI Premier Liquid Fund - Super Institutional - Daily Dividend Nil (Previous year 99,720.4723 units of Rs. 1003.25 each)	-	1,000.44
SBI Debt Fund Series - 90 days Nil (Previous year 10,00,000 units of Rs. 10.088)	-	100.88
Total	25.15	1,727.62

17. Inventories

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Raw Materials		
In godowns	5,336.43	2,057.10
In transit	89.32	105.47
Packing Materials	251.04	184.44
Work-in-process	294.31	81.48
Finished Goods	3,159.68	1,436.82
Stores & Spares	585.43	349.95
Total	9,716.21	4,215.26

18. Trade Receivables

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Secured & Considered Good :		
More than six months	0.62	-
Others	1,222.37	479.93
Unsecured & Considered Good :		
More than six months	-	-
Others	2,749.64	1,070.58
Unsecured & Considered Doubtful :		
More than six months	3.77	91.27
Others	98.05	10.55
Total	4,074.45	1,652.33
Less : Provisions	101.82	101.82
Total	3,972.63	1,550.51

19. Cash & Bank Balances

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Cash & Cash Equivalents :		
Cash in hand	15.21	9.26
Balances with Banks :		
In Current Accounts	356.54	293.78
In Fixed Deposit Accounts (Maturity less than 3 months)	300.00	1,800.00
	671.75	2103.04
Other Bank Balances		
Margin Money Accounts *	166.28	90.26
Unpaid Dividend Accounts	20.60	11.85
	186.88	102.11
Total	858.63	2,205.15

*19.1 Margin Money Accounts are the deposits with bank lien marked for imports and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

20. Short Term Loans and Advances
(Unsecured, considered good)

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Advance for Purchases	144.83	292.81
Other Advances	117.04	150.88
Advance Tax (Net of provision for tax)	-	52.55
Staff Advances	50.00	25.97
Total	311.87	522.21

21. Other Current Assets

(Rs. in Lacs)

	As at 31st March, 2013	As at 31 st March, 2012
Export Incentives Receivable	462.79	489.40
Freight reimbursement receivable	156.62	41.58
Accrued Interest	9.25	22.22
Total	628.66	553.20

22. Revenue from operations

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31 st March, 2012
a. Sale of Goods		
Domestic Sales		
i) Shrimp Feed	49,992.85	26,367.52
ii) Fish Feed	65.84	589.82
iii) Shrimp Seed	55.98	74.39
iv) Wheat Bran	70.00	116.90
v) Processed Shrimp	2.07	8.39
vi) Electricity Sales (Wind Mills)	207.91	216.41
Export Sales		
Processed Shrimp	13,523.13	10,808.46
b. Other Operating Revenues		
Export Incentives	853.89	1,159.59
Income from sale of Certified emission reductions	32.10	-
Total	64,803.77	39,341.48

23. Other Income

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Interest on :		
i) Bank Deposits	9.54	14.42
ii) Others	9.11	4.41
Dividend from :		
Current Investments	24.00	21.29
Non-current Investments	167.21	250.79
Gain on Exchange Fluctuations (net)	23.74	-
Profit on sale of fixed assets	-	4.26
Miscellaneous Income	24.45	40.11
Total	258.05	335.28

24. Cost of Materials Consumed

(Rs. in Lacs)

	For the Year Ended 31st March, 2013		For the Year Ended 31st March, 2012	
	Qty. in MT	Value	Qty. in MT	Value
Fish Meal	24,666.72	14,448.62	14,001.42	7,075.92
Wheat & Wheat Flour	34,706.44	6,233.11	22,765.55	3,195.59
Soya DOC	35,973.24	12,245.57	20,408.54	4,463.42
Other Materials	9,731.68	6,704.74	7,462.08	3,523.89
Shrimp (Head on)	4,025.76	10,623.93	2,950.35	7,740.10
Packing Material	-	1,377.36	-	798.07
Total	109,103.84	51,633.33	67,587.94	26,796.99

25. Purchases of Stock in Trade

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31 st March, 2012
Shrimp feed imported	-	695.68
Total	-	695.68

* 25.1 During the previous year Company imported 1500 MT of shrimp feed from Thai Union Feed Mill Co Ltd, Thailand and sold to its dealers to cater to the temporary increase in demand due to peak season.

26. Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31 st March, 2012
Inventories (at close)		
Finished Goods	3,159.68	1,436.82
Work-in-process	294.31	81.48
Total Inventories (at close)	3,453.99	1,518.30
Inventories (at commencement)		
Finished Goods	1,436.82	1,878.40
Work-in-process	81.48	57.33
Total Inventories (at commencement)	1,518.30	1,935.73
Net (Increase)/Decrease	(1,935.69)	417.43

27. Employee Benefits Expense

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31 st March, 2012
Salaries, wages & bonus	1,563.53	1,104.63
Contribution to P F and Other Funds	146.65	123.94
Staff Welfare Expenses	31.98	18.25
Remuneration to Directors	420.13	335.49
Total	2,162.29	1,582.31

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

I. Defined Contribution Plans:

(Rs. in Lacs)

	For the Year Ended 31st March, 2013	For the Year Ended 31 st March, 2012
Employer's Contribution to Provident Fund	71.40	48.42
Employer's Contribution to Super Annuation Fund	6.92	6.28
Employer's Contribution to ESI	11.51	9.47

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 Statement of Profit and Loss 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 :

(Rs. in Lacs)

Particulars	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Change in the present value of defined obligation		
Opening present value of defined benefit obligation	177.81	137.91
Current services cost	24.96	14.07
Interest cost	7.38	10.69
Actuarial losses/ (gain)	20.73	23.74
Benefits paid	(9.01)	(8.60)
Closing present value of defined benefit obligation	221.87	177.81
Change in the fair value of assets		
Opening fair value of plan assets	79.00	68.69
Expected return on plan assets	10.43	5.69
Actuarial gains/ (losses)	(15.27)	0.10
Contributions by employer	28.92	13.12
Benefits paid	(9.01)	(8.60)
Closing fair value of plan assets	94.07	79.00
Amount recognized in the Balance Sheet		
Present Value of Funded Obligations	221.87	177.81
Less: Fair Value of Plan Assets	94.07	78.99
Net Liability	127.80	98.82
Expense recognized in Statement of Profit and Loss		
Current services cost	24.96	14.07
Interest on Defined Benefit Obligation	7.38	10.69
Expected return on plan assets	10.43	5.69
Net actuarial losses / (gains) recognized in year	36.00	23.64
Amount, included in "Employee Benefit Expense"	57.91	42.71
Actual return on plan assets	(4.84)	5.79
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%

28. Finance Costs

(Rs. in Lacs)

	For the year ended 31st March 2013	For the year ended 31 st March 2012
Interest Expenses	278.44	260.97
Other borrowing costs	58.89	53.47
Total	337.33	314.44

29. Manufacturing Expenses

(Rs. in Lacs)

	For the year ended 31st March 2013	For the year ended 31 st March 2012
Power & Fuel	1,905.92	1,081.47
Repairs & Maintenance		
- Buildings	94.65	52.98
- Plant & Machinery	41.91	62.86
- Electricals	12.46	10.48
- Windmills maintenance	28.77	25.55
- Laboratory maintenance	6.68	13.77
Consumable Stores	650.38	398.45
Other Manufacturing Expenses	540.78	313.83
Total	3,281.55	1,959.39

30. Selling & Distribution Expenses

(Rs. in Lacs)

	For the year ended 31st March 2013	For the year ended 31 st March 2012
Advertisement	11.47	4.81
Carriage Outward	158.30	91.66
Ocean Freight & Export Expenses	666.93	363.20
Marketing Expenses	410.50	482.45
Royalty	290.71	145.09
Cash Discount	2,170.60	1,056.51
Total	3,708.51	2,143.72

31. Other Expenses

(Rs. in Lacs)

	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Rent	12.11	6.58
Electricity Charges	5.76	3.79
Rates & Taxes	62.25	33.43
Insurance	112.86	75.99
Travelling & Conveyance	249.99	167.55
Vehicle Maintenance	26.16	21.43
Communication Expenses	38.33	31.86
Printing & Stationery	13.28	9.25
Directors' Sitting Fee	2.35	1.95
Auditors Remuneration		
As Auditors	9.10	8.38
Tax Matters	2.29	2.21
Reimbursement of Expenses	2.14	2.01
Repairs & Maintenance		
Buildings	8.08	19.52
Others	7.04	9.55
Professional Charges	88.23	64.41
Bank Charges	54.49	92.48
General Expenses	111.53	86.05
Loss on Sale of DEPB	8.43	36.35
Loss on Exchange Fluctuation	-	302.47
Donation	2.15	1.56
Export incentives receivables written off	-	89.06
Loss on Sale of Fixed Assets	4.22	-
Assets Written off	6.20	12.92
Bad Debts Written Off	23.87	151.78
Provision for Doubtful Debts	-	81.82
Total	850.86	1,312.40

32. Exceptional Items

(Rs. in Lacs)

	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Impairment of assets	-	52.71
Anti-dumping Duty	111.53	-
Total	111.53	52.71

32.1 32.1 Department of Commerce of USA carried out review and determined Anti-Dumping Duty (ADD) at 3.23% on shrimp exports made to USA during the period from 01.02.2011 to 31.01.2012. Company had paid ADD @ 1.69% at the time of export. The differential duty payable is Rs.111.53 lacs.

32.2 Company had set up Shrimp Shell Manufacturing plant in the year 2000 to process the waste

generated from shrimp processing unit. Shrimp Shell Meal was used as a raw material for manufacturing shrimp feed. However, with the high cost of Furnace Oil, the processing of shrimp waste became unviable. The plant is idle since 2007 and there is no possibility of reviving it in future. The initial investment in Plant & Machinery was Rs.180.56 lacs in the year 2000 and the depreciated value was Rs.52.71 lacs in the year 2011-12 and was written off as impairment in the year 2011-12.

	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Profit for the year (Rs. In Lacs)	3,018.07	2,805.30
Weighted Average number of Equity Shares outstanding during the year (in Numbers)	9,083,042	9,083,042
Basic & diluted earnings per share - Face Value of Rs.10/- each (in Rs.)	<u>33.23</u>	<u>30.89</u>

34. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.934.00 lacs (Previous Year Rs.79.06 lacs) net of capital advances Rs.367.76 lacs (Previous Year Rs.21.28 lacs).

35. Contingent Liabilities Not Provided For

(Rs. in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
Service Tax Demand	8.26	8.26
MP VAT demand for soya transactions in 2005-06	29.22	29.22
Electricity Duty	3.64	-

35.1 The Customs and Central Excise Department levied penalty of Rs.8.26 lacs for delay in payment of Service Tax on royalty for the period April 1, 2006 to September 30, 2008 paid to Thai Union Feed Mill Co. Ltd. This levy of penalty is being contested by the Company at CESTAT, Bangalore.

35.2 Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used part for own consumption in manufacturing of shrimp feed and rest was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to Rs.29.22 lacs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

35.3 Company approached High Court of Andhra Pradesh against levy and collection of Electricity Duty on self generated power from DG sets. Hon'ble High Court granted stay on recovery of the same and the matter is pending for final hearing.

36. Dues To Micro And Small Enterprises

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. 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.

37. 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.

In Shrimp processing division, shrimp are purchased from the farmers and are processed and exported to various countries.

Company had installed four windmills of 3.2MW 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.

(Rs. in Lacs)

Name of the country	Revenue		Location of assets		Additions to fixed assets	
	For the year ended 31st March, 2013	For the year ended 31st March 2012	As at 31 st March, 2013	As at 31 st March, 2012	During the year ended 31st March, 2013	During the year ended 31st March 2012
India	51,280.64	28,787.89	21,704.07	17,428.65	1,311.43	2273.99
USA	12,319.88	8,186.62	2,122.06	544.50	-	-
Rest of the world	1,203.25	2,366.97	271.53	278.93	-	-
Total	64,803.77	39,341.48	24,097.66	18,252.08	1,311.43	2273.99

(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	50,184.66	27,148.62	14,379.09	11,976.45	240.02	216.41	-	-	64,803.76	39,341.48
Inter-segment sales		-		-		-		-		-
Total Revenue	50,184.66	27,148.62	14,379.09	11,976.45	240.02	216.41	-	-	64,803.76	39,341.48
Segment Result										
Operating Profit	2,575.51	2,537.42	1,897.30	1,489.38	132.81	113.44	(1.08)	(1.72)	4,604.54	4,138.52
Other Income	12.68	18.57	43.48	3.17	-	-	201.89	313.54	258.05	335.28
Interest Expense	186.25	212.51	151.08	169.42	-	24.97	-	-	337.33	406.90
Exceptional Items	-	52.71	111.53	-	-	-	-	12.92	111.53	65.63
Income Tax -										
- Current Tax & PY Taxes							1,394.76	966.00	1,394.76	966.00
- Deferred Tax							0.90	229.97	0.90	229.97
Net Profit	2,401.94	2,290.77	1,678.17	1,323.13	132.81	88.47	(1,194.85)	(897.07)	3,018.07	2,805.30
Other Information										
Segment Assets	13,755.13	7,898.71	5,904.72	2,737.03	926.75	1,006.38	3,511.07	6,610.13	24,097.67	18,252.09
Segment Liabilities	9,011.67	3,315.72	2,329.37	1,440.54	14.99	22.59	945.00	4,003.92	12,301.02	8,782.77
Capital Employed	4,743.46	4,582.99	3,575.35	1,296.49	911.76	983.79	2,566.06	2,606.21	11,796.65	9,469.32
Capital Expenditure	605.83	2196.79	657.00	65.17	-	-	48.60	12.03	1,311.43	2273.99
Depreciation	282.21	218.87	119.39	84.17	76.12	76.12	20.65	21.26	498.38	400.42

38. RELATED PARTIES

38.1 Name of the related parties and description of their relationship:

- | | |
|--|---|
| 1. Subsidiary | : Svimsan Exports & Imports 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
: Thai Union Frozen Products PCL
: Thai Union Feed Mill Co. Ltd.
: Rama Sea Foods Private Limited
: Sanjeeva Agro Vet Private Limited
: Laxai-Avanti Life Sciences Private Limited
: Sri Sai Srinivasa Agro Farms & Developers Private Limited |
| 4. Companies over which Significant Influence is exercised | : Srivathsa Power Projects Limited
: Patikari Power Private Limited |

38.2. Transactions with the related parties:

(Rs. in Lacs)

Particulars	Key Management Personnel		Associate Companies	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Interest Paid	-	-	4.86	35.63
Remuneration	430.80	348.74	-	-
Rent Paid	1.8	1.8	1.8	1.8
Royalty paid	-	-	290.71	145.09
Purchase of Shrimp Feed	-	-	-	695.68
Sale of Shrimp	-	-	75.53	-
Dividend Paid	68.84	10.20	310.38	36.92

39. Foreign Currency Inflow & Out Flow

(Rs. in Lacs)

	For the year ended 31 st March 2013	For the year ended 31 st March 2012
i) Value of imports made by the company during the financial year calculated on CIF basis in respect of		
Capital Goods	324.81	315.58
Spares & Consumables	270.76	179.32
Raw Materials	1,465.14	1,056.11
Shrimp Feed imported for trading	-	644.38
ii) Earnings in foreign exchange		
Exports on FOB basis	12,987.81	10,807.10
iii) Expenditure in foreign currency on account of		
Traveling	13.65	7.91
Royalty	290.71	145.09
Quality Insurance Premium	9.14	20.76
Dividend	148.42	12.00
Other expenditures	24.04	-
Anti-Dumping Duty	111.54	-

40. Consumption Of Imported and Indigenous Raw Materials

(Rs. in Lacs)

	For the year ended 31 st March 2013		For the year ended 31 st March 2012	
	Value	%age	Value	%age
Imported	1,634.84	3.17%	1,663.58	6.21%
Indigenous	49,998.49	96.83%	25,133.41	93.79%
Total	51,633.33	100%	26,796.99	100%

41. Details of Nri Shareholders and Dividend Paid in Foreign Currency

(Rs. in Lacs)

Year of remittance	On account of Financial year	No. of Non-Resident Shareholders	No. of Shares held	Amount of Dividend
2012/2013	2011/2012	2	2,283,442	148.42
2011/2012	2010/2011	2	1,200,400	12.00

Financial Information of Subsidiary Company

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	Svimsan Imports & Exports Limited	INR	100.00	(189.47)	0.73	90.10	--	(1.08)	-	(1.08)

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

ATTENDANCE SLIP

I hereby record my presence at the Twentieth Annual General Meeting of Avanti Feeds Limited, at Surana Udyog Hall, Fapcci Building, Fapcci Marg, Red Hills, Hyderabad – 500 004, on Saturday 27th July, 2013 at 11 A.M.

- 1. Full Name of the Member : _____
(in block letters)
- 2. Full Name of the Proxy (*) : _____
(in block letters)
- 3. Regd. Folio No. : _____
- 4. Number of Shares held : _____
- 5. Signature of the Member / Proxy Attending # : _____

* To be used only when Member, first name is not attending.
Strike out whichever is not applicable.

- Note :
- 1. Member / Proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the venue of the meeting.
 - 2. Members are requested to bring their copy of the Annual Report for the Meeting.

NO GIFTS WILL BE GIVEN



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

PROXY FORM

Dear Sirs,

I/We _____ of _____ in the district of _____ being a member/members of the above named Company hereby appoint _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, 27th July, 2013 and at any adjournment thereof.

Signed at _____ this _____ day of _____ 2013.

In the presence of _____

Afix Re. 1/- Revenue Stamp

Signature

Note: Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY EIGHT hours before the time for holding the meeting.

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Shrimp Feed Plant located at Village Balda, Valsad District, Gujarat



IQF machine in operation at Shrimp Processing & Export Plant located at Gopalapuram, East Godavari District, Andhra Pradesh



**Registered Office : G-2, Concorde Apartments,
6-3-658, Somajiguda, Hyderabad - 500 082.
Email: investors@avantifeeds.com**