

26<sup>th</sup>

ANNUAL REPORT 2018-19



# STAYING ON COURSE





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### Equity share information

**512573**

BSE code

**AVANTIFEED**

NSE code

**₹4**

Total Dividend  
per share

**₹5,558.61**  
crore

Market  
capitalisation

**400%**

Dividend  
pay-out ratio

## Consolidated Financial highlights of FY 2018-19

Gross sales

**₹3,487.78** crores

EBITDA

**₹461.07** crores

Profit after tax

**₹306.62** crores

Net worth

**₹1,375.29** crores

## OUR INSPIRATION



### **Late Sri. Alluri Venkateshwara Rao**

Founder Chairman


7th July 1933 - 25th June 2002

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

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







Success is more of a marathon than a sprint. It's the persistent moving along the path, focusing on one step after another, and refusing to be swayed by any external factor that often makes all the difference.



In the last few years, we had embarked upon improvement programs, which were implemented across the organisation. It was the strategic blueprint of working our way towards a more strengthened future, patiently and with purpose.

We adhered to our journey then, with disciplined determination. And, we have managed to stay firm on this path in the present year as well!

**In other words, we have stayed on course with unwavering resolve to see through this phase and attain what we had set out for. This resolve has made all the difference!**

About us

## Avanti Feeds: The largest manufacturer of shrimp feed in India.

Based in Andhra Pradesh, India, the Company is the dominant player in India's aquaculture sector. The Company has five shrimp feed manufacturing units and two shrimp processing and export units - all ISO certified.

The Company enjoys strong and long-term technical and financial collaborations with Thai Union Group of Thailand, a multinational conglomerate in global sea food industry.

Spearheaded by Mr. Alluri Indra Kumar, the Company's day-to-day operations are managed by an experienced and energetic team. Its shares are listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The Company also operates 4 windmills with a capacity of 3.2 MW at Chitradurga, Karnataka.





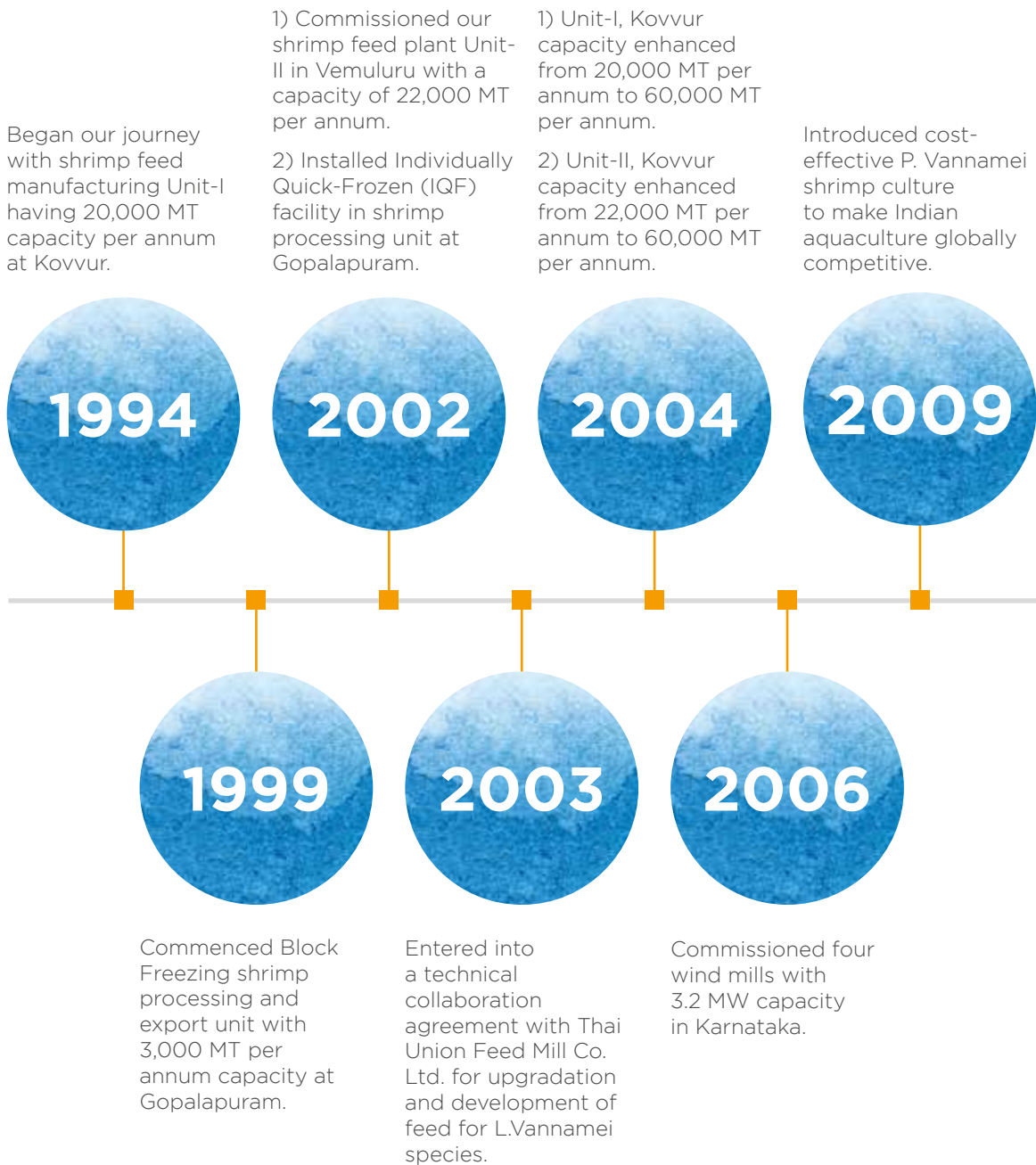
About our business verticals

## Avanti Feeds: The Company is into shrimp feed and shrimp processing and exports

	Shrimp feed	Shrimp processing & exports
Plants	5 operating units Kovvur, Vemuluru and Bandapuram in West Godavari District, Andhra Pradesh Pardi in Valsad District, Gujarat	2 operating units Gopalapuram near Ravulapalem and at Yerravaram in East Godavari District of Andhra Pradesh, India.
Capacity	600,000 TPA	22,000 TPA
Certification	ISO 9000:2015	ISO 22000:2005 Hazard Analysis and Critical Control Points (HACCP) US Food and Drug Administration (US-FDA) EU and British Retail Consortium (BRC) Global Standards. Aquaculture Certification Council (ACC) for Best Aquaculture Practices (BAP).
Brands	Profeed Titan Manamei	
Products	Shrimp feed	Raw shrimps Cooked shrimps Skewers Marinated products
Markets	India Bangladesh	USA Europe Japan Korea China Australia Middle East
Contribution to the revenue	78%	22%



## Milestones along our course this far





1) Commissioned 3<sup>rd</sup> shrimp feed manufacturing plant at Pardi in Valsad district of Gujarat with a capacity of 60,000 MT per annum to cater to the demands of India's west coast.

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

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

1) Doubled the feed manufacturing capacity at Unit-IV Bandapuram with a capacity of 1,75,000 MT per annum.

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


**2012**
**2016**
**2018**
**2014**
**2017**
**2019**

Commissioned Unit-III shrimp feed manufacturing plant, adjacent to Unit-I at Kovvur with a capacity of 70,000 MT per annum adjacent to the Unit-I.

Commissioned Unit-IV shrimp feed manufacturing plant at Bandapuram with a capacity of 1,75,000 MT per annum.

We have stayed on course with unwavering resolve to see through this phase and attain what we had set out for. And this resolve has made all the difference!

# Creating value while staying on course

## What we do

We are India's largest manufacturer of shrimp feed.

**419,472MT**

Shrimp feed produced in 2018-19

**11,065MT**

Shrimp processed and exported in 2018-19, by Avanti Frozen Foods Pvt. Ltd. Our subsidiary



## How we do it



### Experience

We have 26 years of rich experience in the shrimp culture industry.



### Feed Formulation

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



### Capacity buffer

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



### Reach

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



### Support

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



### Management

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



### Capability

We have the state-of-the-art shrimp processing plant in India with facility to process advanced, value-added and cooked products to cater to the global demand.

## What value we create

### Investors

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

### Customers

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

### Employees

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

### Suppliers

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

### Communities (CSR)

Reaching out to communities through various programmes on health, education, environment and infrastructure.



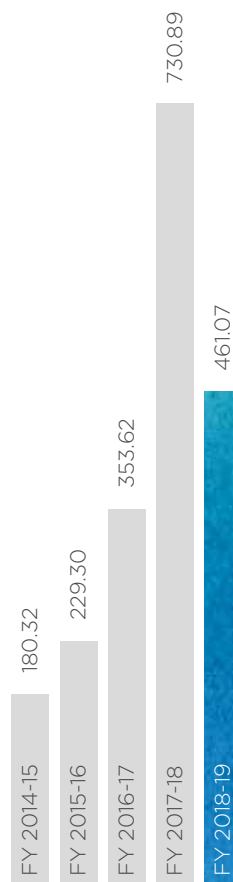
Staying on course has got us this far



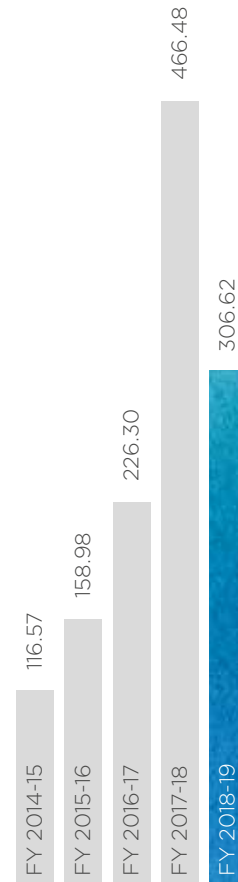
**Revenue**  
(Rs crore)



**EBIDTA**  
(Rs crore)



**Profit after tax**  
(Rs crore)



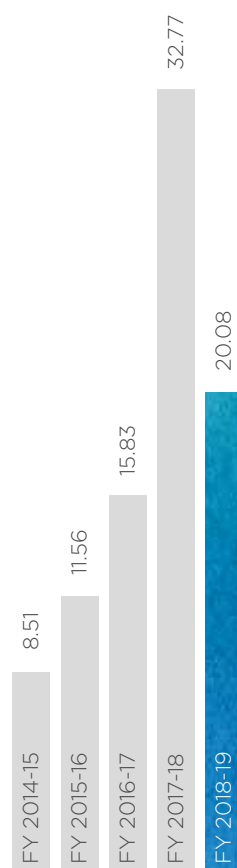


### Key ratios

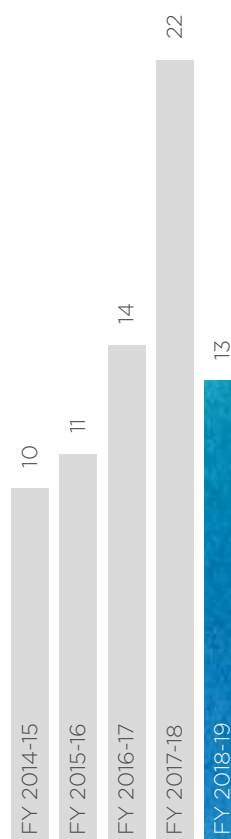
	2014-15	2015-16	2016-17	2017-18	2018-19
ROCE (%)	69	57	54	76	34
ROE (%)	44	38	35	49	23
Net debt to Equity	0.03	0.01	0.02	0.00	0.00
Inventory days	48	51	51	68	60
Receivable days	8	6	4	5	5



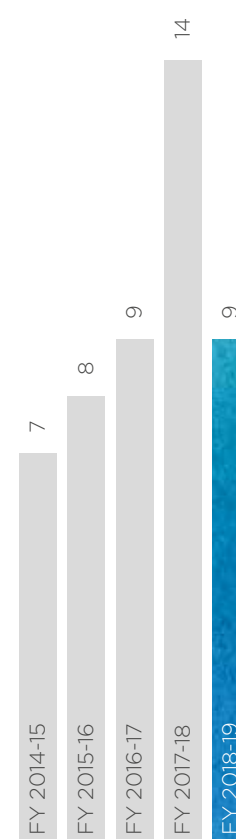
#### Earning Per share (Rs)



#### EBIDTA margin (%)



#### ROCE (%)



## Building a sustainable growth paradigm

“Fiscal 2018-19 has been a period in which your Company maintained a stable performance on all fronts while the shrimp industry was faced with the challenge of sustainability and our success without a doubt is owed largely to the unstinted patronage by the farmers and committed employees across the board.”



Dear shareholders,

The fiscal that drew to a close was one of the extreme challenges that truly tested the robustness of the business model and the resilience of the organisation to withstand the disruptive headwinds that derailed sectoral growth. I am happy to state that we successfully overcame these challenging times only to emerge as a more robust and resilient organisation.

### 2018-19 in retrospect

Having completed the most exciting and successful periods (2017-18) in our corporate journey, where our growth and profitability exceeded our estimates, we expected that the good tidings would continue. But that was not to be – for sectoral headwinds thwarted our progress.

**Shrimp feed:** The extended winter in the US, resulted in slow movement of stocks which had a negative impact on shrimp export prices coupled

with an increase in production and supply by other shrimp exporting countries.

Moreover, prolonged summer this year resulted in occurrence of diseases more than normal. As a result, the shrimp culture in India declined by about 15-20%.

For us at Avanti, it was a double whammy. While consumption of shrimp feed declined, the price of key inputs used in manufacturing shrimp feed surged. We had two options – increasing the feed price with increasing cost of production or stick to our customers retaining the same price level. We decided on the latter despite realising that this decision would dent business profitability. For it was the right thing to do. It helped us gain farmer trust. This yielded interesting positives - we added farmers to our client list and we expanded our market share.

The other important highlight of the year was that we started exporting shrimp feed to neighbouring countries which was well received by our international customers.

**Shrimp processing:** The global demand-supply imbalance, took its toll in the first half of the year during which declining global shrimp prices cast an ominous shadow on our business profits. But global shrimp prices stabilized thereafter. With it, revenue and profits from this vertical grew by 28.24% and 24.23% respectively over the previous year.

Beyond the performance, I consider 2018-19 as an inflection point in our shrimp processing and export journey. For important reasons:

- We strengthened our foothold in other shrimp importing nations namely China, Japan, Europe and Korea.
- We expanded our portfolio of value-added products, adding shrimp rings, marinated products, skewers, and vacuum-packed products to our export offering; we have received a positive response from our customers to our new products

### Prospects over the horizon

We are hopeful for improved performance in the current fiscal. My optimism stems from important factors:

**Shrimp feed:** With farm gate prices having regained normalcy, we expect the main culture period, which started towards the close of 2018-19, will see normal stockings. We expect shrimp feed demand in 2019 (calendar year) to be at the same level as in 2018 (between 10-11 lakh tonnes). Having said that, we will focus our energy on further strengthening technical support to farmers to achieve higher yields, while maintaining high-quality standards of the feed. We will also endeavour to further improve the Feed Conversion Ratio (FCR) further. This should result in growing our volumes and market share.

**Shrimp processing:** Globally there is an increasing preference for white meat compared to red meat – which supports an increase in demand for shrimp consumption on a sustainable basis. Furthermore, there is more value being demanded by the market. So, companies with a wider range of value-added products and a strong and transparent supply chain in India will be preferred by global importers. In these aspects, I believe, we score significantly higher than the competition.

We will work on increasing the offtake of our value-added products which have been well received by the markets. We will work towards adding new accounts in the new geographies even as we will endeavour to scale up sales to existing customers. We will also look at expanding our global footprint into newer markets which should open new growth opportunities over the horizon. These efforts should facilitate in improving the capacity utilisation of our processing facility and improve business profitability going forward.

**Shrimp hatchery:** This new investment should be operational in the current year. While sticking to our core ethic of 'quality at all cost' we remain hopeful of making a decent head start in this new revenue vertical.

### Acknowledgment

Fiscal 2018-19 has been a period in which your Company maintained a stable performance on all fronts while the shrimp industry was faced with the challenge of sustainability and our success without a doubt is owed largely to the unstinted patronage by the farmers and committed employees across the board.

It is equally important that we acknowledge the resolute faith and support of our extended family of customers, dealers, suppliers, financial institutions and strategic partners who travel with us in our journey.

I would like to extend my deepest appreciation to them and hope to see this bond grow even stronger over the coming years. Moreover, I would like to express my sincere gratitude to my fellow Directors for their commitment and professionalism in paving Avanti's long-term path.

**Mr. Alluri Indra Kumar**

*Chairman and Managing Director*



### How Avanti became a leader?

In 2009, the Government made a decisive move to change the course of shrimp farming in the country. It allowed commercial cultivation of the whiteleg shrimp, also known as *Litopenaeus vannamei*. For this variant grew faster, was more resistant to disease than the black tiger shrimp and was more lucrative to cultivate.

On the ground, Avanti spearheaded this change

- It convinced the farming community to get into the cultivation of vannamei shrimps.
- It partnered Thai Union Group, one of the largest global seafood companies to manufacture feed for white leg shrimp

By 2017, the production of white leg shrimp touched 4.5 lakh tonnes in 2017, from 10,000 tonnes in 2010. While the production of black tiger shrimps, which was at 50,000 tonnes in 2009, was eventually stopped by 2015. Avanti emerged as the largest producer of shrimp feed in India.

At Avanti.... we took small but steady steps in incremental improvement. This strategy yielded interesting returns.



So... even when the shrimp feed market declined by 15-20%, our market share increased from **43%** in 2017-18 to **47%** in 2018-19.







### This is what we did...

- Kept the prices of our shrimp feed unchanged despite an increase in costs to ensure sustainability of shrimp culture by farmers.
- Strengthened our technical support and monitoring of farms to ensure remunerative yields to farmers.
- Added about 1400 new farmers to our customer base.

At Avanti....  
we gradually  
extended our  
footprint into the  
new and growing  
global markets.  
This effort paid  
off.



So.. even when shrimp exports from India reduced compared to previous year level, our sales volumes and value jumped by **40.83%** and **29.48%** respectively over 2017-18.

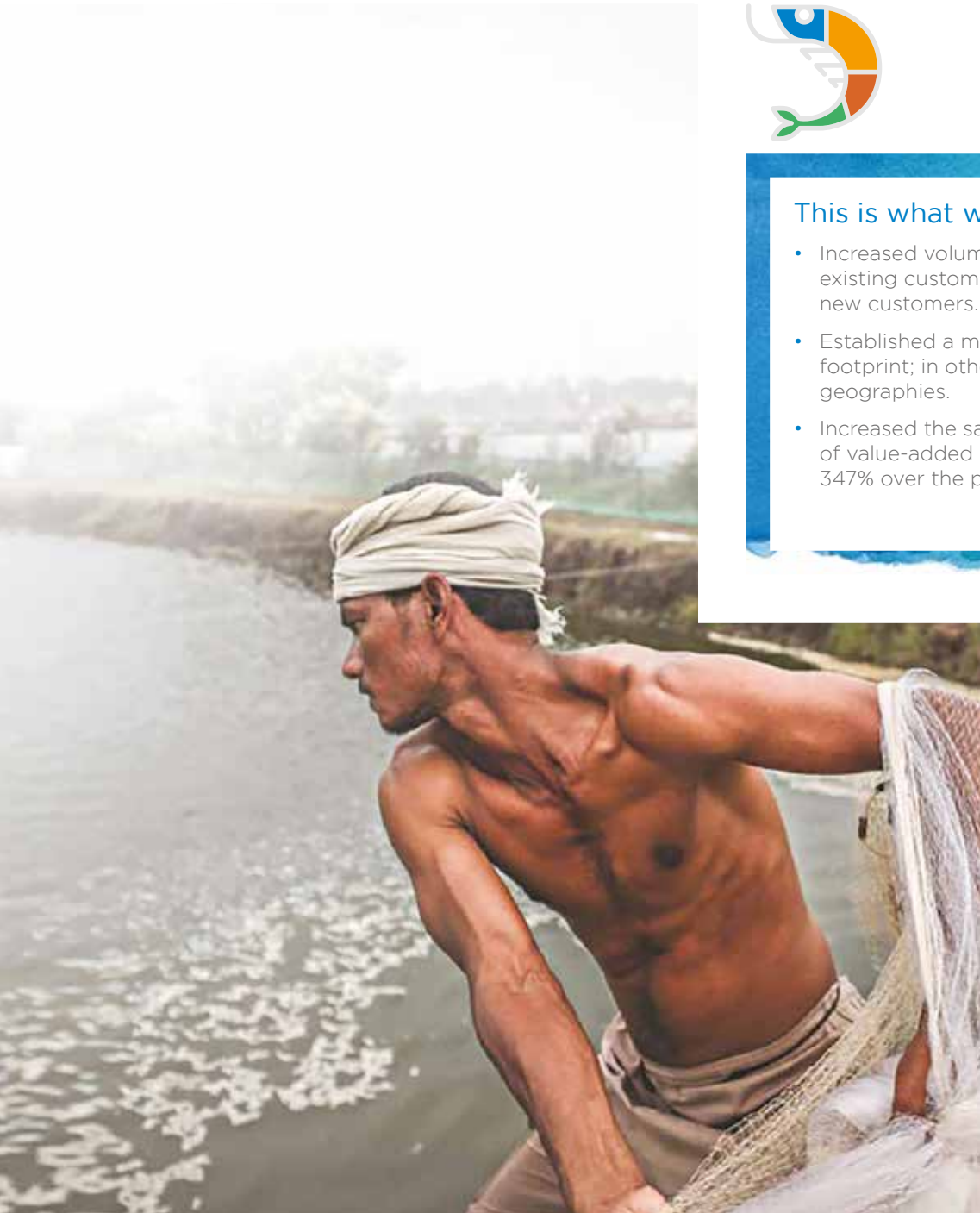
Moreover, the Company enlarged its global customer base to reduce its dependence on US market. In this direction, exports to the US was **74%** in March 2019 as compared to **85%** in March 2018.





### This is what we did...

- Increased volumes with existing customers; added new customers.
- Established a meaningful footprint; in other non-US geographies.
- Increased the sales volumes of value-added products by 347% over the previous year.





## Our aqua farmers are our ambassadors



I am so grateful to Avanti Feed for its intensive farming system. While this system is proven in other areas, it was not accepted in our area. With their help and valuable knowledge from Avanti feeds technical team, I was able to significantly improve my overall production and profits. We look forward to a long and lasting partnership with Avanti feeds company.

**Harsha**  
*Om Aqua*



I am shrimp farmer since 13 years. I started with 4 acres. Since then, I am associated with Avanti Feeds. Now am doing shrimp farming on 80 acres. This is all because of Avanti's technicians. They have good practical knowledge on shrimp farming and trouble-shooting for disease management. Their timely suggestion made me succeed in farming.

**Mr. K Sudheer Reddy**  
*Gangapatnam*



I took up shrimp farming as my core business in 2000. I have witnessed and been through many up and downs. In 2008, I started using Avanti feed. It is better in terms of growth, FCR and the health condition of my shrimps has improved greatly. Since then I am using only Avanti Feeds. All the best Team Avanti.

**Y Ravindrababu**  
*Vetapalem*







I have been using Avanti feeds from the past 10 years. I am highly satisfied with the feed quality and FCR. The quality and timely service of helps us a lot. Their lab facility for farmers is also very good which help me a lot for success in culture.

**Sridhar Reddy**  
Kota



I am using Avanti feeds in 52 acres. Recently, I got a total crop biomass 180 MT's yield in 40 count. I am using Avanti for 11 years and getting the best FCR. In my view everyone must use Manamei for successful vannamei farming.

**Nadimpalli Veeravenkata  
Surya Varma**  
Muramalla



I am doing shrimp farming in 80 acres. I started using Manamei only three years ago. But since then I have never lost a crop. I am getting consistent profit. I also like the feed quality and their timely after sales service. Thank you Avanti!

**Srihari**  
Munipalle



Risk management

If you don't invest in risk management, it doesn't matter what business you're in, it's a risky business.

-- Gary Cohn

Risk management at Avanti is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable. The risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks.



## Growth risk

Maintaining consistent growth is one of the formidable risks for the shrimp industry.

**Mitigation:** This augurs well for the shrimp cultivation sector in general and for the Company in particular. On the one hand, this would increase the demand for shrimp feed, while on the other, it strengthens the demand for the Company's processed products. Furthermore, the commencement of the hatchery unit in the current year should also generate interesting volumes for the Company. These factors should lead to healthy business growth in the current fiscal.

## Regulatory risk

Disciplined alignment with the stringent regulatory norms is necessary for sustaining business operations.

**Mitigation:** Avanti's team has always been a step ahead in mapping and aligning with global regulatory policies and guidelines.

The US customs department recently enacted the SIMP guidelines (January 1, 2019). Under this enactment, the exporting country is required to provide documentation to the US NOAA about the credibility and quality of the products which are entering the US. Avanti has been submitting the required documents to the US agencies from October 2018. Increasing

exports of the Company's processed products in 2018-19 bear testimony to its superior quality and disciplined adherence to regulatory compliances.

## Geographic concentration risk

Over-dependence on any particular market for its revenue could impact the Company's growth prospects.

### Mitigation:

1) **Shrimp feed:** Presently, the Company has almost 48% of the shrimp feed market in India and further significant increase in the domestic market share is a formidable challenge. While keeping its efforts as to have a larger domestic market, the Company has started exporting to neighbouring countries to increase the volumes.

2) **Shrimp exports:** The prospects of shrimp exports by the Company have improved considerably, especially for value-added products due to global standard quality of products, prompt delivery and competitive prices.

The Company has established a presence in China, Japan, Europe, and Korea, among other nations for its processed shrimp – reducing its dependence on the US for these products.

## Cost risk

An increase in costs, especially of inputs could impact business profitability.

**Mitigation:** An increase in the input costs will impact the entire shrimp feed sector. And Avanti will be no exception to this trend. But the impact on profitability could be reduced. This is because superior feed, enduring farmer trust and an industry beating FCR would continue to drive volumes. This would help in absorbing costs better.



# A socially responsible Indian Corporate

Avanti's business extends beyond the scope of its plant walls to include the well-being of the society at large with focus on resident in the vicinity. This is because the Company nurtures the belief that an island of prosperity cannot sustain in a landmass of misery.

As a good corporate citizen, Avanti has been making enduring impact through its Social Responsibility programs that promote social and economic inclusion.

The Company's social upliftment initiatives focus around education, healthcare, sports, livelihood, infrastructure development and environmental conservation, which facilitates in bettering lives and improving livelihood, amongst others.

## Education

Education has been one of our key areas of focus for we believe that an educated individual is one who will, over a period of time, contribute to nation building. In keeping with this belief we have implemented the following initiatives

- Established a college with graduation and post-graduation courses in commerce and science streams. The college has a strength of 1,750 students, 60% of whom are women.
- Contributed towards the construction of new buildings in ABN & PRR College, Kovvur and JKC College, Guntur in Andhra Pradesh to accommodate the increasing number of students.
- Upgraded the infrastructure in Panchayat-run primary and secondary schools in rural

communities near us. We provided school furniture, books and uniforms for the children.

- Repaired the buildings and constructed toilets in government-run schools.

During 2018-19, we implemented the following initiatives

- Contributed to a Trust for providing quality education to disadvantaged girl children from marginalized and economically poor families.
- Provided infrastructure facilities to government schools for promoting education in rural areas.
  - o Donated desks to Burugupalem ZPH School.
  - o Provided computer at ABGZPP High School pasivedala, Kovvuru.





## Infrastructure

Basic amenities are essential for comfortable living. In keeping with this belief, the Company made meaningful contributions for providing basic utilities to the rural masses.

- Established an old age home in Kannapuram near Kovvur in Andhra Pradesh, which has 100 residents.
- Deployed water treatment RO plants in a number of villages in the coastal areas of Gujarat and Andhra Pradesh for providing safe drinking water.
- Provided equipment aerators, sludge removing pumps and weighing scales to shrimp farmers in Andhra Pradesh, Gujarat,



Odisha, Tamil Nadu and West Bengal under Agricultural Extension project.

- Provided training and educational tour to shrimp farmers.

During the year under review, the Company continued its efforts towards strengthening infrastructure facilities around the periphery of its operating units

- Contributed to Sowbhagya Durga Old Age Home Corpus fund to take care of inmates.
- Donated a tractor Bandapuram Municipality for furthering agriculture in the area.
- Deepened ponds at villages Balda.



## Environment

Even as we worked on multiple areas to improve the quality of life of the rural Indian, we maintained our focus on reducing our burden on mother Earth by undertaking positive environment measures.

- Developed and maintain a Goshala (shelter for cows) with 50 cows at Kovvur for protecting and promoting local breed cows.

- Conducted extensive plantation on both sides of village roads and highway roads as part of the development of green belt and environment protection.
- Extended help to other organisations to intensify urban forestry initiatives.



**Health**

We believe in the time-tested adage ‘health is wealth’. This is true especially for the rural masses for health issues can and do completely demolish families and thrust the household into abject poverty. We make out little contribution to strengthen the rural infrastructure and facilities for our rural brethren.

- Conducted free medical camps for economically backward population in communities near our factories at regular intervals and medicines are distributed free of cost to patients.
- Organised free eye check-up camp at Kovvur
- Contributed to Indian Red Cross Society for upgradation and establishment of Thalassemia, sicklecell and haemophilia

Transfusion Centre at Eluru, Andhra Pradesh.

- Committed to ‘Hrudaya Cure - A Little Heart Foundation’, which provides complete medical care to infants with heart problems from economically weak families in Andhra Pradesh and Telangana.
- Assisted in improving the infrastructure at the maternity ward of Kovvur Government Hospital and the Government Veterinary Hospital in Kovvur, Andhra Pradesh.



**Encouraging sports**

A fit and active body leads to a healthy and stable mind. In keeping with this philosophy, the Company made significant efforts to promote sports for the children and youth of rural areas surrounding its operating facilities

- Sponsored World Ranking Snooker Tournament at Visakhapatnam and Federation Cup Volleyball Championship at Bhimavaram, Andhra Pradesh and village cricket tournament at Kossamba in Gujarat.
- Organised coaching camps for children for sports like volleyball and badminton, while conducting volleyball, badminton and cricket tournaments.
- Upgraded infrastructure at badminton

indoor court at Kovvur, Andhra Pradesh during the reporting period.

During 2018-19, we organised a Volley ball summer coaching camp for children which was followed by a tournament at Kovvur in which 6 district teams participated.



**Others**

We distributed relief material to Titli cyclone effected people in Srikakulam district, Andhra Pradesh. Besides, we made donations to National Defence Fund & Chief Minister’s Relief Fund.

## Awards and recognition

### 1. Business Today, Best CEO Award (Small Companies) - February 2019



### 2. Dun & Bradstreet - Corporate Award 2019 Best Growth Performance - Food Products held on 29<sup>th</sup> May 2019



# CORPORATE INFORMATION

## Board of Directors

A. Indra Kumar  
*Chairman & Managing Director*

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

N. Ram Prasad  
Bunluesak Sorajjakit  
Wai Yat Paco Lee  
A.V. Achar  
K. Ramamohana Rao  
B.V. Kumar  
M.S.P. Rao  
N.V.D.S. Raju  
Mrs. K. Kiranmayee  
J.V. Ramudu (from 10.11.2018)  
Solomon Arokia Raj IAS, Nominee-APIDC  
A. Venkata Sanjeev (from 07.06.2019)

## Auditors

Tukaram & Co LLP  
Chartered Accountants  
# 3-6-69, Flat No.209, Venkatarama Towers  
Opp: Talwalkars, Basheerbagh  
Hyderabad - 500029.

## Bankers

State Bank of India  
Rabo Bank International

## Registrars & Share Transfer Agents

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

## Registered Office

Flat No.103, Ground Floor  
"R" Square, Pandurangapuram  
Visakhapatnam-530003  
Andhra Pradesh, India

## Corporate Office

G-2, Concorde Apartments  
#6-3-658, Somajiguda  
Hyderabad-500082.  
Website: [www.avantifeeds.com](http://www.avantifeeds.com)  
CIN: L16001AP1993PLC095778

# BOARD'S REPORT

Dear Members,,,

Your Directors have pleasure in presenting their 26<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company and its subsidiaries for the year ended 31<sup>st</sup> March, 2019.

## 1. Financial summary or highlights:

The summarized standalone and consolidated financial results of your Company and its subsidiaries are given in the table below: (₹ in Lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Total Revenue	2,73,842.34	2,81,532.89	3,48,777.95	3,39,290.31
Profit/(loss) Before Interest, Depreciation & Tax (PBITDA)	35,720.09	64,506.42	46,651.92	73,122.45
Finance Charges	124.58	124.43	262.67	296.40
Depreciation	2028.31	1,466.82	3,583.87	2,375.75
Provision for Income Tax (including for earlier years)	11,217.72	21,421.33	12,143.39	23,802.36
Net Profit/(Loss) After Tax	22,349.48	41,493.84	30,661.99	46,647.94
Profit/(Loss) brought forward from previous year	79,360.55	46,902.76	88,658.54	53,053.09
Profit/(Loss) carried to Balance Sheet	87,800.23	79,360.55	1,04,107.24	88,658.54

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

The profit for the year under consideration i.e. FY 2018-19, before depreciation, finance charges and tax is ₹35,720.09 Lakh as compared to a profit of ₹64,506.42 Lakh in the previous financial year. The profit for the year after tax is ₹22,349.45 Lakh as against a profit of ₹41,493.84 Lakh during the previous financial year.

Your Company reported 4,21,691 MT sales of shrimp feed during 2018-19 as compared to 4,30,314 MT shrimp feed sales in the immediate

preceding financial year 2017-18, a decrease of 2% volume.

The Four Windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 40.06 Lakh units as against 49.13 Lakh units in the previous year. The power generated during the year was sold to Karnataka Power Transmission Corporation Limited under the Power Purchase Agreement.

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



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

### 3. Share Capital:

During the year under review, the Company (i) sub-divided One (1) equity share of ₹2/-each, into Two(2) equity shares of ₹1/- each, and (ii) issued Bonus equity shares in the ratio 1(One) new fully paid-up equity share of ₹1/- each for every 2 (Two) fully paid-up equity shares of ₹1/- each (i.e. Adjusted for Sub-Division of equity Shares), with the approval of the members, with requisite majority at the Extraordinary General Meeting held on 14.06.2018.

The record date for (i) sub-division of One equity share of ₹2/- each into Two equity shares of ₹1/- each and (ii) Bonus equity shares of ₹1/- each in the ratio of 1:2, was 27<sup>th</sup> June, 2018. The Bonus equity shares were allotted on 30<sup>th</sup> June, 2018.

The Company obtained listing and trading approval from Bombay Stock Exchange and National Stock Exchange for the 4,54,15,210 Bonus equity shares of ₹1/- each on 5<sup>th</sup> July, 2018.

As on 31<sup>st</sup> March, 2019 the authorized capital of the Company is ₹15,85,00,000 divided into 15,85,00,000 equity shares of ₹1/-each and paid-up capital is ₹13,62,45,630 divided into 13,62,45,630 equity shares of ₹1/- each.

### 4. Dividend:

Your Directors have recommended a dividend of ₹4 per equity share of ₹1/- each fully paid up, for FY 2018-19. The dividend, if declared by the Members at the 26<sup>th</sup> Annual General Meeting to be held on Friday, the 9<sup>th</sup> August, 2019, will be paid on or before 31<sup>st</sup> August, 2019.

The dividend, if approved, would result in a cash outflow of approximately ₹6,570.05 lakhs, which includes corporate dividend distribution tax of ₹1,120.23 lakhs, resulting in a dividend payout of 29.40% of the standalone profits of the Company.

Pursuant to Reg.43A of SEBI (LODR) Regulations, the Company has formulated a Policy on Dividend

Distribution, which is disseminated on the Company's website at [www.avantifeeds.com](http://www.avantifeeds.com)

### 5. Reserves:

The Company proposes to transfer ₹2,000 lakhs to the General Reserve out of the Profits available for appropriation.

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

Sl. No	Name	Designation
1	Sri A. Indra Kumar	Chairman & Managing Director
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & Chief Financial Officer
3	Sri N. Ram Prasad	Director
4	Mr. Bunluesak Sorajjakit	Director
5	Mr. Wai Yat Paco Lee	Director
6	Sri A.V. Achar	Independent Director
7	Sri B.V. Kumar	Independent Director
8	Sri M.S.P. Rao	Independent Director
9	Sri K. Ramamohana Rao	Independent Director
10	Sri N.V. D.S. Raju	Independent Director
11	Smt. K. Kiranmayee	Independent Woman Director
12	Sri J. V. Ramudu (from 10.11.2018)	Independent Director
13	Sri Solmon Arokia Raj IAS	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)
14	Sri A. Venkata Sanjeev (from 07.06.2019)	Additional Director

#### 6.1 Number of Board Meetings:

During the year 2018-19, 5 (Five) Board meetings were held. The details are as under:

Sl.No.	Date of Board Meeting	No of Directors Attended
1	09.05.2018	10
2	26.05.2018	9
3	06.08.2018	11
4	10.11.2018	12
5	08.02.2019	12

## 7. Committees of the Board:

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

## 8. Meeting of Independent Directors:

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

## 9. Familiarization Programme for Independent Directors:

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

## 10. Independent Directors:

### 10.1 Declaration by Independent Directors:

Sri A.V. Achar, Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju, Smt. K. Kiranmayee and Sri J V Ramudu, are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Sec. 149(6) of the Act and the Rules made thereunder and under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 about their status as Independent Directors of the Company.

### 10.2 Continuation of Independent Directors beyond the age of 75 years:

As per Reg.17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, with effect from April 1, 2019, continuation of directorships of any person as Non-Executive Director who has attained the age of Seventy-Five (75) years requires Special Resolution. The Company has obtained the approval of the members, by way of Special Resolutions, through Postal Ballot during January, 2019 for continuation of Directorships of Sri B.V. Kumar [DIN:00521139] and Sri A.V. Achar [DIN:00325886]. The Special

Resolutions were approved by the members with requisite majority.

## 11. Changes in Directors :

During the year under review, Sri J.V. Ramudu was appointed as an Additional Director (Non-Executive & Independent) with effect from 10.11.2018 to hold office upto the date of ensuing Annual General Meeting and subject to approval of the members at the ensuing Annual General Meeting for appointment as Independent Director to hold office for a period of 5 years w.e.f. 10.11.2018.

The Board at its meeting held on 07.06.2019 appointed Sri A Venkata Sanjeev as an Additional Director (Non-Executive) with effect from 07.06.2019 to hold office upto the date of ensuing Annual General Meeting.

## 12. Appointment/Re-appointment of Directors:

### a) Re-appointment of retiring Directors;

In terms of Article 105 and 106 of the Articles of Association of the Company, Sri N. Ram Prasad and Mr. Wai Yat Paco Lee retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### b) Re-appointment of Independent Directors:

The term of appointment of Sri A.V.Achar, Sri B.V. Kumar, Sri M.S.P. Rao and Sri K. Ramamohana Rao, Independent Directors expires on 01.08.2019 or date of ensuing Annual General Meeting whichever is earlier. It is proposed to re-appoint Sri A.V. Achar, Sri B.V.Kumar, Sri M.S.P. Rao, and Sri K. Ramamohana Rao as Independent Directors for a further period of 2 years with effect from 02.08.2019.

The term of appointment of Sri N.V.D.S. Raju and Smt. K. Kiranmayee, as Independent Directors expires on conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint Sri N.V.D.S. Raju and Smt. K. Kiranmayee as Independent Directors, for a further period of 5 years with effect from 09.08.2019.

The Company has received a Notice from a member proposing the above re-appointments of Independent Directors, along with requisite deposit.

### c) Appointment of Additional Director as Independent Director:

The term of Sri J.V. Ramudu who was appointed as Additional Director (Non-Executive & Independent Director) by the Board on 10.11.2018 expires at the ensuing Annual General Meeting. The Company received a Notice from a member proposing his appointment for a period of 5 years w.e.f. 10.11.2018 along with requisite deposit. It is proposed to appoint Sri J.V. Ramudu as Independent Director for a period of 5 years w.e.f. 10.11.2018.

### d) Appointment of Additional Director and Executive Director

The term of Sri A.Venkata Sanjeev who was appointed as Additional Director by the Board on 07.06.2019, expires at the ensuing Annual General Meeting. The Company received a Notice from a member proposing his appointment with effect from 07.06.2019, as Director along with requisite deposit. The Board at its meeting held on 07.06.2019 appointed Sri A. Venkata Sanjeev as Whole-time Director designated as Executive Director for a period of 5 years w.e.f. 09.08.2019, subject to approval of shareholders on the remuneration set out at Item No.6 of the Notice of the ensuing Annual General Meeting.

Nomination & Remuneration Committee and the Board recommended the appointment/re-appointment of the above Directors. The details of the above Directors is disclosed in the Notice of the Annual General Meeting.

### 13. Policy on Directors appointment and Remuneration:

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

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

Details	(₹ in Lakhs)	
	Sri A Indra Kumar CMD	Sri C Ramachandra Rao, JMD, CS & CFO
Salary	296.25	150.82
Ex-gratia	33.84	17.40
Superannuation	25.77	12.54
Commission on Profits	1,322.45	1,028.14
Total :	1,678.31	1,208.90

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

### 14. Change of Registered Office:

During the year under review, the Registered Office of the Company was changed from H.No.37, Plot No.37, Baymount, Rushikonda, Visakhapatnam - 530 045, to Flat No: 103, Ground Floor, "R" Square, Pandurangapuram, Vishakhapatnam-530003 with effect from 01.09.2018.

### 15. Transfer of Unpaid/unclaimed dividend to IEPF:

Pursuant to the provisions of Sec. 124(5) of the Companies Act, 2013, as amended, read with Investor Education and Protection Fund (awareness and Protection of Investors) Rules, 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 encashed their dividend warrant(s) within 7 years from the date of the declaration of dividend, are requested to make their claim to the Registrars & Transfer Agents i.e. Karvy Fintech Private Limited, Hyderabad or to the Company at its Corporate Office. The unpaid dividend for the financial year 2011-12 will be transferred to IEPF within the time limit prescribed under the provisions of the Act.

The following table provides a list of years for which unclaimed dividends and their corresponding

shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Sl No	Year	Date of declaration	Dividend per share (₹)	Face Value of the share (₹)	Due date for transfer	Amount of unpaid dividend as on 31.03.2019 (in ₹)
1	2011-12	18.08.2012	6.50	10.00	22.09.2019	10,60,386
2	2012-13	27.07.2013	6.50	10.00	30.08.2020	10,44,868
3	2013-14	02.08.2014	15.00	10.00	05.09.2021	16,31,895
4	2014-15	08.08.2015	27.50	10.00	11.09.2022	22,72,662
5	2015-16	13.08.2016	7.00	2.00	17.09.2023	27,92,909
6	2016-17	12.08.2017	9.00	2.00	15.09.2024	34,74,261
7	2017-18	07.08.2018	6.00	1.00	10.09.2025	53,85,522

#### 16. Transfer of shares to IEPF:

As per Sec.124(6) of the Companies Act 2013 all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund of the Central Government. During the year under review, 591,915 equity shares of ₹1/- each were transferred to IEPF which pertains to unclaimed dividend by the shareholders for 7 years consecutively from 2010-11.

#### 17. Loans, Guarantees or Investments:

The details of the Loans, Guarantees and Investments as on 31.03.2019 are as under :

a) Guarantees :	₹15,000.00 Lakh
b) Investments :	₹17,949.58 Lakh
	-----
	₹32,949.58 Lakh

#### 18. Contracts or arrangements with Related Parties:

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

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

#### 19. Board Evaluation:

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

Requirements) Regulations, 2015, the Board has carried out evaluation of (i) its own performance, (ii) the directors individually and (iii) working of its Committees. The manner in which the evaluation was carried out is reported in the Report on Corporate Governance forming part of this Report.

#### 20. Corporate Social Responsibility Committee: Composition:

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

#### Terms of Reference:

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

### **CSR Policy**

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

During the year 2018-19, One (1) meeting of the Corporate Social Responsibility Committee was held on 11<sup>th</sup> March, 2019.

### **CSR Expenditure during the year 2018-19:**

As per the Sec.135(5) of Companies Act 2013, an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years which works out to ₹757.15 lakhs, is to be spent towards Corporate Social Responsibility activities. The Company has spent ₹496.80 lakhs towards the CSR activities in the financial year 2018-19, balance unspent amount is ₹260.35 Lakhs. The detailed Report, on the CSR Activities (including the reasons for not spending the required amount) is annexed to Board's Report at Annexure - 3.

### **21. Management Discussion & Analysis:**

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

### **22. Business Responsibility Report:**

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

### **23. Corporate Governance:**

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

### **24. Risk Management Policy:**

In terms of the requirement of Section 134(3) (n) of the Companies Act 2013, the Company has developed and implemented the Risk Management Policy.

### **25. Whistle Blower Policy:**

The Company established Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected

fraud or violation of the Company's code of conduct or ethics policy and Code of Conduct to regulate, monitor and report trading by Insiders. The practice of Whistle Blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle Blower Policy is available at the Company's website: [www.avantifeeds.com](http://www.avantifeeds.com).

### **26. Maintenance of cost records:**

The Company has maintained the Cost records required to be maintained under Sec.148(1) of the Companies Act, 2013.

### **27. Subsidiaries and Associate Companies:**

#### **27.1 Report on the performance of Subsidiaries and associates:**

The report on the business of the Subsidiaries and Associate companies as on 31.03.2019 is as follows:

#### **27.2 Subsidiaries:**

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

During the year AFFPL reported turnover of ₹75,251.99 lakhs and profit before tax is ₹9,173.10 lakhs. The Profit after tax reported by AFFPL is ₹8,247.45 lakhs for the year 2018-19.

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

The consolidated financial statements of the Company and its subsidiaries prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Sec.133 of the Companies Act, 2013 read with relevant Rules, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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

The Company has adopted a Policy for determining Material subsidiaries in terms of Regulation 16(1) (c) of the SEBI (Listing Obligations and Disclosure

requirements) Regulations, 2015. The Policy approved by the Board is available on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).

### 27.3 Joint Ventures:

During the year under review there were no Joint Ventures.

### 27.4 Associate Companies:

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

Srivathsa Power Projects Private Limited, is a 17.02 MW gas based independent power project situated in Andhra Pradesh in which company holds 49.99% of equity shares.

During the year 2018-19, the gas supplied by GAIL was only 20,422 SCMD as against the nominated quota of 65,000 SCMD stated to be due to non-availability of APM-Gas. As a result, the power generation was limited to 308.20 lakhs units as against generation capacity of 1,100.00 lakhs units. During the year 2018-19, the Company reported a turnover of ₹1,138.80 lakhs and a loss of ₹210.97 lakhs after charging interest and depreciation, as per audited financials.

#### 2 Patikari Power Private Limited:

The Company holds 25.88% equity shares in Patikari Power Private Limited which has a 16 MW Hydel Power Project in Himachal Pradesh. During the year 2018-19 as per audited financials the Company generated 52.80 lakhs saleable energy units, yielding a gross sales income of ₹1,188.05 lakhs which resulted in a net profit of ₹530.94 lakhs after charging interest, depreciation and tax. The term loan of ₹7506.00 lakhs availed by the Company has been repaid fully on 9<sup>th</sup> April, 2019 and it is debt free company.

### 27.5 Names of companies which have become or ceased to be subsidiaries, joint ventures or Associate companies:

There were no companies which have become or ceased to be Joint Ventures or associate companies.

### 27.6 Statement containing subsidiaries salient features of financial statements of subsidiaries:

Pursuant to Sec.129(3) of the Act, the statement containing the salient features of the financial

statements of Company's subsidiary and associate companies is enclosed at Annexure-4 of Board's Report.

### 28. Internal Controls Systems and Adequacy:

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

The internal financial controls with reference to the Financial Statements for the year ended 31<sup>st</sup> March, 2019 commensurate with the size and nature of business of the Company.

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

### 29. Internal audit:

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

### 30. Independent Auditors, their Report and Notes to Financial Statements:

At the 24<sup>th</sup> Annual General Meeting held on 12.08.2017 Tukaram & Company, Chartered Accountants, Hyderabad have been appointed as Independent Auditors of the Company for a period of 5 years, to hold the office from the conclusion of 24<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting to be held in the year 2022. The ratification of the appointment of M/S Tukaram & Company, Chartered Accountants as Independent Auditors for the year 2019-20 is not required as per Companies (Amendment) Act, 2017 Notified on 07.05.2018.

During the year under review, M/s Tukaram & Co., Chartered Accountants, Independent Auditors of the Company has been converted in to LLP i.e. Tukaram & Co LLP with effect from 18.09.2018.

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



There were no qualifications, reservations or adverse remarks or disclaimers made by Independent Auditors i.e. Tukaram & Co., LLP, Chartered Accountants, Hyderabad, in their report.

### 31. Compliance with Secretarial Standards:

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### 32. Secretarial audit:

In terms of Sec. 204 of the Companies Act 2013 and the Rules made thereunder, M/s.V. Bhaskara Rao & Co., Hyderabad Practicing Company Secretary has been appointed as Secretarial Auditor of the Company for the year 2018-19, on a remuneration of ₹1,00,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The report of the Secretarial Auditor is annexed to this Report.

Sri V Bhaskara Rao & Co., Secretarial Auditor observed that the Company has not spent the required amount of CSR expenditure during the year 2018-19. The reasons for not spending the required amount of CSR expenditure is given in the detailed report on CSR Expenditure annexed to the Board's Report.

### 33. Directors' Responsibility Statement:

Pursuant to the requirement Sec.134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the

assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 34. Extract of Annual Return:

Pursuant to Sec. 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return (Form MGT-9) is enclosed to the Board's Report.

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

(a) Conservation of Energy:

(i)	The steps taken or impact on conservation of energy	Installing new IE3/IE4 high efficient motors for energy conservation. Company enhanced the Solar Energy Capacity from 10KW to 30 KW at Gujarat Plant. Replaced all Traditional Lights with LED Lights.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Company studying feasibility of installing solar panels on roof top of its factory godowns to harness solar power.
(iii)	The capital investment on energy conservation equipments	Solar Energy at Gujarat for ₹12.33 Lakhs

(b) Technology absorption: Not applicable.

(c) Foreign Exchange Earnings and Outgo: During the year under review, the total Foreign Exchange

Inflow - ₹ 156.17 lakhs.

Outflow - ₹ 14,857.67 lakhs.

### 36. Public Deposits:

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

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

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

### 37. Significant and material orders passed by the regulators:

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

### 38. Human Resources:

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

### 39. Particulars of Employees:

The statement containing particulars of employees as required under Sec. 197(12) of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 indicating (i) the ratio of remuneration of each director to the median employees remuneration and other details and (ii) statement showing the details of employees who

are in receipt of remuneration of ₹102 Lakhs or more are enclosed at Annexure-5 of this report.

### 40. Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year ended 31.03.2019 the Company has not received any complaints pertaining to sexual harassment of employees. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Acknowledgments:

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

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

**A. Indra Kumar**  
DIN - 00190168

Chairman & Managing Director

Place: Hyderabad

Date : 07.06.2019

## Form No. MGT-9

(Extract of Annual Return as on the Financial year ended on 31<sup>st</sup> March, 2019)

## I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L16001AP1993PLC095778
ii.	Registration Date	06.01.1993
iii.	Name of the Company:	Avanti Feeds Limited
iv.	Category/Sub-Category of the Company	Public Limited Company
v.	Address and Contact Details	
	a. Registered Office:	Flat No. 103, Ground Floor, "R" Square, Pandurangapuram, Visakhapatnam-530 003, Andhra Pradesh
	b. Corporate Office:	G-2, Concorde Apartments, Somajiguda Hyderabad-500 082, Telangana State
	Phone Nos:	040-23310260/61 Fax: 040-23311604
	Email Id:	avantih@avantifeeds.com
	Website:	www.avantifeeds.com
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrars & Transfer Agents:	Karvy Fintech Private Limited (Formely Karvy Computershare Private Limited) Karvy Selenium Tower-B, Plot No.31 & 32, Financial District, Gachibowli, Nanakramguda Serilingampally, Hyderabad-500 008 Telangana State, India. Phone No: 040-6716222 Fax: 040-23001153 E mail Id: einward.ris@karvy.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

SI No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section under Companies Act, 2013
1	Avanti Frozen Foods Pvt. Ltd.	U05000AP2015PTC096509	Subsidiary	60.00%	Sec.2(87)(ii)
2	Svimsan Exports & Imports Ltd	U24239TG1998PTC030063	Subsidiary	100.00%	Sec.2(87)(ii)
3	Srivathsa Power Projects Pvt. Ltd.	U40109TG1995PTC020411	Associate	49.99%	Sec.2(6)
4	Patikari Power Pvt. Ltd.	U40103HP2000PTC024074	Associate	25.89%	Sec.2(6)

#### IV. SHARE HOLDING PATTERN BETWEEN 01-04-2018 AND 31-03-2019

##### (i) Category-wise Shareholding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES OF ₹2/- EACH HELD AT THE BEGINNING OF THE YEAR 01-04-2018				NO. OF SHARES OF ₹1/- EACH HELD AT THE END OF THE YEAR 31-03-2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
<b>(1)</b>	<b>INDIAN</b>									
(a)	Individual /HUF	6347956	25000	6372956	14.03%	19051469	37500	19088969	14.01%	-0.02%
(b)	Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c)	Bodies Corporate	13511460	0	13511460	29.75%	40534380	0	40534380	29.75%	0.00%
(d)	Financial Institutions / Banks	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e)	Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total A(1) :</b>	<b>19859416</b>	<b>25000</b>	<b>19884416</b>	<b>43.78%</b>	<b>59585849</b>	<b>37500</b>	<b>59623349</b>	<b>43.76%</b>	<b>-0.02%</b>
<b>(2)</b>	<b>FOREIGN</b>									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b)	Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c)	Institutions	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e)	Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>Total A=A(1)+A(2)</b>	<b>19859416</b>	<b>25000</b>	<b>19884416</b>	<b>43.78%</b>	<b>59585849</b>	<b>37500</b>	<b>59623349</b>	<b>43.76%</b>	<b>-0.02%</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds /UTI	694520	20500	715020	1.57%	3908052	61500	3969552	2.91%	1.34%
(b)	Financial Institutions / Banks	18158	4500	22658	0.05%	149462	13500	162962	0.12%	0.07%
(c)	Central Government / State Government(s)	1236515	0	1236515	2.72%	3709545	0	3709545	2.72%	0.00%
(d)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e)	Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
(f)	Foreign Institutional Investors	6422229	500	6422729	14.14%	18282847	1500	18284347	13.42%	-0.72%
(g)	Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
(h)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0.00%
(i)	Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total B(1) :</b>	<b>8371422</b>	<b>25500</b>	<b>8396922</b>	<b>18.49%</b>	<b>26049906</b>	<b>76500</b>	<b>26126406</b>	<b>19.18%</b>	<b>0.69%</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	1285991	39030	1325021	2.92%	2951423	75090	3026513	2.22%	-0.70%
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	6590071	714600	7304671	16.08%	19435343	1243266	20678609	15.18%	-0.91%

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES OF ₹2/- EACH HELD AT THE BEGINNING OF THE YEAR 01-04-2018				NO. OF SHARES OF ₹1/- EACH HELD AT THE END OF THE YEAR 31-03-2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	816765	0	816765	1.80%	2922820	0	2922820	2.15%	0.35
(c)	Others									
	CLEARING MEMBERS	60699	0	60699	0.13%	348190	0	348190	0.26%	0.12%
	FOREIGN BODIES	7010210	0	7010210	15.44%	21030630	0	21030630	15.44%	0.00%
	I E P F	0	0	0	0.00%	591915	0	591915	0.43%	0.43%
	NON RESIDENT INDIANS	364448	95000	459448	1.01%	1191411	259500	1450911	1.06%	0.05%
	NRI NON-REPATRIATION	144271	0	144271	0.32%	444893	0	444893	0.33%	0.01%
	TRUSTS	12787	0	12787	0.03%	1394	0	1394	0.00%	-0.03%
(d)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>Sub-Total B(2) :</b>	<b>16285242</b>	<b>848630</b>	<b>17133872</b>	<b>37.73%</b>	<b>48918019</b>	<b>1577856</b>	<b>50495875</b>	<b>37.06%</b>	<b>-0.66%</b>
	<b>Total B=B(1)+B(2) :</b>	<b>24656664</b>	<b>874130</b>	<b>25530794</b>	<b>56.22%</b>	<b>74967925</b>	<b>1654356</b>	<b>76622281</b>	<b>56.24%</b>	<b>0.02%</b>
	<b>Total (A+B) :</b>	<b>44516080</b>	<b>899130</b>	<b>45415210</b>	<b>100.00%</b>	<b>134553774</b>	<b>1691856</b>	<b>136245630</b>	<b>100.00%</b>	<b>0.00%</b>
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00%	0	0	0	0.00%	0.00%
(2)	Public	0	0	0	0.00%	0	0	0	0.00%	0.00%
	<b>GRAND TOTAL (A+B+C) :</b>	<b>44516080</b>	<b>899130</b>	<b>45415210</b>	<b>100.00%</b>	<b>134553774</b>	<b>1691856</b>	<b>136245630</b>	<b>100.00%</b>	<b>0.00%</b>

### (ii) Shareholding of Promoters:

S No.	Shareholder's Name	Shareholding as on 01-04-2018			Shareholding as on 31-03-2019			% change in share holding during the year
		No. of Shares (equity shares of ₹2/- each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares (equity shares of ₹1/- each)	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sri Indra Kumar Alluri	2729750	6.01%	0	8189250	6.01%	0	0.00%
2	Sri Alluri Indra Kumar - HUF	2776900	6.11%	0	8330700	6.11%	0	0.00%
3	Srinivasa Cystine Pvt. Ltd.	12099705	26.64%	0	36299115	26.64%	0	0.00%
4	Sanjeeva Agro-Vet Pvt. Ltd.	1411755	3.11%	0	4235265	3.11%	0	0.00%
5	Sri Nuthakki Ram Prasad	103000	0.23%	0	279701	0.21%	0	-0.02%
6	Sri Venkata Sanjeev Alluri	236900	0.52%	0	710700	0.52%	0	0.00%
7	Sri Alluri Nikhilesh Chowdary	230550	0.51%	0	691650	0.51%	0	0.00%
8	Smt. N Naga Ratna	31674	0.07%	0	95022	0.07%	0	0.00%
9	Sri G Venkatesh	170732	0.38%	0	512196	0.38%	0	0.00%
10	Sri Pitchaiah Chukkapalli	12500	0.03%	0	0	0.00%	0	-0.03%
11	Sri CH Arun Kumar	0	0.00%	0	37500	0.03%	0	0.03%



SI No.	Shareholder's Name	Shareholding as on 01-04-2018			Shareholding as on 31-03-2019			% change in share holding during the year
		No. of Shares (equity shares of ₹2/- each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares (equity shares of ₹1/- each)	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
12	Smt. Geda Sai Padmini	14550	0.03%	0	43650	0.03%	0	0.00%
13	Smt. Ratna Manikyamba Katneni	12500	0.03%	0	37500	0.03%	0	0.00%
14	Sri Amar Kumar Chukkapalli	12500	0.03%	0	37500	0.03%	0	0.00%
15	Sri Katneni Jagan Mohan Rao	12500	0.03%	0	37500	0.03%	0	0.00%
16	Smt. Sudha Vadlamudi	12500	0.03%	0	37500	0.03%	0	0.00%
17	Smt. Rayapaneni Raveena	12500	0.03%	0	37500	0.03%	0	0.00%
18	Sri Bommidala Srimannarayana	3400	0.01%	0	9600	0.01%	0	0.00%
19	Smt. P Gayathri	500	0.00%	0	1500	0.00%	0	0.00%
	<b>Total:</b>	<b>19884416</b>	<b>43.78%</b>	<b>0</b>	<b>59623349</b>	<b>43.76%</b>	<b>0</b>	<b>-0.02%</b>

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

SI No	Shareholder's Name	Shareholding as on 01-04-2018		Date	Increase/ Decrease in Share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No. of shares of ₹2/- each at the beginning	% of total shares of the company				No. of shares of ₹1/- each	% of total shares of the company
1	Sri Indra Kumar Alluri	2729750	6.01%	29-06-2018	2729750	Sub-division	5459500	6.01%
				30-06-2018	2729750	Bonus issue	8189250	6.01%
				31-03-2019			8189250	6.01%
2	Sri Alluri Indra Kumar - HUF	2776900	6.11%	29-06-2018	2776900	Sub-division	5553800	6.11%
				30-06-2018	2776900	Bonus issue	8330700	6.11%
				31-03-2019			8330700	6.11%
3	Srinivasa Cystine Pvt. Ltd.	12099705	26.64%	29-06-2018	12099705	Sub-division	24199410	26.64%
				30-06-2018	12099705	Bonus issue	36299115	26.64%
				31-03-2019			36299115	26.64%
4	Sanjeeva Agro-Vet Pvt. Ltd.	1411755	3.11%	29-06-2018	1411755	Sub-division	2823510	3.11%
				30-06-2018	1411755	Bonus issue	4235265	3.11%
				31-03-2019			4235265	3.11%
5	Sri Nuthakki Ram Prasad	103000	0.23%	29-06-2018	103000	Sub-division	206000	0.23%
				30-06-2018	103000	Bonus issue	309000	0.23%
				02-07-2018	-29299	Transfer	279701	0.21%
				31-03-2019			279701	0.21%
6	Sri Venkata Sanjeev Alluri	236900	0.52%	29-06-2018	236900	Sub-division	473800	0.52%
				30-06-2018	236900	Bonus issue	710700	0.52%
				31-03-2019			710700	0.52%
7	Sri Alluri Nikhilesh Chowdary	230550	0.51%	29-06-2018	230550	Sub-division	461100	0.51%
				30-06-2018	230550	Bonus issue	691650	0.51%
				31-03-2019			691650	0.51%

SI No	Shareholder's Name	Shareholding as on 01-04-2018		Date	Increase/Decrease in Share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No. of shares of ₹2/- each at the beginning	% of total shares of the company				No. of shares of ₹1/- each	% of total shares of the company
8	Smt. N Naga Ratna	31674	0.07%	29-06-2018	31674	Sub-division	63348	0.07%
				30-06-2018	31674	Bonus issue	95022	0.07%
				31-03-2019			95022	0.07%
9	Sri G Venkatesh	170732	0.38%	29-06-2018	170732	Sub-division	341464	0.38%
				30-06-2018	170732	Bonus issue	512196	0.38%
				31-03-2019			512196	0.38%
10	Sri Pitchaiah Chukkapalli	12500	0.03%	29-06-2018	12500	Sub-division	25,000	0.03%
				30-06-2018	12500	Bonus issue	37,500	0.03%
				07-09-2018	37500	Transmission	0	0.00%
				31-03-2019			0	0.00%
11	Sri CH Arun Kumar	0	0.00%	07-09-2018	37,500	Transmission	37,500	0.03%
				31-03-2019			37,500	0.03%
12	Smt. Geda Sai Padmini	14550	0.03%	29-06-2018	14550	Sub-division	29100	0.03%
				30-06-2018	14550	Bonus issue	43650	0.03%
				31-03-2019			43650	0.03%
13	Smt. Ratna Manikyamba Katneni	12500	0.03%	29-06-2018	12500	Sub-division	25000	0.03%
				30-06-2018	12500	Bonus issue	37500	0.03%
				31-03-2019			37500	0.03%
14	Sri Amar Kumar Chukkapalli	12500	0.03%	29-06-2018	12500	Sub-division	25000	0.03%
				30-06-2018	12500	Bonus issue	37500	0.03%
				31-03-2019			37500	0.03%
15	Sri Katneni Jagan Mohan Rao	12500	0.03%	29-06-2018	12500	Sub-division	25000	0.03%
				30-06-2018	12500	Bonus issue	37500	0.03%
				31-03-2019			37500	0.03%
16	Smt. Sudha Vadlamudi	12500	0.03%	29-06-2018	12500	Sub-division	25000	0.03%
				30-06-2018	12500	Bonus issue	37500	0.03%
				31-03-2019			37500	0.03%
17	Smt. Rayapaneni Raveena	12500	0.03%	29-06-2018	12500	Sub-division	25000	0.03%
				30-06-2018	12500	Bonus issue	37500	0.03%
				31-03-2019			37500	0.03%
18	Sri Bommidala Srimannarayana	3400	0.01%	20-04-2018	-200	Transfer	3200	0.00%
				29-06-2018	3200	Sub-division	6400	0.01%
				30-06-2018	3200	Bonus issue	9600	0.01%
				31-03-2019			9600	0.01%

Sl No	Change in Promoters Shareholding	Shareholding as on 01-04-2018		Date	Increase/Decrease in Share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No. of shares of ₹2/- each at the beginning (01.04.18)	% of total shares of the company				No. of shares of ₹1/- each	% of total shares of the company
19	Smt. P Gayathri	500	0.00%	29-06-2018	500	Sub-division	1000	0.00%
				30-06-2018	500	Bonus issue	1500	0.00%
				31-03-2019			1500	0.00%

**Note:** The One (1) Equity Share of ₹ 2/- each were sub-divided into Two (2) Equity Shares of ₹1/- each with the approval of the members at the Extraordinary General Meeting (EGM) held on 14-06-2018. The record date for sub-division is 27-06-2018.

The Company issued Bonus Equity Shares of ₹1/- each in the ratio of 1:2 (i.e after sub-division of shares) with the approval of the members at the EGM held on 14.06.2018. The Bonus Equity shares were allotted on 30-06-2018.

#### iv) Shareholding pattern of top ten shareholders (other than Directors and Promoters) :

Sl. No.	Name of the Share Holder	Shareholding as on 01-04-2018		Date	Increase/Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	THAI UNION GROUP PUBLIC COMPANY LIMITED	7010210	15.44%	01-04-2018			7010210	15.44%
				29-06-2018	7010210	Transfer	14020420	15.44%
				06-07-2018	7010210	Transfer	21030630	15.44%
				31-03-2019			21030630	15.44%
2	THAI UNION ASIA INVESTMENT HOLDING LIMITED	4274675	9.41%	01-04-2018			4274675	9.41%
				29-06-2018	4184675	Transfer	8459350	9.31%
				06-07-2018	4195499	Transfer	12654849	9.29%
				21-12-2018	-85043	Transfer	12569806	9.23%
				28-12-2018	-10999	Transfer	12558807	9.22%
				15-03-2019	-498447	Transfer	12060360	8.85%
3	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION	1236515	2.72%	01-04-2018			1236515	2.72%
				29-06-2018	1236515	Transfer	2473030	2.72%
				06-07-2018	1236515	Transfer	3709545	2.72%
				31-03-2019			3709545	2.72%
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	0	0.00%	01-04-2018			0	0.00%
				21-12-2018	68600	Transfer	68600	0.05%
				28-12-2018	138100	Transfer	206700	0.15%
				04-01-2019	1900	Transfer	208600	0.15%
				11-01-2019	87690	Transfer	296290	0.22%
				18-01-2019	28200	Transfer	324490	0.24%
				01-02-2019	6200	Transfer	330690	0.24%
		08-02-2019	3743	Transfer	334433	0.25%		
		15-02-2019	64000	Transfer	398433	0.29%		

Sl. No.	Name of the Share Holder	Shareholding as on 01-04-2018		Date	Increase/Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				08-03-2019	91600	Transfer	490033	0.36%
				15-03-2019	584400	Transfer	1074433	0.79%
				31-03-2019			1074433	0.79%
5	MOTILAL OSWAL FOCUSED BUSINESS ADVANTAGE FUND	157000	0.35%	01-04-2018			157000	0.35%
				29-06-2018	157000	Transfer	314000	0.35%
				06-07-2018	157000	Transfer	471000	0.35%
				20-07-2018	18700	Transfer	489700	0.36%
				17-08-2018	24294	Transfer	513994	0.38%
				24-08-2018	6	Transfer	514000	0.38%
				31-03-2019			514000	0.38%
6	SBI SMALL AND MIDCAP FUND	70000	0.15%	01-04-2018			70000	0.15%
				29-06-2018	120000	Transfer	240000	0.26%
				06-07-2018	120000	Transfer	360000	0.26%
				22-02-2019	46825	Transfer	406825	0.30%
				01-03-2019	19769	Transfer	426594	0.31%
				31-03-2019			426594	0.31%
7	MOTILAL OSWAL SELECT OPPORTUNITIES FUND	52192	0.11%	01-04-2018			52192	0.11%
				06-04-2018	2003	Transfer	54195	0.12%
				29-06-2018	55897	Transfer	110092	0.12%
				06-07-2018	55046	Transfer	165138	0.12%
				20-07-2018	6480	Transfer	171618	0.13%
				03-08-2018	24500	Transfer	196118	0.14%
				17-08-2018	7245	Transfer	203363	0.15%
				30-11-2018	12027	Transfer	215390	0.16%
				07-12-2018	82962	Transfer	298352	0.22%
				21-12-2018	52000	Transfer	350352	0.26%
				04-01-2019	25500	Transfer	375852	0.28%
				31-03-2019			375852	0.28%
8	DOLLY KHANNA	371847	0.82%	01-04-2018			371847	0.82%
				06-04-2018	7150	Transfer	378997	0.83%
				13-04-2018	3000	Transfer	381997	0.84%
				25-05-2018	-2121	Transfer	369813	0.81%
				01-06-2018	-6232	Transfer	363581	0.80%
				08-06-2018	-2180	Transfer	361401	0.80%
				15-06-2018	-825	Transfer	360576	0.79%
				22-06-2018	-7828	Transfer	352748	0.78%
				29-06-2018	346404	Transfer	699152	0.77%
				06-07-2018	339516	Transfer	1038668	0.76%
				13-07-2018	-13578	Transfer	1025090	0.75%
				20-07-2018	-3000	Transfer	1022090	0.75%

Sl. No.	Name of the Share Holder	Shareholding as on 01-04-2018		Date	Increase/Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				27-07-2018	-9000	Transfer	1013090	0.74%
				03-08-2018	-3000	Transfer	1010090	0.74%
				10-08-2018	-132449	Transfer	877641	0.64%
				17-08-2018	-15000	Transfer	862641	0.63%
				24-08-2018	-23000	Transfer	839641	0.62%
				31-08-2018	-25000	Transfer	814641	0.60%
				07-09-2018	-6000	Transfer	808641	0.59%
				14-09-2018	-6230	Transfer	802411	0.59%
				21-09-2018	-6000	Transfer	796411	0.58%
				28-09-2018	-17000	Transfer	779411	0.57%
				05-10-2018	-19000	Transfer	760411	0.56%
				12-10-2018	-1000	Transfer	759411	0.56%
				19-10-2018	34000	Transfer	793411	0.58%
				26-10-2018	-47000	Transfer	746411	0.55%
				02-11-2018	-4500	Transfer	741911	0.54%
				09-11-2018	-8000	Transfer	733911	0.54%
				16-11-2018	-133000	Transfer	600911	0.44%
				23-11-2018	-44000	Transfer	556911	0.41%
				30-11-2018	-30000	Transfer	526911	0.39%
				07-12-2018	-11000	Transfer	515911	0.38%
				14-12-2018	-14000	Transfer	501911	0.37%
				21-12-2018	-7000	Transfer	494911	0.36%
				28-12-2018	-32000	Transfer	462911	0.34%
				31-12-2018	-2000	Transfer	460911	0.34%
				04-01-2019	-3000	Transfer	457911	0.34%
				11-01-2019	-4000	Transfer	453911	0.33%
				18-01-2019	-8000	Transfer	445911	0.33%
				25-01-2019	-10000	Transfer	435911	0.32%
				01-02-2019	-61500	Transfer	374411	0.27%
				08-02-2019	-54000	Transfer	320411	0.24%
				15-02-2019	-17500	Transfer	302911	0.22%
				22-02-2019	-9000	Transfer	293911	0.22%
				01-03-2019	-3000	Transfer	290911	0.21%
				08-03-2019	-4000	Transfer	286911	0.21%
				15-03-2019	-14000	Transfer	272911	0.20%
				22-03-2019	-19000	Transfer	253911	0.19%
				29-03-2019	-14000	Transfer	239911	0.18%
				30-03-2019	-6000	Transfer	233911	0.17%
				31-03-2019			233911	0.17%
9	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL FUND	0	0.00%	01-04-2018			0	0.00%
				12-10-2018	249759	Transfer	249759	0.18%
				26-10-2018	61000	Transfer	310759	0.23%



Sl. No.	Name of the Share Holder	Shareholding as on 01-04-2018		Date	Increase/Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				02-11-2018	39000	Transfer	349759	0.26%
				16-11-2018	14160	Transfer	363919	0.27%
				31-03-2019			363919	0.27%
10	MALABAR INDIA FUND LIMITED	331872	0.73%	01-04-2018			331872	0.73%
				27-04-2018	-104086	Transfer	227786	0.50%
				04-05-2018	-30756	Transfer	197030	0.43%
				11-05-2018	-69686	Transfer	127344	0.28%
				29-06-2018	45312	Transfer	172656	0.19%
				06-07-2018	127344	Transfer	300000	0.22%
				15-03-2019	-52457	Transfer	247543	0.18%
				31-03-2019			247543	0.18%
11	L&T MUTUAL FUND TRUSTEE LTD-L&T EQUITY SAVINGS FUND	310252	0.68%	01-04-2018			310252	0.68%
				13-04-2018	-22680	Transfer	287572	0.63%
				20-04-2018	-42731	Transfer	244841	0.54%
				27-04-2018	-64311	Transfer	180530	0.40%
				11-05-2018	-223	Transfer	180307	0.40%
				18-05-2018	-34166	Transfer	146141	0.32%
				25-05-2018	-15967	Transfer	130174	0.29%
				01-06-2018	-37422	Transfer	92752	0.20%
				22-06-2018	-66261	Transfer	26491	0.06%
				29-06-2018	3800	Transfer	30291	0.03%
				06-07-2018	26491	Transfer	56782	0.04%
				26-10-2018	-45382	Transfer	11400	0.01%
				31-03-2019			11400	0.01%
12	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE ASIA EX JAPAN	256570	0.56%	01-04-2018			256570	0.56%
				01-06-2018	15142	Transfer	271712	0.60%
				08-06-2018	7598	Transfer	279310	0.62%
				15-06-2018	63024	Transfer	342334	0.75%
				22-06-2018	-74410	Transfer	267924	0.59%
				29-06-2018	-126833	Transfer	141091	0.16%
				06-07-2018	141091	Transfer	282182	0.21%
				13-07-2018	-18491	Transfer	263691	0.19%
				20-07-2018	49423	Transfer	313114	0.23%
				27-07-2018	54946	Transfer	368060	0.27%
				03-08-2018	2191	Transfer	370251	0.27%
				10-08-2018	150587	Transfer	520838	0.38%
				15-03-2019	192387	Transfer	713225	0.52%
				29-03-2019	150000	Transfer	863225	0.63%
				31-03-2019			863225	0.63%

Sl. No.	Name of the Share Holder	Shareholding as on 01-04-2018		Date	Increase/Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
13	VIVOG COMMERCIAL LIMITED	207636	0.46%	01-04-2018			207636	0.46%
				27-04-2018	-9500	Transfer	198136	0.44%
				04-05-2018	-768	Transfer	197368	0.43%
				08-06-2018	-17000	Transfer	180368	0.40%
				22-06-2018	-20000	Transfer	160368	0.35%
				29-06-2018	125368	Transfer	285736	0.31%
				06-07-2018	160368	Transfer	446104	0.33%
				31-03-2019		446104	0.33%	
14	VIJAYSINGH B PADODE	169918	0.37%	01-04-2018			169918	0.37%
				06-04-2018	596	Transfer	170514	0.38%
				01-06-2018	-3000	Transfer	167514	0.37%
				29-06-2018	107852	Transfer	275366	0.30%
				06-07-2018	137683	Transfer	413049	0.30%
				28-09-2018	5000	Transfer	418049	0.31%
				16-11-2018	-5000	Transfer	413049	0.30%
				08-02-2019	413049	Transfer	826098	0.61%
				08-02-2019	-413049	Transfer	413049	0.30%
				15-03-2019	3000	Transfer	416049	0.31%
				31-03-2019		416049	0.31%	

**Note:** The above information is based on the weekly beneficiary position received from Depositories.

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

Sl. No.	Name of the Director / KMP	Shareholding as on 01-04-2018		Date	Increase/Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares of ₹2/- each	% of total shares of the company				No of Shares of ₹1/- each	% of total shares of the company
1	Srii Indra Kumar Alluri Chairman & Managing Director	2729750	6.01%	29-06-2018	2729750	Sub-division	5459500	6.01%
				30-06-2018	2729750	Bonus issue	8189250	6.01%
				31-03-2019			8189250	6.01%
2	Sri C. Ramachandra Rao Joint Managing Director, CS & CFO	1000	0.00%	29-06-2018	1000	Sub-division	2000	0.00%
				30-06-2018	1000	Bonus issue	3000	0.00%
				31-03-2019				0.00%
3	Sri N. Ram Prasad Director	103000	0.23%	29-06-2018	103000	Sub-division	206000	0.23%
				30-06-2018	103000	Bonus issue	309000	0.23%
				02-07-2018	-29299	Transfer	279701	0.21%
				31-03-2019			279701	0.21%

Sl. No.	Name of the Director / KMP	Shareholding as on 01-04-2018		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (from 01-04-2018 to 31-03-2019)	
		No of Shares of ₹2/- each	% of total shares of the company				No of Shares of ₹1/- each	% of total shares of the company
4	Sri A. V. Achar Director	1000	0.00%	29-06-2018	1000	Sub-division	2000	0.00%
				30-06-2018	1000	Bonus issue	3000	0.00%
				31-03-2019			3000	0.00%
5	Sri K. Ramamohana Rao Director	0	0.00%	31-03-2019	0		0	0.00%
6	Sri B.V. Kumar Director	0	0.00%	31-03-2019	0		0	0.00%
7	Sri M.S.P. Rao Director	60	0.00%	20-07-2018	10	Transfer	70	0.00%
				17-08-2018	50	Transfer	120	0.00%
				05-10-2018	15	Transfer	135	0.00%
				25-01-2019	70	Transfer	205	0.00%
				01-02-2019	35	Transfer	240	0.00%
				15-02-2019	50	Transfer	290	0.00%
				22-02-2019	150	Transfer	440	0.00%
31-03-2019			440	0.00%				
8	Sri N.V. D.S. Raju Director	0	0.00%	31-03-2019	0		0	0.00%
9	Smt. K. Kiranmayee Director	1850	0.00%	29-06-2018	1850	Sub-division	3700	0.00%
				30-06-2018	1850	Bonus issue	5550	0.00%
				31-03-2019			5550	0.00%
10	Mr. Bunlesak Sorajjakit Director	0	0.00%	31-03-2019	0		0	0.00%
11	Mr. Wai Yat Paco Lee Director	0	0.00%	31-03-2019	0		0	0.00%
12	Sri Solomon Arokia Raj, IAS Director- APIDC Nominee	0	0.00%	31-03-2019	0		0	0.00%
13	Sri J V Ramudu Director	0	0.00%	31-03-2019	0		0	0.00%

## VI INDEBTEDNESS:

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

(₹ In Lakhs)

Details	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Joint Managing Director.

Sl No.	Particulars of Remuneration	Name of CMD/JMD		Total Amount
		A. Indra Kumar	C . R. Rao	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	352.94	180.76	533.7
	(b) Value of Prerequisite u/s 17(2) Income Tax Act, 1961	2.92	0	2.92
	(c) Profit in lieu of salary under	0	0	
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	As % of profit	1322.45	1028.14	2350.59
	others, specif	0	0	0
5	Others, please specify			
	<b>Total (A)</b>	<b>1678.31</b>	<b>1208.90</b>	<b>2887.21</b>
	<b>Ceiling as per the ACT</b>	<b>1678.36</b>	<b>1678.36</b>	<b>3356.72</b>

## VIII REMUNERATION OF OTHER DIRECTORS

Sl No.	Particulars of Remuneration	Name of the Directors							Total Amount
		A V Achar	B V Kumar	MSP Rao	K R Rao	NVDS Raju	K. Kiranmayee	J.V. Ramudu	
1	<b>Independent Directors</b>								
	Fee for Attending Board/Committee Meetings	3.70	3.70	2.60	3.00	1.65	2.05	0.40	17.10
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	3.70	3.70	2.60	3.00	1.65	2.05	0.40	17.10
2	<b>Other Non-Executive Directors</b>								
	Fee for Attending Board/Committee Meetings	1.75	1.35	1.35	0.40	-	-	-	4.85
	Commission	-	-	-	-	-	-	-	-
	others, specify...	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>1.75</b>	<b>1.35</b>	<b>1.35</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.85</b>
	<b>Total (B) = 1+ 2</b>	<b>5.45</b>	<b>5.05</b>	<b>3.95</b>	<b>3.40</b>	<b>1.65</b>	<b>2.05</b>	<b>-</b>	<b>21.95</b>

Overall Ceiling as per the Act, Sitting Fees payable to a director for attending Board / Committee Meeting shall not exceed ₹1,00,000/- per meeting

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

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

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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



## Annexure - 2

## FORM AOC - 2

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arms length transactions under fourth (4<sup>th</sup>) proviso thereto:

1. During the year 2018-19 there are no arrangements or transactions with related parties which were not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis :

Name	Relationship	Nature & Tenure Of Contract	Justification for entering in to contracts	Salient Conditions	Date of Approvals
Shri A.Indra Kumar	Key Managerial Personnel	EASE of Flat No: G2, Concorde Apartments for 5yrs ending 31 <sup>st</sup> March'16 for Corporate Office.	Since the inception the Corporate Office of the Company is operating from this premises which is centrally located and rent of the premises is very reasonable and is at arm's length .	₹2.16 lakh per annum	12.08.2016
Srinivasa Cystine (P) Ltd	Associate Company	LEASE of Flat No.104, Concorde Apartments for 5yrs ending 31 <sup>st</sup> March'16	Since the inception the Corporate Office of the Company is operating from this premises which is centrally located and rent of the premises is very reasonable and is at arm's length	₹2.55 lakh per annum	12.08.2016
Shri A.Indra Kumar	Key Managerial Personnel	LEASE of H.No.37, Baymount, Rushikonda, Visakhapatnam for 5 years for Registered Office starting from 11th February,2016 and paid up to 31 <sup>st</sup> August, 2018.	Company's Registered Office is situated at Visakhapatnam and w.e.f 1.4.2016 operating its office from this premises. rent of the premises is very reasonable and is at arm's length.	₹0.91 lakh per annum	16.03.2016
Mr.A. Venkata Sanjeev	Son of Mr. A. Indra Kumar Chairman & Managing Director	Manager- Operations	Appointment and remuneration is commensurate with the qualification and experience of the Appointee.	₹24.90 lakhs annual compensation	11.08.2017
Avanti Frozen Foods (P) Limited	Subsidiary	Purchase of MEIS licence	MEIS licenses accrue to AFFPL on its exports and are purchased for payment of customs duties on import of raw material and spares. The purchases are made at prevailing market prices at the time of purchase.	Purchases amounted to ₹1522.13 lakhs	26.05.2018
Avanti Frozen Foods (P) Limited	Subsidiary	Commission from AFFPL for extending Corporate Guarantee to SBI for sanction of working capital limits by SBI to AFFPL.	AFL extended corporate guarantee to the working capital limits sanctioned by the SBI to AFFPL. Commission @ 0.25% PA on corporate guarantee amount is charged to AFFPL.	₹32.07 lakhs	10.11.2018
Avanti Frozen Foods (P) Limited	Subsidiary	Sale of Shrimp feed.	Company sold Shrimp Feed for shrimp culture under taken by AFFPL. Shrimp feed is sold at the same price as sold to other dealers.	₹316.81 lakhs	26.05.2018
Avanti Frozen Foods (P) Limited	Subsidiary	Corporate Guarantee provided to AFFPL for working capital limits sanctioned by SBI	Corporate Guarantee	₹15,000.00 lakhs	10.11.2018
Thai Union Feed Mill Co. Ltd.	Entity having significant influence on the Company	Royalty payment	Royalty payment on sale of shrimp feed	₹1,271.10 lakhs	26.05.2018

**REPORT ON CSR ACTIVITIES/ INITIATIVES**  
**[Pursuant to Section 135 of the Act & Rules made thereunder]**

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

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

3. Average Net Profit of the company for last 3 financial years : ₹378.58 crs
4. Prescribed CSR expenditure (2% of amount) : ₹7.57 crs
5. Details of CSR activities/projects undertaken during the year:
  - a) Total amount spent in the financial year: ₹4.97 crs
  - b) Amount un-spent: ₹2.60 crs
  - c) Manner in which the amount spent during the financial year ended 31-03-2019 is detailed below:  
(₹ In Lakhs)

CSR project/	Sector(s) covered within schedule VII	Geographical areas where project was implemented	Amount outlay for Project	Amount spent on the project/	Cumulative spend upto to the reporting period	Direct/ through implementing agency*
1	2	3	4	5	6	7
Promoting Education among Children	Promoting Education among Children	AVR Trust - ABN & PRR collage for constructing a new block to cater to increasing strength of students, Andhra Pradesh	150.00	150.00		Direct
		Merit scholarships to students and Scholarship of Fee reimbursement for top 3 rank holders among Rural students and economically backward of each discipline of ABN&PRR College	0.71	0.71		Direct
		Class room construction and providing computer at ABGZPP High School Pasivedala, Kovvur Mandal	1.94	1.94		Direct

CSR project/	Sector(s) covered within schedule VII	Geographical areas where project was implemented	Amount outlay for Project	Amount spent on the project/	Cumulative spend upto to the reporting period	Direct/ through implementing agency*
		K C Mahindra Educational Trust. This trust provides quality education to disadvantaged girl children from marginalised and economically poor families.	9.00	9.00		Direct
		Provided desks for students of (i) ZPH school at Burugupalem Village, Visakhapatnam Dist., and (ii) Govt. Degree College at Narsipatnam in Visakhapatnam Dist.	6.05	6.05		Direct
		Donation to Alluri Bapineedu Trust towards Medical and health activities	5.00	5.00		Direct
Eradicating hunger, Poverty and malnutrition and Providing Health care	Eradicating hunger, Poverty and malnutrition and Providing Health care	Supporting Mid Day Meal to students from economically backward families in Denduluru, West Godavari District	5.00	5.00		Direct
		Contribution to Akshyapatra supporting Med Day Meal Scheme for construction of Kitchen, at Podagatlapalli, Ravulapalem, E.G. District	111.47	111.47		Direct
		Donation to Hrudaya Cure (A Little Heart Foundation which provides free medical treatment to the children with heart problems from economically poor families)	25.00	25.00		Direct
Environmental Sustainability	Environmental Sustainability	Plants Purchased and distributed at Mamledar Office at Valsad	0.10	0.10		Direct
		Deepening of ponds at Villages Balda, Dhagamdal and Sukesh by removing silt and strengthening the bonds	2.00	2.00		Direct
		1400 Nos of Jute bags to YSR Horticultural University	2.45	2.45		Direct
		Tractor to Bandapuram Municipality	7.10	7.10		Direct

CSR project/	Sector(s) covered within schedule VII	Geographical areas where project was implemented	Amount outlay for Project	Amount spent on the project/	Cumulative spend upto to the reporting period	Direct/ through implementing agency*
Support to Cyclone effected people	Support to Cyclone effected people	Relief material distributed to Titli Cyclone effected people in Mr.kakulam District	11.27	11.27		Direct
		Construction of sheds for farmers whose infrastructure washed out in Ghaja Cyclone in Tamilnadu	24.35	24.35		Direct
Promoting Sports	Promoting Sports	Contribution to Ms. Bolineni Chandrika for participating in Asian Power Lifting Championship	0.50	0.50		Direct
		Organising cricket tournament in rural areas	1.26	1.26		Direct
		Organising Volleyball Summer Coaching to children and held a Tournament at Kovvur in which 6 district teams participated	3.60	3.60		Direct
		Lake View Sports Association for creating infrastructure and train young children in Tennis	5.00	5.00		Direct
Care of aged & Disabled	Old age home	Contribution to Sowbhagya Durga Old Age Home to corpus fund to take care of inmates who are old and deserted.	25.00	25.00		Direct
Donations	Donations	Donation to National Defence Fund	50.00	50.00		Defence Fund
		Donation to Chief Ministers' Relief Fund	50.00	50.00		Chief Ministers Relief Fund
<b>Total</b>			<b>496.80</b>	<b>496.80</b>		

6. Reasons for not spending the amount during financial year ended 31-03-2019.

The CSR committee has identified certain specific area as envisaged under the Act for implementation of CSR activities during the latter part of the year. The Committee is in the process of finalizing the Budget of CSR activities in 2019-20 in which the un- spent amount of 2018-19 will also be included.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

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

**A. Indra Kumar**  
DIN - 00190168

Chairman & Managing Director  
& Chairman of the CSR Committee

Place: Hyderabad  
Date : 07.06.2019

## Annexure - 4

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

**Part "A": Subsidiary**

Name of the subsidiary	Avanti Frozen Foods Private Limited	Svimsan Exports and Imports Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-Not applicable -	-Not applicable -
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-Not applicable -	-Not applicable -
3. Share capital	₹1001.67 Lakhs	₹100 Lakhs
4. Reserves & surplus	₹36,967.46 Lakhs	₹(192.13) Lakhs
5. Total assets	₹42,999.27 Lakhs	₹0.01 Lakhs
6. Total Liabilities	₹5,030.14 Lakhs	₹92.14 Lakhs
7. Investments	NIL	NIL
8. Turnover	₹75,251.99 Lakhs	NIL
9. Profit before taxation	₹9,254.56 Lakhs	₹(0.44) Lakhs
10. Provision for taxation	₹871.20 Lakhs	NIL
11. Profit after taxation	₹8383.36 Lakhs	₹(0.44) Lakhs
12. Proposed Dividend	NIL	NIL
13. % of shareholding	60%	100%

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

Name of Associates/Joint Ventures	Srivathsa Power Projects Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31.03.2019	31.03.2019
2. Shares of Associate/Joint Ventures held by the Company on the year end No.	1,66,93,630	1,06,45,200
Amount of Investment in Associates/Joint Venture	₹1670.54 Lakhs	₹1002.24 Lakhs
Extent of Holding %	49.99%	25.89%
Description of how there is significant influence	Two directors nominated	Two directors nominated
3. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable
4. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹2129.84 Lakhs	₹1,016.92 Lakhs
7. Profit / (Loss) for the year	₹(104.45) Lakhs	₹138.28 Lakhs
i. Considered in Consolidation		
ii. Not Considered in Consolidation	NIL	NIL



**RATIO OF REMUNERATION TO EACH DIRECTOR :****Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration :**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	A. Indra Kumar : 600 : 1 C. Ramachandra Rao : 433 : 1
(ii) the percentage decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A. Indra Kumar : -42% C. Ramachandra Rao : -43%
(iii) the percentage increase in the median remuneration of employees in the financial year;	5.14%
(iv) the number of permanent employees on the rolls of Company;	1008 employees
(v) the explanation on the relationship between average increase in remuneration and Company performance;	Normal yearly increments to staff.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	1. Turnover decreased by 2.73% from ₹2815.33 crs in 2017-18 to ₹2738.42 crs in 2018-19. 2. PBT decreased by 46.65% from ₹629.15 crs in 2017-18 to ₹335.67 crs in 2018-19.
(vii) (a) variations in the market capitalisation of the Company,	
(b) price earnings ratio as at the closing date of the current financial year and previous financial year	
(c) percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	
(viii) (a) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	12.33%
(b) its comparison with the percentile decrease in the managerial remuneration	Managerial Remuneration decreased by 42.61% due to -
(c) justification thereof and point out if there are any exceptional circumstances for decrease in the managerial remuneration;	(i) a part of managerial remuneration is based on Profits of the Company and (ii) The PBT of the Company Decreased by 46.65% as compared to previous year.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Decrease in Remuneration : A. Indra Kumar : 42% C. Ramachandra Rao : 43% Performance of the Company : 1. Turnover decreased by 2.73% from ₹2815.33 crs in 2017-18 to ₹2738.42 crs in 2018-19. 2. PBT decreased by 46.65% from ₹629.15 crs in 2017-18 to ₹335.67 crs in 2018-19.

(x) the key parameters for any variable component of remuneration availed by the directors;	A.Indra Kumar : 4% of PBT is paid as variable component in the form of commission. C.Ramachandra Rao : 3% of PBT is paid as variable component in the form of commission.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	NA
(xii) affirmation that the remuneration is as per the remuneration policy of the Company.	YES

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

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

Name of the Employee :	Paresh Kumar Shetty
(i) designation of the employee;	General Manager - Marketing
(ii) remuneration received;	₹129.01 Lakhs
(iii) nature of employment, whether contractual or otherwise;	Regular
(iv) qualifications and experience of the employee;	MBA - Marketing with 23 years of experience
(v) date of commencement of employment;	08.05.2012
(vi) the age of such employee;	48 years
(vii) the last employment held by such employee before joining the Company;	General Manager - Marketing in Suguna Foods Private Limited
(viii) the percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above; and	NA
(ix) whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager:	NA
The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;	NA
The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;	NA
The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	NA

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CAVEAT:

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

## INDUSTRY OVERVIEW:

### Global Aquaculture Production:

Aqua culture production is projected to grow from 47.2 Mn MT in 2006 to 93.6 Mn MT by 2030, while fishery production is expected to decline from 64.5 Mn MT to 58.2 Mn MT during the same time. To feed world growing population, the aquaculture has to deliver an additional 46.4 Mn MT to meet the world's sea food needs (source: GOAL).

Shrimp aquaculture production constitute significant part of fish and fisheries production. During 2016-2019 the global shrimp aquaculture production was projected CAGR 4.8% as compared to CAGR 3.6 % during 2006-2012. The farmed shrimp is estimated as 3.5 Mn MT in 2018.

The shrimp production in the country during 2018 was 6,20,000 MTs. The shrimp production in 2019 is likely to be down by 10%-15% compared to 2018 with an estimated production of about 5,75,00 MTs, with corresponding feed consumption estimated to around 10,50,00 MTs.

As per GOAL data, global shrimp production and supply is 3.75 Mn MT in 2018 as against 3.30 Mn MT

in 2017 with a growth of about 13.64%. However, considering the present shrimp industry situation, a growth of about 5 % over 2018 is considered possible with a global shrimp production and supply at about 4 Mn MT.

After registering growth for successive five years from 2012-13 to 2017-18, the shrimp production in 2017-18 and 2018-19 the growth was flat. It was mainly due to extended winter in US, growth in shrimp production globally, resulting in decrease in export prices of shrimp. However, the export prices are in the process of stabilization and with positive forecast of growth in shrimp consumption, the industry is anticipating to pick up the growth trajectory in future.

## STRENGTHS, WEAKNESS, OPPORTUNITIES AND THREATS:

### STRENGTHS:

The Company is a pioneer in Indian Shrimp industry having over 25 years of proven track record. The Company has technical expertise in developing need based feed formulation to suit the shrimp culture condition of different regions in India. This flexibility ensures consistent performance of Company's feed in varying climatic and other conditions of shrimp culture with assured yield to the farmer.

The Company provides the technical assistance to the farmer in shrimp culture by trained technical team and also provides the farmer with the developments in the techniques of shrimp culture for improved yields.

The Company has a strong dealership network as channel partners Pan-India catering to the requirements of the farmers. The Company engages, on continuous basis, research and developments in collaboration with technical experts of Thai Union Group in adopting to the changed needs of the shrimp culture activity.

The Company, with its technical expertise is capable of scaling up the production at short notice with competitive CAPEX.

### WEAKNESS:

Although shrimp production has tripled in the recent years, the shrimp culture industry is continued to be concerned about inadequate infrastructure facilities, particularly inadequate power supply to aquaculture farms and inadequate cold store chain available for farmers to store their product.

Though, the aquaculture is similar to agriculture in many aspects, the recognition of aquaculture on par with agriculture is still awaited from the Government in order to avail the benefits that are available to agriculture.

### OPPORTUNITIES:

The global sea food consumption is increasing as Sea food is rich in nutrition and is a healthy food compared of other forms of meat. As per GOAL report the wild caught sea food is declining year after year necessitating the increase in farmed sea food.

With long coast line, India is ideally suited for development of seafood industry. A planned development would provide abundant opportunities for seafood industry. The successful adoption of Vannamei Specie shrimp culture has to be replicated for other species of exportable fishes for broad basing the export basket and gain recognition in international market.

### THREATS:

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

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

However, development of potential domestic market to support exports, strict adherence

of traceability, scientific pond management, a judicious approach on prices and forex management is expected to reduce the impact of threats to a great extent.

### OUTLOOK:

With sustained growth of sea food consumption globally year after year, the demand for shrimp is estimated to grow at about 3.6% CAGR. India being one of the major source of supply of processed shrimp the growth Year-on-Year is estimated at 5% with an estimated sustainable margin of about 10%.

### 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 40.06 lac units during the year.

(b) Srivathsa Power Projects Private Limited:

Srivathsa Power Projects Private Limited, is a 17.2 MW gas based independent power project situated in Andhra Pradesh in which company holds 49.99% of equity shares.

During the year 2018-19, the gas supplied by GAIL was only 20,422 SCMD as against the nominated quota of 65,000 SCMD stated to be due to non-availability of APM-Gas. As a result, the power generation was limited to 308.20 lakhs units as against generation capacity of 1,100 lakhs units. During the year 2018-19, the Company reported a turnover of ₹1,138.80 lakhs and a loss of ₹210.97 lakhs after charging interest and depreciation, as per audited financials.

(c) Patikari Power Private Limited:

The Company holds 25.88% equity shares of Patikari Power Private Limited which has a 16 MW Hydel Power Project in Himachal Pradesh. During the year 2018-19 as per audited financials the Company generated 52.80 lakhs saleable energy units, yielding a gross sales income of ₹1,188.05 lakhs which resulted in a net profit of ₹530.94 lakhs after charging interest, depreciation and tax. The term loan of ₹7506 lakhs availed by the Company has been repaid fully on 9<sup>th</sup> April, 2019 and it is debt free company.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

In addition, Company has an internal Risk & Compliance Department headed by a Chartered Accountant having 20 years of experience in the relevant field. The Department is responsible to ensure compliance of all the statutory requirements by the Company. This Department is also responsible for Internal Audit and periodical risk appraisal, internal as well as external, of all the functional departments in the organization. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

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

### (i) Operational Performance:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Indian Accounting Standards in India. During the year under review, your company reported profit of ₹33,567.18 lakhs before tax adjustments as compared to profit of ₹62,915.17 lakhs in the previous year.

### (ii) Segment-wise Performance:

The segment-wise performance of the Company during the year 2018-19 is disclosed in the Notes to Accounts at Schedule No. 37

## KEY FINANCIAL RATIOS:

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

• Debtors Turnover ratio has been computed for both years on the basis of Gross Sales Value (net of rebates and discounts) instead of Gross Revenue, and

		2019	2018
(i)	Operating Profit Margin (%)	10.49%	21.16%
(ii)	Net Profit Margin <sup>1</sup> (%)	7.66%	14.61%
(iii)	Debtors Turnover – Based on Gross Sales Value (no of times)	155.47	181.11
(iv)	Inventory Turnover	7.76	6.25
(v)	Current Ratio	4.80	3.17
(vi)	Return on Net worth <sup>1</sup> (%)	20.06%	44.41%

### Notes

1. Net Profit Margin and Return on Net worth ratios have been computed based on Profit After Tax (before exceptional items).
2. Return on Net Worth is higher for the year ended 31<sup>st</sup> March, 2018 due to higher rate of growth in Profit After Tax.
3. Interest Coverage Ratio and Debt Equity ratio are not relevant for the Company as it has negligible debt.

## Human Resources / Industrial Relations:

The process of shrimp feed production involves specialization in procurement of suitable raw materials, feed formulation, production to suit the needs of shrimp culture, which needs qualified and trained staff for these operations. The marketing staff has to be well trained in techniques of shrimp culture to assist to the farmers. In this direction, the Company imparts expert training in the respective field and develops Human Resource capabilities. The periodical trainings, incentives, increments and other welfare measures ensure healthy industrial relations. During the year under review the Company employed 90 persons and the total number of employees as on 31.03.2019 is 1008 employees.

# BUSINESS RESPONSIBILITY REPORT

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L16001AP1993PLC095778
2. Name of the Company: Avanti Feeds Limited
3. Registered address: Flat No.103, Ground Floor, R Square, Pandruangapuram, Visakhapatnam-530003, Andhra Pradesh  
  
Corporate Office Address: G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad-500082.
4. Website: www.avantifeeds.com
5. E-mail id : avantiho@avantifeeds.com
6. Financial Year reported: 2018-19
7. Sector(s) that the Company is engaged in(industrial activity code-wise)
  - (a) 2309.90.00 Shrimp Feed
  - (b) 8502.31.00 Power from wind mills
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
  - (a) Shrimp feed
  - (b) Power from Wind mills
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations : NIL
  - ii. Number of National Locations: Five (5) Shrimp Feed manufacturing plants and One (1) Wind Power Generation farm having 3.2 MW capacity and two (2) offices.
10. Markets served by the Company : Local/State/ National/International:
 

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

International: During the year under review the Company exported shrimp feed to Bangladesh, by appointing a dealer.



## Section B: Financial Details of the Company

1. Paid up Capital(INR) : 1362.46 Lakhs
2. Total Turnover (INR) : 2,73,842.34 Lakhs
3. Total profit after taxes(INR) : 22,349.45 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Company has spent ₹496.80 Lakhs on CSR in the year 2018-19 and this is 2.22% of profit after tax for the year 2018-19.
5. List of activities in which expenditure in 4 above has been incurred:
  - a. Promoting education by improving infrastructure in schools in rural areas.
  - b. Contribution to trust for providing quality education to disadvantaged girl children from marginalized and economically poor families.
  - c. Donation to trust towards medical and health activities.
  - d. Promoting Environmental Sustainability.
  - e. Promoting sports among youth.
  - f. Contribution to Sowbhagya Durga Old age Home Corpus fund to take care of inmates who are old and deserved.
  - g. Relief to Cyclone effected people.
  - h. Donation to National Defence Fund & Chief Minister's Relief Fund.

## Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes. Company has two subsidiaries.

  - 1) Avanti Frozen Foods (P) Ltd.,
  - 2) SVIMSAN Exports & Imports (P) Ltd
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?

No. M/s. SVIMSAN Exports & Imports (P) Ltd., has discontinued business operations since 2002. The other subsidiary M/s. Avanti Frozen Foods Pvt. Ltd., takes up CSR activities on its own.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

A large number of Company's raw material suppliers for shrimp feed are established entities in the organized sector. They don't participate directly in the BR initiatives of the Company. Company's shrimp feed distributors / dealers are mostly proprietors or partnership firms catering to the shrimp feed demand of farmers engaged in shrimp culture and are not part of BR initiatives.

## Section D: BR Information

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

- b) Details of the BR head

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

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

- a) Details of Compliance:

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

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

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	The company is not at a stage where it finds itself in a position to formulate and Implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	It is planned to be done within next 6 Months	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Has the policy been formally communicated to all relevant internal and external stakeholders?	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Yearly once.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? : The Business Responsibility Report is published along with Annual Report.

## Section E: Principle-wise performance

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The Company's Code of Conduct for Directors and Senior Managers covers the policy and it includes all individuals working with it and its subsidiaries.
2. How many stakeholder complaints have been received in the past financial year and what

percentage was satisfactorily resolved by the management?

As specified in Corporate Governance Report, 295 investor complaints received during the FY 2018-19. No complaint was outstanding as on 31<sup>st</sup> March 2019.

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

## Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
  - i) Shrimp Feed: Company manufactures shrimp feed by using natural ingredients like, Soya Bean Meal, wheat flour, sterilized fish meal, phospholipids, minerals & vitamins. In our production process we do not use any chemicals or antibiotic. Our feed manufacturing process or design does not create environmental concerns.
  - ii) Power generation from wind mills: Company owns 3.2 MW wind mills in Chitradurga in Karnataka. This is non-conventional and renewable source of energy produced and sold to BESCOM.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
  - i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
  - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

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

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

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

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

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

The Company encourages and develops local manufacturers and small enterprises for supply of various locally available goods. Regular technical inputs are given by the Company to upgrade and maintain the quality of the products manufactured by such enterprises. The Company also gives priority to local service providers from obtaining various support services in its offices and plants.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

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

## Principle 3:

1. Please indicate the Total number of employees: 1008 employees. (PY 918)
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis : 160 employees (PY 103)
3. Please indicate the number of permanent women employees : 18 employees (PY 20).
4. Please indicate the Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management. : No.
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- a) Permanent Employees : 75%
- b) Permanent Women Employees : 100%
- c) Casual/Temporary/Contractual Employees: 65%
- d) Employees with Disabilities: Not Applicable

#### Principle 4:

1. Has the company mapped its internal and external stake holders? Yes

The Company mapped its internal and external stake holders as follows:

- Employees
- Customers
- Dealers
- Suppliers
- Shareholders
- Bankers
- Regulatory Authorities
- Members of the Society

The Company strives to be transparent in its communications and continual improvement. Company engages with the identified stakeholders on an ongoing basis through constructive consultation process and follows

a timely feed back and response to ensure that stakeholders remains informed .

2. Out of the above, has the company identified the disadvantaged, vulnerable & Marginalized stakeholders.

The Company engages with stakeholders and is sensitive towards their needs and expectations. The Company focuses on being responsive, proactive and transparent.

The Company is in the process of identifying disadvantaged, vulnerable and marginalized stakeholders and proposes to take initiative based on the need of such stakeholders.

3. Are there any special initiatives taken by the company to engage with the dis-advantaged, vulnerable and marginalized stakeholders.

Company undertakes various social initiatives in the villages in the vicinity of factories. These activities vary from time to time and are often implemented in consultation with the local community elders.

#### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group /Joint Ventures /Suppliers / Contractors/NGOs/Others?

The Company's policy on human rights presently covers the Company and its subsidiaries.

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

There are no complaints regarding human rights violation from any quarter during the financial year 2018-19.

#### Principle 6

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

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

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

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

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

As far as the Company's operations are concerned there are no potential environmental risks.

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

Company does not have project related to Clean Development Mechanism.

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

Company enhanced the Solar Energy capacity from 10KW to 30 KW at Gujarat Plant.

Installing New IE3/IE4 high efficient motors for energy conservation.

Replaced all Traditional Lights with LED Lights.

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

All the factories of the Company comply with the prescribed emission norms of State Pollution Control Boards and during the financial year 2018-19 the emissions and waste generated by the Company are within the permissible limits given by SPCB.

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

No show-cause or legal notices from the pollution control authorities are pending as at the end of financial year 2018-19.

#### Principle 7

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

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

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

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

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



### Principle 8

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

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

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

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

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

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

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

- a. Company contributed ₹150 Lakhs to ABN & PRR College for construction of a new block to cater to the increasing student strength.
- b. Company also spent ₹22.70 Lakhs towards merit scholarships to students, class room construction and providing computer at high school, providing education to disadvantaged girl children from marginalized and economically poor families, providing desks for student of ZPH school, Medical and health activities.
- c. Company contributed ₹141.47 Lakhs towards eradicating hunger, poverty and malnutrition and providing health care.
- d. Company contributed ₹11.65 Lakhs towards environmental sustainability.
- e. Company spent ₹10.36 Lakhs for promoting the sports.

f. Company spent ₹11.27 Lakhs towards relief material distributed to Titli cyclone affected people in Mr.kakulam District.

g. Company spent ₹24.35 Lakhs for construction of sheds for farmers whose infrastructure washed out in Ghaja Cyclone in Tamilnadu.

h. Company has given contribution of ₹25 Lakhs to Sowbhagya durga old age home to take care of inmates who are old and deserved.

i. Company has given Donation of ₹100 Lakhs to National Defence Fund & Chief Minister's Relief Fund.

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

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

### Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

The Company has a robust system to track customer feed back by an on field technical audit team "Technical After Sales Service". During the year Company received 106 customer complaints, out of which none are pending for resolution as at the year end.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

The Company has displayed all the mandatory information on the product labels as per the local laws. Over and above the same the product labels are designed to make customers aware of the feed requirement of the shrimps at different stages of cultivation and storage practices to be adopted for greater efficacy of the feed.

3. Is there any case filed by any stakeholder against the company regarding unfair trade

practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year.

There are no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at the end of financial year 2018-19.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Every year at the end of shrimp crop season, customer satisfaction survey is conducted in many of the key market areas and steps are taken to improve the quality of feed and technical services based on the findings of these surveys.

# REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

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

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

**2.01** The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2019 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Sec. 8 of the Act. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1) (b) of the Listing Regulations.

Sl No	Name of Director / Director Identification Number (DIN)	Category**	Number of Board Meetings held	Number of Board Meetings Attended	Attendance in Last AGM on 7 <sup>th</sup> August 2018	Directorship in other Public Companies	Number of Committee positions held in other Public Companies	
							Member	Chairman
1	Sri A. Indra Kumar, DIN:00190168	Chairman & Managing Director - Promoter	5	5	Yes	4	6	3
2	Sri C. Ramachandra Rao, DIN:00026010	Joint Managing Director, Company Secretary & Chief Financial Officer	5	5	Yes	2	1	-
3	Sri N. Ram Prasad, DIN:00145558	NED	5	4	Yes	1	-	-
4	Mr. Bunluesak Sorajjakit, DIN:02822828	NED	5	4	Yes	-	-	-
5	Mr. Wai Yat Paco Lee, DIN:02931372	NED	5	4	Yes	-	-	-
6	Sri A. V. Achar, DIN:00325886	NED/ID	5	5	Yes	1	-	-
7	Sri K. Ramamohana Rao, DIN:02384687	NED/ID	5	5	Yes	-	-	-
8	Sri B.V. Kumar, DIN:00521139	NED/ID	5	5	Yes	-	-	-
9	Sri M.S.P. Rao, DIN:00482071	NED/ID	5	5	Yes	3	-	-
10	Sri N.V.D.S. Raju, DIN:05183133	NED/ID	5	5	Yes	-	-	-
11	Smt. K. Kiranmayee, DIN:07117423	NEWD/ID	5	5	Yes	-	-	-
12	Sri J.V. Ramudu, DIN:03055480, (From 10.11.2018)	NED/ID	2	1	NA	-	-	-
13	Sri Solomon Arokia Raj IAS, DIN:06802660 Nominee of A.P.I.D.C - represented as Equity Investor,	ND	5	1	No	6	-	-
14	Sri A Venkata Sanjeev (From 07.06.2019), DIN:07717691	NED/AD	NA	NA	NA	-	-	-

\*\* Executive Director (ED) Non-Executive Director (NED), Non-Executive Women Director (NEWD), Independent Director (ID), Nominee Director (ND), and Additional Director (AD)

**2.02 Name of other listed entities where Directors of the company are Directors and the category of Directorship:**

SI No	Name	Name of the Listed entities	Category
1	Sri A. Indra Kumar	Nava Bharat Ventures Limited	Non – Executive and Independent Director
2	Sri C. Ramachandra Rao	-	-
3	Sri N. Ram Prasad	-	-
4	Mr. Bunluesak Sorajjakit	-	-
5	Mr. Wai Yat Paco Lee	-	-
6	Sri A.V.Achar	-	-
7	Sri K. Ramamohana Rao	-	-
8	Sri B.V. Kumar	-	-
9	Sri M S P Rao	-	-
10	Sri N.V. D.S. Raju	-	-
11	Smt. K. Kiranmayee	-	-
12	Sri J.V. Ramudu (from 10.11.2018)	-	-
13	Sri Solmon Arokia Raj IAS	-	-
14	Sri A Venkata Sanjeev (from:07.06.2019)	-	-

**2.03 The details of Meetings of Board of Directors held during the financial year 2018-19:**

Five (5) Meetings of Board of Directors were held during the year 2018-19. The time gap between any two Board Meetings did not exceed by more than one hundred and twenty days.

The dates on which the said Board Meetings were held during 2018-19 are as follows:

SI. No.	Date of Board Meeting
1	09.05.2018
2	26.05.2018
3	06.08.2018
4	10.11.2018
5	08.02.2019

**2.04 Disclosure of relationship between Directors inter-se:** Sri N. Ram Prasad, Director is spouse of Sri A. Indra Kumar's sister. Sri A Venkata Sanjeev is son of Sri A. Indra Kumar Chairman & Managing Director. None of the other Directors are related to any other Director on the Board.

**2.05 Statement showing number of Equity Shares held by the Non-Executive Directors as on 31.03.2019.**

The details of the equity shares held by the Non-Executive Directors as on 31.03.2019 are as under:

SI No	Name of the Non-Executive Director S/Sri	Number of equity shares of ₹1/- each held as on 31.03.2019
1	N. Ram Prasad	279701
2	Bunluesak Sorajjakit	--
3	Wai Yat Paco Lee	--
4	A. V. Achar	3000
5	K. Ramamohana Rao	--
6	B.V. Kumar	--
7	M.S.P. Rao	440
8	N.V.D.S. Raju	--
9	K. Kiranmayee	5550
10	J.V. Ramudu	--
11	Solomon Arokia Raj IAS Nominee of APIDC	--

## 2.06 Sri B.V. Kumar, Sri A.V. Achar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju, Smt K. Kiranmayee and Sri J.V. Ramudu are Non-Executive Independent Directors of the Company.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors are members of more than ten committees or Chairman of more than five committees in public limited companies in which they are Directors. Necessary disclosures have been obtained from the Directors regarding their Directorship(s) and have been taken on record by the Board.

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

## 2.07 Criteria of Independence of Independent Directors:

Sri A.V. Achar, Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju, Smt. K. Kiranmayee and Sri J.V. Ramudu Independent Directors, have furnished a declaration that they meet the criteria of independence as laid down under Sec. 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, the Independent Directors fulfill conditions laid down under Sec.149(6) of the Companies Act 2013 and Regulation 16(1)(b) and other applicable Regulations and that they are independent of the management.

## 2.08 Continuation of Independent Directors beyond the age of 75 years:

As per Reg.17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, with effect from 01.04.2019, continuation of directorships of any person as Non-Executive Director who has attained the age of 75 years requires Special Resolution, with requisite majority. The Company has obtained the approval of the members, by way of Special Resolutions, through Postal Ballot during January, 2019 for continuation of Directorships of Sri B.V. Kumar [DIN:00521139] and Sri A.V. Achar [DIN:00325886].

## 2.09 Familiarization Programme for Independent Directors:

The Company familiarizes the independent Directors of the Company on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc., through various programmes. The details of the familiarization programme conducted on 30.03.2019 is disseminated on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).

## 2.10 A matrix setting out the skills/expertise/competence of the Board of Directors is as under:

SI No	Name of the Director	Category	Skills/Expertise/Competence of the Directors.				
			Technical	Financial	Administrative /HR	Legal	Aquaculture
1	Sri A. Indra Kumar	Chairman & Managing Director	✓		✓		✓
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO		✓	✓	✓	
3	Sri N. Ram Prasad	Non-Executive Director	✓	✓	✓		



SI No	Name of the Director	Category	Skills/Expertise/Competence of the Directors.				
			Technical	Financial	Administrative /HR	Legal	Aquaculture
4	Sri Bunluesak Sorajakit	Non-Executive Director	✓		✓		✓
5	Sri Wai Yat Paco Lee	Non-Executive Director		✓	✓		
6	Sri A. V. Achar	Non-Executive Independent Director		✓	✓	✓	
7	Sri K. Ramamohana Rao	Non-Executive Independent Director			✓		✓
8	Sri B.V. Kumar	Non-Executive Independent Director		✓	✓	✓	
9	Sri M. S. P. Rao	Non-Executive Independent Director	✓		✓		
10	Sri N.V.D.S. Raju	Non-Executive Independent Director		✓	✓	✓	
11	Smt. K. Kiranmayee	Non-Executive Independent Women Director			✓		
12	Sri J.V. Ramudu (From 10.11.2018)	Non-Executive Independent Director		✓	✓	✓	
13	Sri Solomon Arokia Raj IAS Nominee of A.P.I.D.C - represented as Equity Investor	Nominee Director		✓	✓		
14	Sri A Venkata Sanjeev (From: 07.06.2019)	Non-Executive Additional Director	✓		✓		

### 3. Changes in Directors:

The changes in the Directors during the year under review are disclosed in the Board's Report.

### 4. AUDIT COMMITTEE:

#### 4.01 Brief description and terms of reference:

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

#### 4.02 Composition & Attendance at the Meeting:

The composition of the Audit Committee and details of meetings attended by the Members of the

Audit Committee during the financial year ended 31.03.2019 are as under:

Name	Category	Designation	Meetings held during the year	Meetings attended during the year
Sri A.V.Achar	Non-Executive Independent Director	Chairman	5	5
Sri K.Ramamohana Rao	Non-Executive Independent Director	Member	5	5
Sri M.S.P.Rao	Non-Executive Independent Director	Member	5	5
Sri B.V.Kumar	Non-Executive Independent Director	Member	5	5
Sri C.Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Compliance Officer	5	5

#### 4.03 Details of the Audit Committee Meetings held during the financial year 2018-19:

Five (5) Meetings of the Audit Committee were held during the year 2018-19. The dates on which the said Meetings were held during 2018-19 are as follows:

Sl.No.	Date of Meeting
01	09.05.2018
02	19.05.2018
03	28.07.2018
04	03.11.2018
05	02.02.2019

#### 4.04 General:

The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note. The Audit Committee considered and reviewed the accounts for the year 2018-19, before it was placed before the Board. The Committee periodically interacts with the independent auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

The Internal Auditor reports directly to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 7<sup>th</sup> August 2018.

### 5. Nomination & Remuneration Committee:

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

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

### 5.02 Composition & Attendance at the Meeting:

The composition of the Nomination and Remuneration Committee and details of the Committee Meetings held on 14.05.2018 and 10.11.2018 are given below:

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

### 5.03 Performance Evaluation Criteria for Directors:

The Nomination and Remuneration Committee at its meeting held on 25.03.2017 decided to implement internal assessment method of evaluation and formulated criteria for evaluation of Directors, Committees and Board taking in to account the criteria indicated by SEBI, in its Guidance Note circulated on 05.01.2017.

## 6. Evaluation:

### 6.01 Nomination & Remuneration Committee:

Pursuant to the provisions of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee evaluated, on 11.05.2019, every Director on the basis of criteria for evaluation of Directors formulated by it. The evaluation was made on the basis of structured questionnaire taking into account the indicative criteria prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge and competency, ability to function as a team, availability and attendance etc. The Members of the Committee evaluated all the individual Directors. The Director being evaluated did not participate in the evaluation process.

### 6.02 Separate Meeting of Independent Directors:

A separate Meeting of the Independent Directors without the attendance of Non-Independent Directors and members of the management, was held on 11.05.2019. The Independent Directors (a) reviewed the performance of the Non-Independent Directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

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

### 6.03 Evaluation by Board:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The evaluation

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

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

## **7. REMUNERATION OF DIRECTORS:**

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

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

### **7.02 Non-Executive Directors' Compensation & disclosures:**

The Non-Executive Directors are entitled for (i) a Sitting fee of ₹40,000/- (Rupees Forty thousand only) and (ii) reimbursement of travel and hotel accommodation and other expenses incurred by them, for attending Board/Committee Meetings. Pursuant to Reg.34(3) and Sch. V of the SEBI (LODR) Regulations, 2015 the details of the remuneration paid to Chairman & Managing Director, Joint Managing Director, Company Secretary & CFO and Non-Executive Directors (including Independent Directors) are indicated in the Extract of MGT-9 enclosed to the Board's Report.

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

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

### **7.04 The remuneration paid/payable to the Managing Director, Joint Managing Director, Company Secretary & CFO of the Company for the year ended 31.03.2019 is as under :**

(₹in Lakhs)

<b>Name and Designation</b>	<b>All elements of remuneration package i.e., salary benefits, pension, Commission on profits etc.</b>	<b>Fixed Component and performance linked incentives along with the performance criteria</b>	<b>Service Contract Notice Period and Severance Fees</b>	<b>Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable</b>
Sri A. Indra Kumar Chairman & Managing Director	1678.31	-	-	-
Sri C. Ramachandra Rao Joint Managing Director, Company Secretary and CFO	1208.90	-	-	-

## 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### 8.01 Composition:

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

### 8.02 Terms of Reference:

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

### 8.03 CSR Policy:

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

During the year under review, one (1) meeting of the Corporate Social Responsibility Committee was held on 11.03.2019. The detailed report on CSR activities along with the reasons for not spending the balance CSR expenditure is disclosed in the Annexure to the Board's Report.

## 9. STAKEHOLDERS RELATIONSHIP COMMITTEE:

### 9.01 Composition:

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

### 9.02 Terms of Reference:

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

### 9.03 Details of shareholders' requests/complaints received and resolved during the year ended 31.03.2019 are as under:

a. No. of requests/complaints Received	: 295
b. No. of requests/complaints Resolved:	: 295
c. No. of requests/complaints not solved to the satisfaction of the Shareholders.	: NIL
d. No. of pending requests/complaints	: NIL

## 10. General Body Meetings:

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

Year	Location	Date	Time
2017-18	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam - 530 020, Andhra Pradesh.	07.08.2018	11.00 A.M.
2016-17	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam - 530 020, Andhra Pradesh.	12.08.2017	11.00 AM
2015-16	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam - 530 020, Andhra Pradesh.	13.08.2016	11.00 A.M.

### 10.02 Extraordinary General Meeting:

The details of the Extraordinary General Meeting held on 14.06.2018 to approve (i) Sub-division of nominal value of the equity share from ₹2/- each to ₹1/- each (ii) Alteration of Capital Clause of Memorandum of Association, (iii) Alteration of Article 4 of Articles of association and (iv) issue of Bonus equity shares in the ratio of 1:2 (i.e. One equity share of ₹1/- each for every Two equity shares of ₹2/- each), are as under:

Type of General Meeting	Location	Date	Time
Extraordinary General Meeting	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam - 530 020, Andhra Pradesh.	14.06.2018	11.30 A.M.

### 10.03 Details of the Special Resolutions passed with requisite majority, in the previous three Annual General Meetings/Extraordinary General Meetings are as under:

Sl No	AGM/EGM	Date of the Meeting	Details of Special Resolutions passed
1	EGM	14.06.2018	(a) Sub-Division of equity shares of the Company from ₹2/- each to ₹1/- each, (b) Alteration of Capital Clause of Articles of Association, (c) issue of Bonus equity shares of ₹1/- each in the ratio of 1:2 i.e. One Bonus equity share of ₹1/- each for every Two equity shares of ₹1/- each as on the Record date i.e.27.06.2018.
2	AGM	07.08.2018	NIL
3	AGM	12.08.2017	Appointment of Sri C. Ramachandra Rao, as Joint Managing Director, Company Secretary & CFO for a further period of 5 years.
4	AGM	13.08.2016	Appointment of Sri A Indra Kumar as Chairman & Managing Director for a further period of 5 years.

## 11. Postal Ballot Resolutions:

### 11.01 Details of Postal Ballot Resolutions passed during the year 2018-19.

During the year, the Company has successfully completed the Postal Ballot process to seek the approval of the members for the following Special Business:

Resolution No.	Location Type of Resolution	Description
1.	Special	To continue the appointment of Sri B V Kumar, Independent Director, beyond the age of 75 years, for the remaining period of his term.
2.	Special	To continue the appointment of Sri A V Achar, Independent Director, beyond the age of 75 years, for the remaining period of his term.

The Company had appointed Sri V.Bhaskara Rao, Practicing Company Secretary, Hyderabad as Scrutinizer for conducting the process of Postal Ballot in a fair and transparent manner. M/s Karvy Fintech Private Limited was engaged to provide remote e-Voting platform for the Resolutions proposed in the Postal Ballot Notice dated 10.11.2018. The voting through Postal Ballot (including remote e-voting) commenced on 11.12.2018 at 09.00 A. M. and ended on 10.01.2019 at 05.00 P. M. The Scrutinizer submitted his Combined Report on remote e-voting and Postal Ballot on 11.01.2019 to the Company and the same was accepted. As per the Report, the following Results were announced by the Chairman & Managing Director:



**Resolution No.1:****Special Resolution to continue the appointment of Sri B V Kumar, Independent Director for the remaining period of his term:**

“RESOLVED that pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and other applicable provisions if any, consent of the members of the Company be and is hereby accorded for continuation of Directorship of Sri Bolloju Vasanth Kumar (DIN:00521139), as an Independent Director, for remaining tenure of his present term i.e. till 01.08.2019 or conclusion of the 26<sup>th</sup> Annual General Meeting of the Company whichever is earlier.”

**The details of the Postal Ballot Voting in respect of the above Resolution (Item No.1) are as under:****(i) Voted in favour of the Resolution:**

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	149	4788850	4.84
Ballot	42	93797513	94.68
Total	191	98586363	99.52

**(ii) Voted against the Resolution:**

Particulars	Number of members voted	Number of votes	% of total number of valid votes cast
Remote E-voting	18	478459	0.48
Ballot	0	0	0.00
Total	18	478459	0.48

**(iii) Abstained votes:**

Particulars	Number of members voted	Number of votes cast by them
Remote E-voting	3	115
Ballot	0	0
Total	3	115

Resolution required: (Ordinary/ Special) SPECIAL - To continue the appointment of Sri B.V. Kumar, Independent Director for the remaining period of his term.

Whether promoter/ promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	59623349	0	0.0000	0	0	0.0000	0.0000
	Poll	59623349	0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)	59623349	59509349	99.8088	59509349	0	100.0000	0.0000
Public-Institutions	E-Voting	24619220	5251608	21.3313	4773479	478129	90.8955	9.1044
	Poll	24619220	0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)	24619220	12654849	51.4023	12654849	0	100.0000	0.0000
Public- Non Institutions	E-Voting	52003061	15701	0.0302	15371	330	97.8982	2.1017
	Poll	52003061	0	0.0000	0	0	0.0000	0.0000
		52003061	21633315	41.6001	21633315	0	100.0000	0.0000
	<b>Total</b>	<b>136245630</b>	<b>99064822</b>	<b>72.7105</b>	<b>98586363</b>	<b>478459</b>	<b>99.5170</b>	<b>0.4830</b>

Accordingly, the Resolution was passed with requisite majority.

**Resolution No.2:****Special Resolution to continue the appointment of Sri A V Achar, Independent Director for the remaining period of the term.**

“RESOLVED that pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and other applicable provisions if any, consent of the members of the Company be and is hereby accorded for continuation of Directorship of Sri Alevor Vedavyas Achar (DIN:00325886), as an Independent Director for remaining tenure of his present term i.e. till 01.08.2019 or conclusion of the 26<sup>th</sup> Annual General Meeting of the Company whichever is earlier.”

**The details of the Postal Ballot Voting in respect of the above Resolution (Item No.2) are as under:****(i) Voted in favour of the Resolution:**

Particulars	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote E-voting	151	4788614	4.84
Ballot	41	93794513	94.68
Total	192	98583127	99.52

**(ii) Voted against the Resolution:**

Particulars	Number of members voted	Number of votes	% of total number of valid votes cast
Remote E-voting	16	478695	0.48
Ballot	0	0	0.00
Total	16	478695	0.48

**(iii) Abstained votes:**

Particulars	Number of members voted	Number of votes cast by them
Remote E-voting	3	115
Ballot	1	3000
Total	4	3115

Resolution required: SPECIAL - To continue the appointment of Sri A.V. Achar, Independent Director for the remaining period of the term.  
(Ordinary/Special)

Whether promoter/ promoter group are interested in the agenda/resolution?		No						
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	59623349	0	0.0000	0	0	0.0000	0.0000
	Poll	59623349	0	0.0000	0	0	0.0000	0.0000
Public-Institutions	Postal Ballot (if applicable)	59623349	59509349	99.8088	59509349	0	100.0000	0.0000
	E-Voting	24619220	5251608	21.3313	4773479	478129	90.8955	9.1044
Public- Non Institutions	Poll	24619220	0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)	24619220	12654849	51.4023	12654849	0	100.0000	0.0000
Public- Non Institutions	E-Voting	52003061	15701	0.0302	15135	566	96.3951	3.6048
	Poll	52003061	0	0.0000	0	0	0.0000	0.0000
	Postal Ballot (if applicable)	52003061	21630315	41.5943	21630315	0	100.0000	0.0000
	<b>Total</b>	<b>136245630</b>	<b>99061822</b>	<b>72.7083</b>	<b>98583127</b>	<b>478695</b>	<b>99.5168</b>	<b>0.4832</b>

Accordingly, the Resolution was passed with requisite majority.

The Results of the Postal Ballot were announced by the Chairman & Managing Director on 11.01.2019 at the Registered Office.

## 12. Means of Communication:

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

## 13. General Shareholders' Information:

Sl.	Description	Remarks
(i)	Annual General Meeting Date, Time and Venue	Friday, the 9 <sup>th</sup> Augsut, 2019 at 11.00 A.M. at Vedika Hall, Hotel Daspalla, Jagadamba Junciton, Visakhpatnam-530020, Andhra Pradesh.
(ii)	Financial Year	2018-19
(iii)	Dividend payment date:	Board of Directors has recommended a dividend of ₹4/-Per Equity share of Re1/- each fully paid, for the financial year 2018-19. On approval of the shareholders, the dividend warrants will be dispatched on or before 31.08.2019.
(iv)	Dates of book closure	01.08.2019 to 09.08.2019 (Both days inclusive).
(v)	Name and address of Stock Exchange(s) at which the equity shares are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges.	The Company's Shares are listed on Bombay Stock Exchange and National Stock Exchanges The Address of these Exchanges is as under: 1. BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. 2. National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051  The Company has duly paid the Listing fees for the year 2019-20 to BSE Limited (Bombay Stock Exchange) and National Stock Exchange where the shares of the Company are Listed.
(vi)	Stock Code:	BSE : 512573 NSE : AVANTIFEED NSDL/CSDL ISIN No. : INE871C01038
(vii)	Whether the securities are suspended from trading during the year 2018-19	The equity shares of the Company were not suspended at any point of time during the year 2018-19 and 2019-20 (till the date of this Report).
(viii)	Financial Calendar for the year 2019-20 (tentative)	<ul style="list-style-type: none"> <li>• First Quarter Results - By 15<sup>th</sup> August, 2019</li> <li>• Second Quarter / Half Year Results - By 15<sup>th</sup> November, 2019</li> <li>• Third Quarter / Nine Months Results - By 15<sup>th</sup> February, 2020</li> <li>• Fourth Quarter / Year end Results - By 30<sup>th</sup> May, 2020</li> </ul>

#### 14. Market Price Data\*

(i) The Market price details month wise (from 01.04.2018 to 31.03.2019) movement of equity shares of ₹1/- each fully paid at Bombay Stock Exchange are as under: (in ₹)

Month & Year	Open Price	High Price	Low Price	Close Price
Apr-18	2249	2525	2148	2486
May-18	2510	2511	1546	1627
Jun-18	1610	1980	536	539
Jul-18	539	541	390	484
Aug-18	489	547	388	422
Sep-18	423	495	350	388
Oct-18	390	444	354	398
Nov-18	403	451	333	340
Dec-18	345	419	339	386
Jan-19	386	399	306	357
Feb-19	362	377	312	333
Mar-19	339	487	337	408

Performance comparison to BSE Sensex.\*

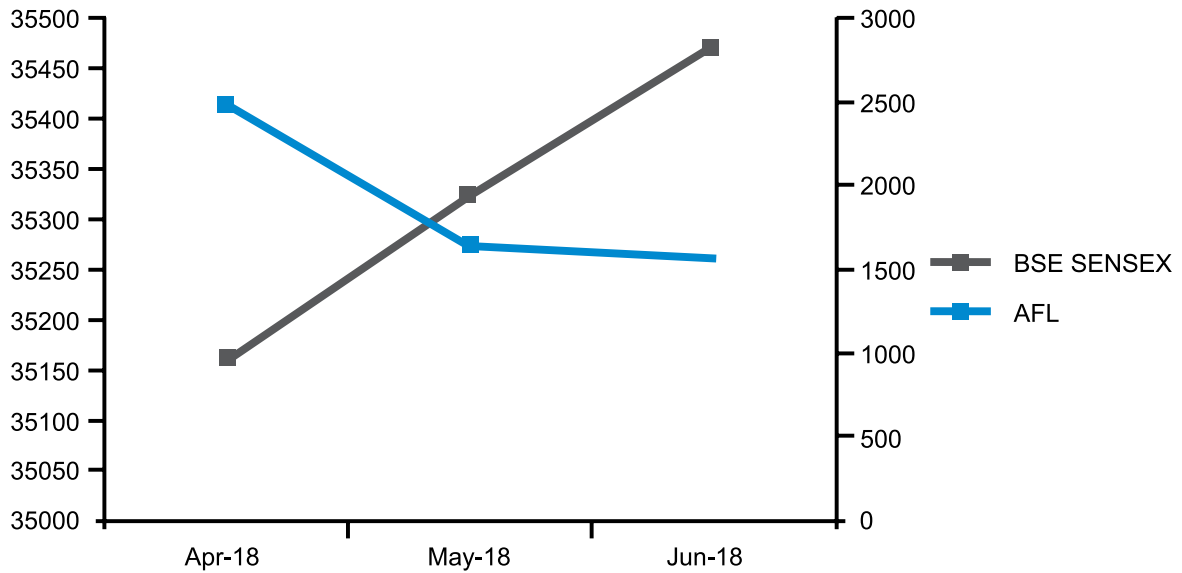
Sl. No	Name of the month and year	BSE Sensex	Avanti Feeds Market Price - Closing (₹)
1	Apr-18	35160	2486
2	May-18	35322	1627
3	Jun-18**	35423	539
4	Jul-18	37607	484
5	Aug-18	38645	422
6	Sep-18	36227	388
7	Oct-18	34442	398
8	Nov-18	36194	340
9	Dec-18	36068	386
10	Jan-19	36257	357
11	Feb-19	35867	333
12	Mar-19	38673	408

\* One equity share of ₹2/- each is subdivided into Two equity shares of ₹1/- each with the approval of the members w.e.f. on 14.06.2018

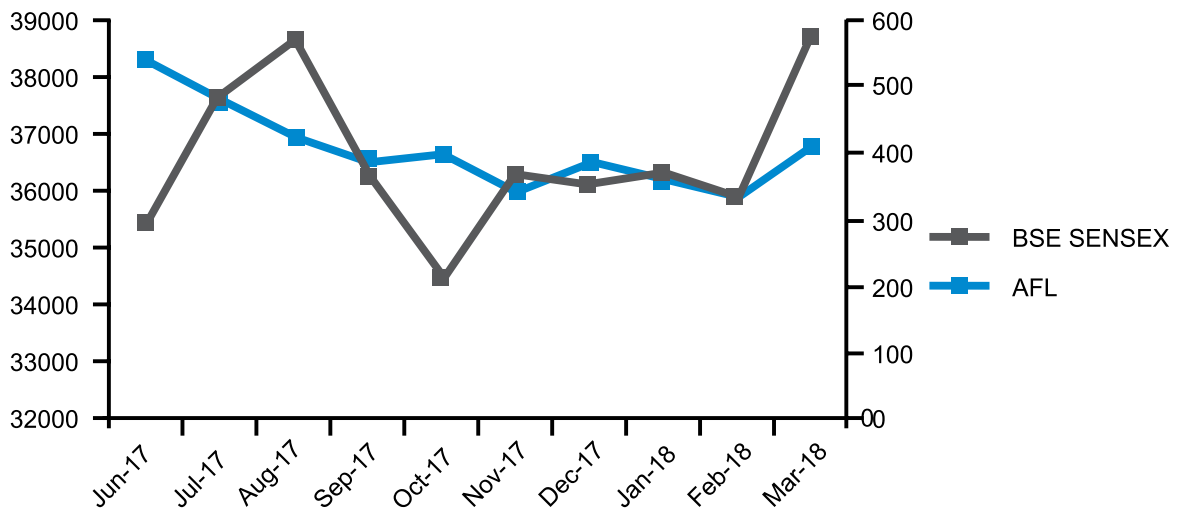
\*\*25.06.2018- BSE Sensex: 35470 & AFL: 1565

Price Movement Graph(BSE)

April to June 25, (Equity share of ₹2/-each)



June 26th 2018 to 31st March 2019 (Equity shares of ₹1/- each)



(ii) The Market price details month wise (from 01.04.2018 to 31.03.2019) movement of equity shares of ₹1/- each fully paid at National Stock Exchange are as under: (in ₹)

Month & Year	Open Price	High Price	Low Price	Close Price
Apr-18	2235	2525	2146	2483
May-18	2520	2520	1545	1633
Jun-18	1610	1980	535	538
Jul-18	542	543	390	484
Aug-18	487	547	417	422
Sep-18	423	494	383	387
Oct-18	389	444	355	399
Nov-18	401	452	334	342
Dec-18	344	419	338	386
Jan-19	386	391	306	357
Feb-19	360	377	312	335
Mar-19	335	488	335	409

Performance comparison to NSE Nifty.\*

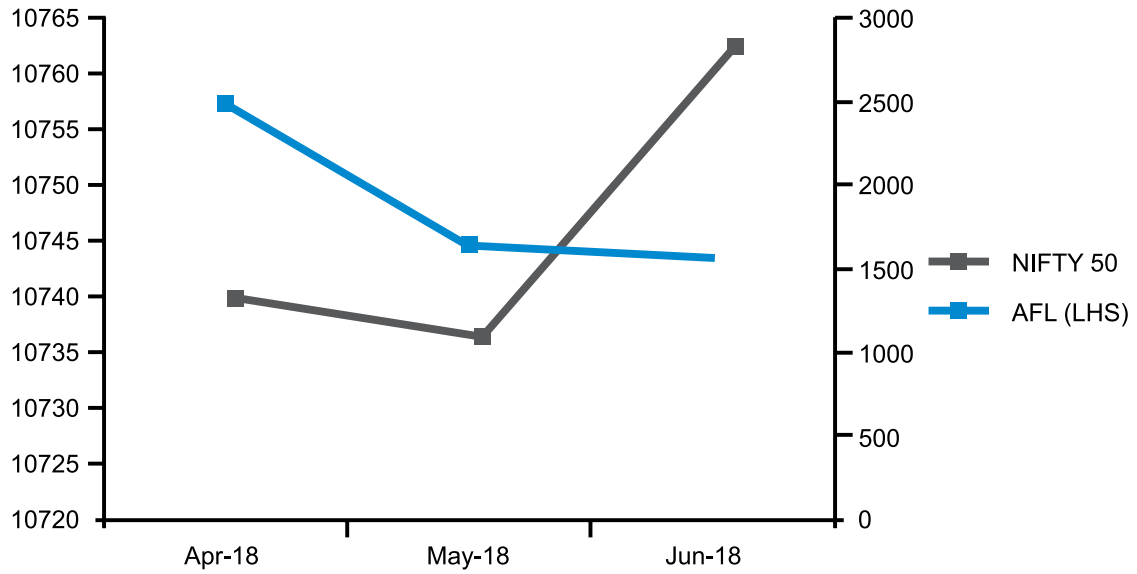
Sl. No	Name of the month and year	NIFTY 50	Avanti Feeds Market Price - Closing(₹)
1	Apr-18	10739	2483
2	May-18	10736	1633
3	Jun-18**	10762	536
4	Jul-18	11357	456
5	Aug-18	11681	421
6	Sep-18	10930	383
7	Oct-18	10387	390
8	Nov-18	10877	334
9	Dec-18	10863	384
10	Jan-19	10831	315
11	Feb-19	10793	330
12	Mar-19	11624	407

\* One equity share of ₹2/- each is subdivided into Two equity shares of ₹1/- each with the approval of the members on 14.06.2018

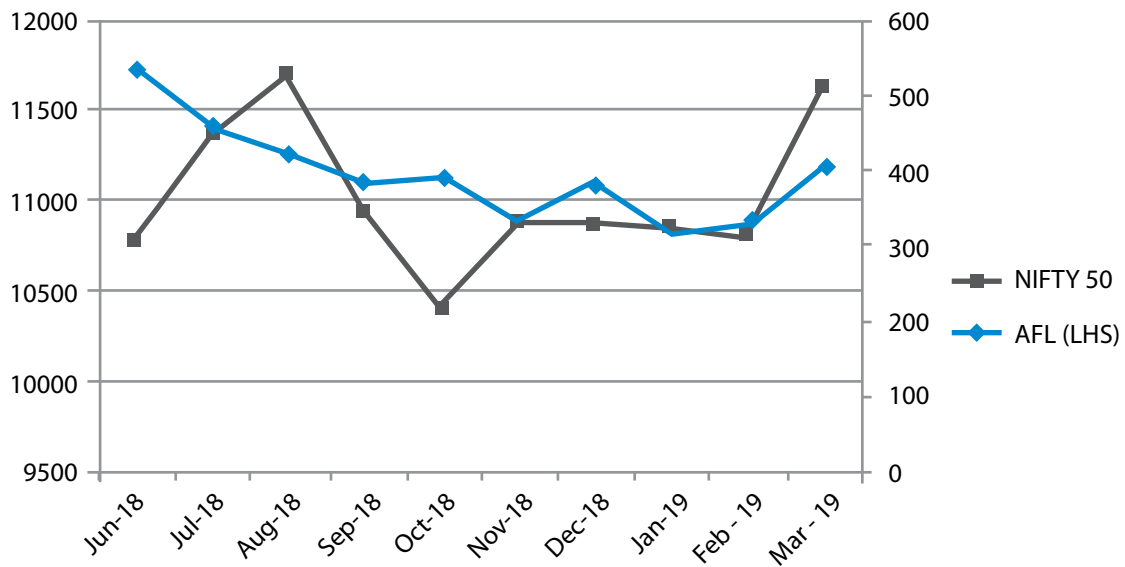
\*\*25.06.2018- NSE Nifty: 10762 & AFL: 1563

Price Movement Graph(NSE)

April to June 25, (Equity share of ₹2/-each)



June 26th 2018 to 31st March 2019 (Equity shares of ₹1/- each)





### 15. Registrars and Transfer Agents:

During the year, pursuant to the order of the National Company Law Tribunal, the operations of our Registrars and Transfer Agents i.e. Karvy Computershare Private Limited (KCPL) have been transferred to Karvy Fintech Private Limited (KFPL) w.e.f. 07.11.2018. Pursuant to the NCLT order, all the existing arrangements which KCPL is a party (including the agreements entered by our Company) shall be in full force and vest with Karvy Fintech Private Limited. The address of Karvy Fintech Private Limited, Registrars and transfer Agents of the Company is as under:

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

### 16. Share Transfer System:

All transfers received are electronically processed and approved by the Share Transfer Committee which normally meets once in a fortnight or more depending upon the volume of transfers. The summary of transfers, transmissions etc., are placed before every Board Meeting and Stakeholders Relationship Committee Meeting. The Company obtains from Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad half-yearly Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, and files a copy of the said Certificate with Bombay Stock Exchange and National Stock Exchange.

As per recently amended SEBI (Listing Obligations and Disclosure Requirements) Regulations requests for effecting transfer of equity shares in physical form shall not be accepted by Karvy Fintech Private Limited, Registrars and Transfer Agents/Company, w.e.f. 01.04.2019 unless the equity shares are held in the dematerialized form with a

Depository. This was communicated to the members who hold the shares in physical form vide our letters dated 05.09.2018, 16.11.2018 and 30.11.2018. The shareholders need to convert the shares to demat form compulsorily, if they wish to effect any transfer. However, the restriction is not applicable to the requests received for transmission or transposition of physical shares. All the shareholders, who hold the shares in physical form are requested to dematerialize the shares at the earliest to avoid inconvenience in future, for transferring the shares.

### 17. SCORES:

SEBI vide Circular No. CIR/OIAE/2/2011 dt.03.06.2011 informed the Company that they had commenced processing of investor complaints in a web based complaints, redressal system, "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the Companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

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

Name	: Mr. Rajeev Kumar
Designation	: Manager, Karvy Fintech Private Limited
Email id	: scores@karvy.com
Tele. No.	: 040-67161524

### 18. DISTRIBUTION SCHEDULE AS ON 31.03.2019:

The details of Distribution Schedule as on 31.03.2019 are as under:

Sl. No.	Category (Equity shares of ₹1/- each)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	84899	91.96	6892481	5.06
2	501 - 1000	3260	3.53	2345868	1.72
3	1001 - 2000	2169	2.35	3112406	2.28
4	2001 - 3000	817	0.88	2201130	1.62
5	3001 - 4000	239	0.26	842544	0.62
6	4001 - 5000	237	0.26	1074197	0.79
7	5001 - 10000	316	0.34	2244577	1.65
8	10001 - 20000	191	0.21	2628207	1.93
9	20001 and above	198	0.21	114904220	84.34
<b>TOTAL:</b>		<b>92326</b>	<b>100</b>	<b>136245630</b>	<b>100</b>

#### 19. DEMATERIALIZATION OF SHARES:

The details of dematerialization of shares as on 31.03.2019 is as under:

Sl. No.	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	515	16,91,856	1.24
2	NSDL	44799	12,53,49,783	92.00
3	CDSL	47012	9203991	6.76
<b>Total:</b>		<b>92326</b>	<b>13,62,45,630</b>	<b>100.00</b>

The Company has entered into a tripartite agreements with NSDL and CDSL to establish electronic connectivity through Company's Electronic Registrar i.e. Karvy Fintech Private Limited, Hyderabad and facilitate scrip less trading. Trading in the equity shares of the Company is compulsory in dematerialized form for all investors. Investors are therefore advised to open a demat account with the Depository participant of their choice, if not already done, to trade in demat form. The list of depository participants is available with NSDL and CDSL. The ISIN allotted Company's scrip after sub-division and issue of Bonus equity shares is INE871C01038.

#### 20. Reconciliation of Share Capital and Dematerialization of Shares:

A quarterly audit was conducted by Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by Investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31.03.2019, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 13,45,53,774 equity shares of ₹1/- (Rupees One only) representing 98.76% (Previous year 44516080 equity shares of ₹2/- each representing 98.02%) of the paid-up equity capital of the Company have been dematerialized as on 31.03.2019. Pursuant to Reg.40(9) of SEBI(LODR) Regulations, 2015, certificates have been issued on a half-yearly basis by Sri V. Bhaskara Rao, Practicing Company Secretary certifying due compliance of share transfer formalities by the Company and the Certificates filed with the Bombay Stock Exchange and National Stock Exchange.

#### 21. Outstanding GDRs or ADRs or warrants or convertible instruments:

There were no outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments during the year 2018-19.

## 22. Commodity Price Risk or Foreign Exchange Risk and hedging activities:

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

## 23. Plant locations:

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

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

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

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

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

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

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

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

## 24. Registered Office and Corporate Office:

During the year under review, the Registered Office of the Company was changed from H.No.37, Plot No.37, Baymount, Rushikonda, Visakhapatnam - 530 045, to Flat No. 103, Ground Floor, "R" Square, Pandurangapuram, Vishakhapatnam - 530003 with effect from 01.09.2018. The address of the Registered Office and Corporate office are as under:

### Registered Office:

Flat No: 103, Ground Floor,  
"R" Square, Pandurangapuram,  
Vishakhapatnam-530003,  
Andhra Pradesh, India.

### Corporate Office & address for correspondence:

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

## 25. OTHER DISCLOSURES:

Sl No.	Details	Remarks
1	Disclosure on materially significant Related Party Transactions.	NIL
2	Details of non-compliance by the listed entity, penalties, strictures imposed on the company by Stock Exchange(s) or the SEBI or any Statutory Authority on any matter related to Capital markets during last 3 years.	NIL
3	Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation.	The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct or ethics policy and code of conduct to regulate, monitor and report trading by Insiders. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Company affirms that no personnel has been denied access to the Audit Committee. The details of the whistle blower policy is disseminated on the website of the Company at <a href="http://www.avantifeeds.com">www.avantifeeds.com</a> .
4	Interse relationships between Directors and Key Managerial personnel of the Company.	Sri N. Ram Prasad, Director is the spouse of Sri A. Indra Kumar's (Chairman & Managing Director) Sister. Sri A Venkata Sanjeev is the son of Sri A. Indra Kumar, Chairman & Managing Director.
5	Compliance of SEBI(LODR) Regulations, 2015.	a) Mandatory Requirements. It is confirmed that the Company has complied with the requirements under Regulation 17 to 27 and Reg. 46(2) (b) to (i) of the SEBI (LODR) Regulations. b) Non-Mandatory Requirements: The Company has adopted the following non-mandatory (i.e. Discretionary) Requirements of Part-E of Schedule-II of SEBI (LODR) Regulations: 1. Audit Qualifications: The Company is in the regime of unqualified financial statements. 2. Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.
6	Web-link where details of familiarization programme imparted to Independent Director's is disclosed.	<a href="http://www.avantifeeds.com">www.avantifeeds.com</a>
7	Web-link where policy determining the material subsidiaries is disclosed.	<a href="http://www.avantifeeds.com">www.avantifeeds.com</a>
8	Web-link where policy on dealing with Related Party Transactions is disclosed.	<a href="http://www.avantifeeds.com">www.avantifeeds.com</a>
9	Disclosure of commodity price risks and commodity hedging activities.	Nil

SI No.	Details	Remarks
10.	Web-link where the dividend distribution policy of the Company is disseminated.	www.avantifeeds.com
11	Disclosure of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Reg.32(7A)	Not Applicable
12	Where the Board had not accepted any recommendation of any Committee of the Board is mandatorily required, in the relevant financial year, details and the reasons for such non-acceptance.	The Board has accepted the recommendations of all the Committees during the year 2018-19.
13	Total fee for all services paid by the listed entity and its subsidiaries to the Statutory Auditor.	M/s Tukaram & Co., LLP are the Independent Auditors only for Avanti Feeds Limited. The remuneration paid to Tukaram & Co LLP for the company is as under: Audit Fee ₹20.00 lakhs plus applicable taxes and out of pocket expenses.
14	Credit Ratings obtained during the year under review for all debt instruments or any fixed programme or any scheme or proposal involving mobilization of funds whether in India or abroad.	The company has not mobilized any funds during the year under review.
15	Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013	a. No. of complaints filed during the Year 2018-19 .. NIL b. No. of complaints disposed of during the year 2018-19 .. NIL c. No. of complaints pending as on 31.03.2019 .. NIL
16	Certificate from a Company Secretary in practice that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority.	Sri V . Bhaskara Rao, Practicing Company Secretary Hyderabad has issued a Certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority.

## 26. Disclosure in respect of demat suspense account/unclaimed suspense account as on 31.03.2019.

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

**27. Risk Management:**

In terms of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has developed and implemented a Risk Management Policy.

**28. Code for prohibition of Insider Trading:**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, the Company has adopted code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Further the Company has also adopted Code of conduct to Regulate, Monitor and Report Trading by Insiders.

**29. Disclosure of Accounting Treatment:**

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

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

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

**31. Business Responsibility Report:**

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

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

**32.01** Minimum four Board Meetings are held in each year, which are pre-scheduled after the end of each financial quarter. Apart from the pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address specific needs of the Company. In case of

business exigencies or urgency of matters, resolutions are passed by circulation.

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

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

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

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

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

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

### 35. SUBSIDIARY COMPANIES:

The Company has two unlisted subsidiary companies viz., Avanti Frozen Foods Pvt. Ltd. (subsidiary company) and SVIMSAN Exports & Imports Pvt. Ltd. (wholly owned subsidiary). Avanti Frozen Foods Pvt. Ltd., is a material subsidiary of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Reg.24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company appointed Sri K. Ramamohana Rao, Independent Director of the Company, as Director on the Board of Avanti Frozen Foods Pvt. Ltd., material subsidiary of the Company.

The minutes of the meetings of the Board of Directors of Subsidiaries along with a report on the significant transactions of the above subsidiaries during the year 2018-19 are placed before the meetings of the Board of the Company once in a quarter. The Company has formulated a policy for determining the material subsidiary and

the policy is disseminated on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).

### 36. DECLARATION ON CODE OF CONDUCT:

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company which has been disseminated on the web site of the Company at [www.avantifeeds.com](http://www.avantifeeds.com). It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31.03.2019, as envisaged in Reg.26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Place: Hyderabad  
Date : 07.06.2019



## COMPLIANCE CERTIFICATE

### MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

**A. Indra Kumar**

DIN:00190168

Chairman & Managing Director

**C. Ramachandra Rao**

DIN:00026010

Joint Managing Director,  
Company Secretary & CFO

Place: Hyderabad

Date: 07.06.2019

## Independent Auditor's Certificate on Corporate Governance

To the Members of

### Avanti Feeds Limited

1. We, M/s.TUKARAM & CO. LLP, Chartered Accountants, the Independent Auditors of Avanti Feeds Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

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

### Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Sec. 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### For TUKARAM & CO. LLP

Chartered Accountants  
ICAI Firm Registration No: 004436S

(B. LOKANATH)

PARTNER

Membership No. 024927

Place: Hyderabad

Date: 07.06.2019

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**SECRETARIAL AUDIT REPORT**

To,  
The Members of  
Avanti Feeds Limited  
CIN: L16001AP1993PLC095778  
Flat No. 103, Ground Floor,  
"R" Square Pandurangapuram  
Vishakhapatnam-530003, AP.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Avanti Feeds Limited** ("the Company") for the financial year ended on 31.03.2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -viz
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time:
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not Applicable
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) Other applicable Acts
  - (a) Factories Act, 1948
  - (b) Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) Employee State Insurance Act, 1948
  - (f) Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - (g) The Payment of Bonus Act, 1965
  - (h) The Payment of Gratuity Act, 1972
  - (i) The Contract Labour (Regulation & Abolition) Act, 1970
  - (j) The Maternity Benefit Act, 1961
  - (k) The Child Labour (Prohibition & Regulation) Act, 1986
  - (l) The Industrial Employment (Standing Order) Act, 1946
  - (m) The Employee Compensation Act, 1923
  - (n) The Apprentices Act, 1961
  - (o) Equal Remuneration Act, 1976
  - (p) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
  - (q) Trade Marks Act, 1999
  - (r) Customs Act, 1962
  - (s) Shops and Establishment Act, 1988
  - (t) The water (Prevention and control of pollution) Act 1974
  - (u) The Air (Prevention and control of pollution) Act 1981
  - (v) The Environment Protection Act, 1986 and rules made there under
  - (w) Explosive Act, 1884
  - (x) Indian Boilers Act, 1923
  - (y) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
  - (z) Hazardous Waste (Management and Handling and transboundary Movement) Rules, 2008
  - (aa) Food Safety and Standards Act, 2006
  - (bb) Biological Diversity Act, 2002
  - (cc) The Indian Stamp Act, 1899
  - (dd) Registration Act, 1908
  - (ee) AP Fire Safety Act, 1999 and Rules 2006
  - (ff) Legal Metrology Act 2009

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered by the Company with BSE Ltd and National Stock Exchange of India Ltd;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. **However, the company has spent an amount of ₹4.97 Crores against the amount ₹7.57 Crores to be spent during the year towards Corporate Social Responsibility for which an explanation has been provided in the Board's Report.**

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company Commensurate with the size and operations of the Company to

monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

a) Sub-division of nominal value of the equity share from ₹2/- each to ₹1/- each after obtaining necessary approvals from the members in the Extraordinary General Meeting held on 14.06.2018.

b) Issue of Bonus equity shares in the ratio of 1:2 (i.e. one equity share of ₹1/- each for every two equity shares held of ₹2/- each) after obtaining necessary approvals from the members in the Extraordinary General Meeting held on 14.06.2018. The approvals for listing and trading of the Bonus equity shares was obtained from Bombay Stock Exchange and National Stock Exchange.

c) The Company obtained its members approval by way of Postal Ballot to continue the appointment of Independent Directors namely Sri B V Kumar and Sri A V Achar, beyond the age 75 years, for the remaining period of their existing term.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**V.Bhaskara Rao and Co**  
Company Secretaries

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

Place: Hyderabad  
Date: 07.06.2019

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

**'ANNEXURE A'**

To,  
The Members of  
Avanti Feeds Limited  
CIN: L16001AP1993PLC095778  
Flat No. 103, Ground Floor,  
"R" Square Pandurangapuram  
Vishakhapatnam-530003, AP.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**V.Bhaskara Rao and Co**  
Company Secretaries

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

Place: Hyderabad  
Date: 07.06.2019

# INDEPENDENT AUDITORS' REPORT

To the Members of **Avanti Feeds Limited**  
**Report on the Standalone Financial Statements**

## Opinion

We have audited the accompanying standalone financial statements of Avanti Feeds Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the



standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matters	Auditor's Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 2.4c and 21 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>- Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>- Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, were tested using a combination of DCs, Sales orders, weighment slips and non-returnable gate passes including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>- We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul> </li> </ul>

S. No	Key Audit Matters	Auditor's Response
2.	<p>Availment of Section 80 IA benefit under the Income tax Act, 1961.</p> <p>Refer Note 20 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We have reviewed the status of the availment of Section 80 IA benefit under the Income tax Act, 1961 by the Company for its Windmill division from AY 2012-13 onwards for 10 years as a tax holiday period, which will end in AY 2021-22.</p> <p>The current tax benefit availed for FY 18-19 is ₹27.74 Lakhs (Previous year- ₹ 37.60 Lakhs).</p>
3.	<p>The Company enters into various financial instruments such as derivative financial instruments to hedge the Company's exposure to variability in foreign exchange movements, including investments in quoted and unquoted equity instruments, quoted mutual funds and quoted non-convertible debentures. As at 31<sup>st</sup> March 2019, financial instruments carried at fair value through profit and loss totaled ₹53,812.05 Lakhs (current investments of ₹47,167.71 Lakhs and non-current investments of ₹6,644.34 Lakhs) as disclosed in Note 5 to the Standalone Financial Statements and derivative financial liabilities totaled ₹10.12 Lakhs (current liabilities) as disclosed in Note 15 to the Standalone Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</li> <li>Utilizing our treasury experts, we also tested on a sample basis the existence and valuation of such financial instruments as at 31<sup>st</sup> March 2019. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and</li> <li>Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in Note 30 to the Standalone Financial Statements.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance

about whether these standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements

of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance Sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 33 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

**For TUKARAM & CO LLP.**

Chartered Accountants  
ICAI Firm Regn. 004436S

**B. Lokanath**

PARTNER  
Membership No.024927

Place: Hyderabad

Date: 07.06.2019

## “Annexure – A” to the Auditors’ Report

**The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2019, we report that:**

Re: Avanti Feeds Limited (‘the Company’)

i. In respect of the Company’s fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.

(c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company.

ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the

loans and investments made.

v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of production and processing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory dues:

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the details of dues of value added tax and duty of customs on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, governments and financial institutions. The Company did not have any debentures outstanding as at the year end.

ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For TUKARAM & CO LLP.**

Chartered Accountants  
ICAI Firm Regn. 004436S

**B. Lokanath**  
**PARTNER**

Membership No.024927

Place: Hyderabad

Date : 07.06.2019



## Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Avanti Feeds Limited ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial

Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1)

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For TUKARAM & CO LLP.**

Chartered Accountants  
ICAI Firm Regn. 004436S

#### **B. Lokanath PARTNER**

Membership No.024927

Place: Hyderabad

Date : 07.06.2019

## Balance sheet as at 31<sup>st</sup> March 2019

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

	Note	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant, and equipment	3	15,585.40	17,126.24
Capital work-in-progress	3	792.44	12.58
Intangible assets	4	17.96	5.84
Financial assets			
Investments	5	17,949.58	11,211.82
Loans	6(a)	91.86	58.60
Other financial assets	7	479.05	456.06
Non-current tax assets (net)	20(b)	1,819.91	620.38
Other non-current assets	8(a)	263.60	137.01
<b>Total Non-current Assets</b>		<b>36,999.80</b>	<b>29,628.53</b>
<b>Current Assets</b>			
Inventories	9	22,483.05	38,792.84
Financial assets			
Investments	5	51,898.10	54,215.33
Trade receivables	10	1,609.41	1,913.31
Cash and cash equivalents	11	1,205.94	580.59
Other bank balances	12	12,864.39	763.97
Loans	6(b)	88.27	90.03
Other current assets	8(b)	548.51	836.94
<b>Total Current Assets</b>		<b>90,697.67</b>	<b>97,193.01</b>
<b>Total Assets</b>		<b>1,27,697.47</b>	<b>1,26,821.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,362.46	908.30
Other equity	14	1,04,865.95	92,880.42
<b>Total Equity</b>		<b>1,06,228.41</b>	<b>93,788.72</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial liabilities			
Other financial liabilities	15(a)	374.50	374.50
Provisions	16(a)	104.76	156.42
Deferred tax liabilities (net)	20(a)	2,107.02	1,873.04
<b>Total non-current liabilities</b>		<b>2,586.28</b>	<b>2,403.96</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	-	-
Trade payables:			
i) Total outstanding dues of Micro enterprises and small enterprises	19	787.26	1,464.56
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	19	15,134.52	25,780.77
Other financial liabilities	15(b)	199.30	129.94
Other current liabilities	17	2,644.02	3,089.55
Provisions	16(b)	117.68	164.04
<b>Total Current Liabilities</b>		<b>18,882.78</b>	<b>30,628.86</b>
<b>Notes forming part of the Financial Statements</b>	1-40		
<b>Total Equity and Liabilities</b>		<b>1,27,697.47</b>	<b>1,26,821.54</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For **TUKARAM & CO. LLP.**

Chartered Accountants  
Firm Registration No. 004436S

**A. Indra Kumar**

Chairman & Managing Director

**B. LOKANATH**

Partner  
Membership No. 024927

**C. Ramachandra Rao**

Jt. Managing Director  
Company Secretary & CFO

**N. Ram Prasad**

Director

Place: Hyderabad

Date: 07.06.2019

## Statement of profit & loss for the year ended 31<sup>st</sup> March 2019

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

	Note	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Income</b>			
Revenue from operations	21	2,73,842.34	2,81,532.89
Other Income (net)	22	4,459.15	3,554.92
<b>Total Income</b>		<b>2,78,301.49</b>	<b>2,85,087.81</b>
<b>Expenses</b>			
Cost of materials consumed	23	2,22,068.34	2,00,425.62
Purchases of stock in trade	23	-	271.85
Changes in inventories of Finished Goods & Work In Progress	24	1,280.32	(583.25)
Employee benefits expense	25	8,283.55	9,757.90
Finance costs	26	124.58	124.43
Depreciation and amortisation expense	27	2,028.31	1,466.82
Other expenses	28	11,467.45	10,629.96
<b>Total expenses</b>		<b>2,45,252.55</b>	<b>2,22,093.34</b>
<b>Profit before exceptional items &amp; tax</b>		<b>33,048.94</b>	<b>62,994.47</b>
Exceptional Items	29	518.26	(79.30)
<b>Profit before tax</b>		<b>33,567.20</b>	<b>62,915.17</b>
Tax Expense			
Current tax	20(c)	10,983.74	20,707.55
Deferred tax	20(c)	233.98	713.78
<b>Total tax expenses</b>		<b>11,217.72</b>	<b>21,421.33</b>
<b>Profit for the year</b>		<b>22,349.48</b>	<b>41,493.84</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(54.72)	(116.60)
<b>Total comprehensive income for the period (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>22,294.76</b>	<b>41,377.24</b>
<b>Earnings per equity share (EPS)</b>	35		
(Equity shares, par value of ₹1/- each)			
Basic and diluted EPS (in ₹)			
Basic		16.40	30.46
Diluted		16.40	30.46

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For **TUKARAM & CO. LLP.**

Chartered Accountants

Firm Registration No. 004436S

**B. LOKANATH**

Partner

Membership No. 024927

**C. Ramachandra Rao**

Jt. Managing Director

Company Secretary & CFO

For and on behalf of the Board of Directors

**A. Indra Kumar**

Chairman & Managing Director

**N. Ram Prasad**

Director

Place: Hyderabad

Date: 07.06.2019

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2019

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

### a. Equity Share Capital

Particulars	Number of Shares	Amount
<b>Balance at 1<sup>st</sup> April 2017</b>	4,54,15,210	908.30
Changes in equity share capital during the year	-	-
<b>Balance at 31<sup>st</sup> March 2018</b>	4,54,15,210	908.30
Changes in equity share capital during the year	9,08,30,420	454.16
<b>Balance at 31<sup>st</sup> March 2019</b>	13,62,45,630	1,362.46

### b. Other Equity

Particulars	Reserves and Surplus			Total
	General reserve	Securities premium	Retained earnings	
<b>Balance at 1<sup>st</sup> April 2017</b>	9,081.87	438.00	46,902.76	56,422.63
Profit for the year			41,493.84	41,493.84
Other comprehensive income			(116.60)	(116.60)
Dividends (including corporate dividend tax)			(4,919.46)	(4,919.46)
Transfer from Statement of Profit and Loss	4,000.00		(4,000.00)	-
<b>Balance at 31<sup>st</sup> March 2018</b>	<b>13,081.87</b>	<b>438.00</b>	<b>79,360.55</b>	<b>92,880.42</b>
Profit for the year			22,349.48	22,349.48
Utilised for Bonus	(16.15)	(438.00)	-	(454.15)
Other comprehensive income			(54.72)	(54.72)
Dividends (including corporate dividend tax)			(9,855.07)	(9,855.07)
Transfer from Statement of Profit and Loss	2,000		(2,000)	-
<b>Balance at 31<sup>st</sup> March 2019</b>	<b>15,065.72</b>	<b>-</b>	<b>89,800.23</b>	<b>1,04,865.95</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

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

**B. LOKANATH**  
Partner  
Membership No. 024927

Place: Hyderabad  
Date: 07.06.2019

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

For and on behalf of the Board of Directors

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

**N. Ram Prasad**  
Director

## Statement of Cash Flows for the year ended 31<sup>st</sup> March 2019

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

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	33,567.20	62,915.17
Adjustments for :		
Depreciation and amortisation expense	2,028.31	1,466.82
Finance costs	124.58	124.43
Loss on sale of property, plant and equipment	29.01	21.41
Interest income	(519.03)	(65.34)
Dividend income	(1,492.18)	(1,010.01)
Gain/loss from sale of financial assets measured at fair value through profit and loss	(1,686.20)	(668.65)
Fair valuation of financial assets measured at fair value through profit and loss	(537.24)	(1,528.66)
Provision for employee benefits	222.44	320.46
Exchange differences (net)	295.00	(19.33)
<b>Operating profit before working capital changes</b>	<b>32,031.89</b>	<b>61,556.30</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	303.90	(717.57)
Loans	(31.50)	(65.30)
Other financial assets	265.44	(1.69)
Inventories	16,309.79	(9,550.90)
Other bank balances	(12,050.08)	(269.57)
Other assets	(126.59)	(634.22)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(11,323.55)	3,642.17
Provisions	(375.18)	(228.93)
Other financial liabilities	69.36	(176.76)
Other current liabilities	(445.53)	553.72
<b>Cash generated from operations</b>	<b>24,627.94</b>	<b>54,107.25</b>
Income taxes paid, net	(12,183.27)	(21,338.26)
<b>Net cash from operating activities (A)</b>	<b>12,444.67</b>	<b>32,768.99</b>

## Statement of Cash Flows for the year ended 31<sup>st</sup> March 2019

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

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>		
Capital expenditure on Property plant and equipment, including capital advances	(1,378.13)	(5,271.38)
Proceeds from sale of fixed assets	69.68	10.17
Investment in mutual funds	(2,197.09)	(25,959.45)
Interest received	519.03	65.34
Dividend income received	1,492.18	1,010.01
<b>Net cash from / (used in) investing activities (B)</b>	<b>(1,494.33)</b>	<b>(30,145.31)</b>
<b>C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>		
Finance costs	(124.58)	(124.43)
Proceeds from Borrowings	-	(131.16)
Dividends paid	(9,905.41)	(4,952.78)
Exchange differences	(295.00)	19.33
<b>Net cash from/(used in) financing activities (C)</b>	<b>(10,324.99)</b>	<b>(5,189.04)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>625.35</b>	<b>(2,565.36)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>580.59</b>	<b>3,145.95</b>
<b>Cash and cash equivalents at the end of the year (Refer Note (i) below)</b>	<b>1,205.94</b>	<b>580.59</b>
<b>Note (i):</b>		
Cash in hand	10.13	21.82
Balances with Banks	1,195.81	558.77
	<b>1,205.94</b>	<b>580.59</b>

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

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

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

**B. LOKANATH**  
Partner  
Membership No. 024927

Place: Hyderabad  
Date: 07.06.2019

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

For and on behalf of the Board of Directors

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

**N. Ram Prasad**  
Director



## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2019

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

### 1. Corporate information

Avanti Feeds Limited, (the Company) is a listed public Company under “The Companies Act, 1956”, with its registered office in Visakhapatnam. Avanti Feeds Limited has started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed.

The financial statements are approved for issue by the Company’s Board of Directors on May 25, 2019.

### 2. Basis of preparation of financial statements and significant accounting policies:

#### 2.1 Basis of preparation and measurement

##### (i) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

##### (ii) Basis of measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for the following financial instruments which are measured at fair values:

- certain financial assets and liabilities that are measured at fair value
- defined benefit plans- plan assets measured at fair value

### 2.2 Measurement of fair values

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

## Notes to Financial Statements for the year ended 31st March 2019

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

### 2.3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The areas involving critical estimates or judgements are;

- Estimation of defined benefit obligation, refer note 39
- Useful life of fixed assets, refer note 2.4 (n)

### 2.4 Significant accounting policies

#### a. Segment reporting

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

The Chairman and Managing Director (CMD) of the Company has been identified as the chief operating decision maker. Refer Note 37 for the segment information presented.

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of its primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in

Indian rupees (INR), which is the Company's functional and presentation currency.

##### (ii) Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction

#### c. Revenue recognition

The Company earns revenue primarily from sale of Shrimp Feed.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,

## Notes to Financial Statements for the year ended 31st March 2019

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

- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Effective 1<sup>st</sup> April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1<sup>st</sup> April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial

application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18.

Refer note 2.4 (C) - Significant accounting policies - Revenue recognition in the Annual report of the Company for the year ended 31<sup>st</sup> March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

### d. Government grant

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

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

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

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

### e. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's

## Notes to Financial Statements for the year ended 31st March 2019

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

taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the

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

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

### f. Leases

#### As a lessee

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

### g. Impairment of assets

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

## Notes to Financial Statements for the year ended 31st March 2019

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

assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### h. Cash and cash equivalents

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

### i. Trade receivables

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

### j. Inventories

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

the estimated costs of completion and the estimated costs necessary to make the sale.

### k. Investments and other financial assets

#### (i) Classification

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

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

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

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

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

#### (ii) Measurement

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

#### Debt instruments

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

## Notes to Financial Statements for the year ended 31st March 2019

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

measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss

within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

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

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

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk.

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

### (iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive



## Notes to Financial Statements for the year ended 31st March 2019

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

the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (v) Income recognition

#### Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### Dividends:

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

### I. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into

and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

### m. Offsetting financial instruments

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

### n. Property, plant and equipment

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

#### Depreciation methods, estimated useful lives and residual value

Depreciation on tangible assets is calculated on a straight-line basis so as to expense the cost less residual value over the estimated useful lives prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined



## Notes to Financial Statements for the year ended 31st March 2019

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

based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. Assets costing individually rupee equivalent of INR 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

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

### **o. Intangible assets**

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

#### **(i) Computer software**

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

#### **(ii) Amortisation methods and periods**

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

### **p. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company

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

### **q. Borrowings**

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a

## Notes to Financial Statements for the year ended 31st March 2019

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

long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### r. Borrowing Cost

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

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

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

### s. Provisions

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

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

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

### t. Employee benefits

#### (i) Short-term obligations

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

#### (ii) Other long-term employee benefit obligations

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

The obligations are presented as current

## Notes to Financial Statements for the year ended 31st March 2019

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

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

### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as Provident fund, Employee State Insurance and Superannuation fund

#### Gratuity obligations

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

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

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

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

Changes in the present value of the defined

benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

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

### (iv) Bonus plans

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

### u. Contributed Equity

Equity shares are classified as equity.

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

### v. Dividends

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

### w. Earnings per share

## Notes to Financial Statements for the year ended 31st March 2019

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

### (i) Basic earnings per share

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

### (ii) Diluted earnings per share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### x. Rounding of amounts

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

### 2.1 Recent accounting pronouncements

Effective date for application of the following amendments is annual period beginning on or after 1<sup>st</sup> April 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

#### Ind AS 116 - Leases :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the

statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1<sup>st</sup> April 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or

## Notes to Financial Statements for the year ended 31st March 2019

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

group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

### Ind AS 12 - Income taxes :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

### Ind AS 109- Prepayment features with Negative compensation :

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

### Ind AS 19 - Plan amendment, curtailment or settlement :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs

issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

### Ind AS 23 - Borrowing Costs :

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

### Ind AS 28 - Long-term Interests in Associates and Joint Ventures :

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

### Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

## Notes to Financial Statements for the year ended 31st March 2019

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

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Capital work-in-progress
<b>As at 31st March, 2017</b>	<b>1,338.13</b>	<b>3,306.15</b>	<b>221.18</b>	<b>6,541.28</b>	<b>649.31</b>	<b>1,317.79</b>	<b>240.74</b>	<b>92.08</b>	<b>50.03</b>	<b>116.14</b>	<b>634.86</b>	<b>14,507.26</b>	-
Additions	517.49	22.38	9.15	3,789.58	-	679.29	36.60	27.22	66.77	5.69	98.96	5,253.12	4,442.14
Disposals	-	-	-	16.08	-	0.76	3.08	0.85	14.08	0.01	17.71	52.57	4,429.56
<b>As at 31st March, 2018</b>	<b>1,855.62</b>	<b>3,328.53</b>	<b>230.33</b>	<b>10,314.78</b>	<b>649.31</b>	<b>1,996.32</b>	<b>274.26</b>	<b>118.45</b>	<b>102.72</b>	<b>121.82</b>	<b>716.11</b>	<b>19,707.81</b>	<b>12.58</b>
Additions	63.88	-	-	134.27	-	11.21	27.93	51.18	23.41	23.64	247.39	582.92	779.86
Disposals	12.74	4.00	-	6.55	-	1.42	0.74	0.70	2.21	0.02	117.79	146.16	-
<b>As at 31st March, 2019</b>	<b>1,906.76</b>	<b>3,324.53</b>	<b>230.33</b>	<b>10,442.50</b>	<b>649.31</b>	<b>2,006.11</b>	<b>301.45</b>	<b>168.93</b>	<b>123.92</b>	<b>145.44</b>	<b>845.71</b>	<b>20,144.58</b>	<b>792.44</b>
<b>Depreciation</b>													
<b>Upto 31st March, 2017</b>	-	<b>80.06</b>	<b>17.44</b>	<b>703.92</b>	<b>54.12</b>	<b>133.61</b>	<b>22.17</b>	<b>21.22</b>	<b>19.97</b>	<b>15.01</b>	<b>70.33</b>	<b>1,137.85</b>	-
Charge for the year	-	109.88	27.64	940.80	54.12	157.41	27.95	22.15	21.08	14.20	89.47	1,464.71	-
Disposals	-	-	-	5.06	-	0.30	0.82	0.19	9.45	0.01	5.16	20.99	-
<b>Upto 31st March 2018</b>	-	<b>189.94</b>	<b>45.08</b>	<b>1,639.66</b>	<b>108.24</b>	<b>290.72</b>	<b>49.30</b>	<b>43.18</b>	<b>31.60</b>	<b>29.20</b>	<b>154.64</b>	<b>2,581.57</b>	-
Charge for the year	-	<b>108.30</b>	<b>28.38</b>	<b>1,403.88</b>	<b>54.12</b>	<b>222.37</b>	<b>32.55</b>	<b>25.87</b>	<b>34.57</b>	<b>15.22</b>	<b>99.82</b>	<b>2,025.09</b>	-
Disposals	-	0.43	-	2.20	-	0.51	0.34	0.66	2.11	0.02	41.20	47.47	-
<b>Upto 31st March 2019</b>	-	<b>297.81</b>	<b>73.46</b>	<b>3,041.34</b>	<b>162.36</b>	<b>512.58</b>	<b>81.51</b>	<b>68.39</b>	<b>64.06</b>	<b>44.40</b>	<b>213.26</b>	<b>4,559.18</b>	-
<b>Net block</b>													
<b>As at 31st March 2018</b>	<b>1,855.62</b>	<b>3,138.58</b>	<b>185.25</b>	<b>8,675.12</b>	<b>541.07</b>	<b>1,705.59</b>	<b>224.95</b>	<b>75.27</b>	<b>71.12</b>	<b>92.62</b>	<b>561.47</b>	<b>17,126.24</b>	<b>12.58</b>
<b>As at 31st March 2019</b>	<b>1,906.76</b>	<b>3,026.71</b>	<b>156.87</b>	<b>7,401.16</b>	<b>486.95</b>	<b>1,493.53</b>	<b>219.93</b>	<b>100.54</b>	<b>59.86</b>	<b>101.04</b>	<b>632.45</b>	<b>15,585.40</b>	<b>792.44</b>

Notes:

- Refer to note 18 for information on property, plant and equipment pledged as security by the company.
- Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## Notes to Financial Statements for the year ended 31st March 2019

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

### 4. Intangible assets

Description of Assets	Computer software
<b>Gross carrying amount as at 31<sup>st</sup> March 2017</b>	<b>4.72</b>
Additions	5.71
Disposals	-
<b>Gross carrying amount as at 31<sup>st</sup> March 2018</b>	<b>10.43</b>
Additions	15.34
Disposals	-
<b>Gross carrying amount as at 31<sup>st</sup> March 2019</b>	<b>25.77</b>
<b>Depreciation</b>	
<b>Balance as at 31<sup>st</sup> March 2017</b>	<b>2.48</b>
Amortisation expense for the year	2.11
Disposals	-
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>4.59</b>
Amortisation expense for the year	3.22
Disposals	-
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>7.81</b>
<b>Net Carrying amount</b>	
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>5.84</b>
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>17.96</b>

### 5. Investments:

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a) Non - Current investments (Refer note (i) below)</b>		
<b>Investments carried at cost</b>		
(i) Equity instruments of subsidiaries (unquoted)	8,461.00	8,461.00
(ii) Equity instruments of associated companies (unquoted)	2,735.06	2,735.06
(iii) Equity instruments of other entities (unquoted)	109.18	12.00
<b>Investment carried at fair value through profit and loss</b>		
(i) Equity instruments of other entities (quoted)	2.81	3.76
(ii) Investments in Non Convertible Debentures (quoted)	6,641.53	-
<b>Total</b>	<b>17,949.58</b>	<b>11,211.82</b>
<b>b) Current investments</b>		
<b>Investment carried at fair value through profit and loss (Refer note (ii) below)</b>		
(i) Investments in Mutual Funds (quoted)	47,167.71	54,215.33
<b>Investment carried at amortised cost</b>		
(i) Investments in Secured Bonds - quoted		
LIC Housing Finance Ltd 2019 (secured) bonds	2,609.27	-
(ii) Investments in Non Convertible Debentures- quoted		
HDFC Ltd SR-M 015 9.45 NCD	2,121.12	-
<b>Total</b>	<b>51,898.10</b>	<b>54,215.33</b>



## Notes to Financial Statements for the year ended 31st March 2019

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

	As at 31st March 2019	As at 31st March 2018
<b>Note (i): Details of non-current investments</b>		
<b>Equity instruments of subsidiaries (unquoted)</b>		
Svimsan Exports & Imports Private Limited		
10,00,000 (31st March 2018: 10,00,000) equity shares of ₹10/- each fully paid up	100.00	100.00
Less: Provision for diminution in the value of investment (refer note 29)	(100.00)	(100.00)
Avanti Frozen Foods Private Limited		
60,10,000 (31st March 2018 : 60,10,000) equity shares of ₹ 10/- each fully paid up )	8,461.00	8,461.00
<b>Total (A)</b>	<b>8,461.00</b>	<b>8,461.00</b>
<b>Equity instruments of associate companies (unquoted)</b>		
Srivathsa Power Projects Limited		
1,66,93,630 (31st March 2018: 1,66,93,630) equity shares of ₹10/- each fully paid up	1,670.54	1,670.54
Patikari Power Private Limited *		
1,06,45,200 (31st March 2018: 1,06,45,200) equity shares of ₹10/- each fully paid up	1,064.52	1,064.52
*Out of 1,06,45,200 equity shares, 42,50,000 shares have been pledged with respect to loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.		
<b>Total (B)</b>	<b>2,735.06</b>	<b>2,735.06</b>
<b>Equity instruments of other entities (quoted)</b>		
IDBI Bank Limited		
2,880 (31st March 2018: 2,880) equity shares of ₹10/- each fully paid up	1.34	2.08
UCO Bank Limited		
7,800 (31st March 2018: 7,800) equity shares of ₹10/- each fully paid up	1.47	1.68
<b>Total (C)</b>	<b>2.81</b>	<b>3.76</b>
<b>Equity instruments of other entities (unquoted)</b>		
Bhimavaram Hospitals Limited		
1,20,000 (31st March 2018: 1,20,000) equity shares of ₹10/- each fully paid up	12.00	12.00
PT Thai Union Kharisma Lestari		
1,99,920 (31st March 2018: NIL) equity shares of IDR 10,000/- each fully paid up	97.18	-
<b>Total (D)</b>	<b>109.18</b>	<b>12.00</b>
<b>Investments in Non Convertible Debentures (quoted)</b>		
HDB Financial Services Ltd Sr A/O(MI)/1 Br NCD	1,011.40	-
Mahindra And Mahindra Financial Services Ltd As2018 BR NCD	3,106.94	-
Tata Capital Financial Services Ltd Sr Tr A 2018-19 Tr I BR NCD	2,523.19	-
<b>Total (E)</b>	<b>6,641.53</b>	<b>-</b>
<b>Total (A+B+C+D+E)</b>	<b>17,949.58</b>	<b>11,211.82</b>

## Notes to Financial Statements for the year ended 31st March 2019

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

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Aggregate amount of quoted investments and market value thereof	6,644.34	3.76
Aggregate amount of unquoted investments	11,405.24	11,308.06
Aggregate amount of impairment in the value of investments in unquoted equity shares	100.00	100.00
<b>Note (ii) : Current investments</b>		
<b>Investment in quoted mutual funds</b>		
SBI - Premier Liquid Fund - NIL (31st March 2018: 757,170.04 units of ₹1,003.25 each)	-	7,596.31
HDFC Floating Rate Income Fund - STP - Wholesale Growth - 5,152,012 units of ₹32.5031 each (31st March 2018: 5,152,012 units of ₹30.2436 each)	1,674.56	1,558.15
ICICI - Pru - Flexible Income Plan Growth - NIL (31st March 2018: 1,989,086.936 units of ₹260.2065 each)	-	5,176.81
Kotak Low Duration Fund Standard Growth (Regular Plan) - NIL (31st March 2018: 257840.784 units of ₹2,122.9824 each)	-	5,473.91
Birla Sunlife Savings Fund - Growth Regular Plan - 1,486.60 units of ₹368.9824 each (31st March 2018: 1,486.60 units of ₹341.9069 each)	5.49	5.08
Aditya Birla Sunlife Savings Cash Manager - NIL (31st March 2018: 617,775.12 units of ₹417.5546 of each)	-	2,579.55
Franklin Ultra Short Term Fund - SIP - Growth - 21,636,685.43 units of ₹26.2888 each (31st March 2018: 21,636,685.43 units of ₹24.0531 each)	5,683.70	5,204.29
Baroda Pioneer Treasure Advantage - NIL (31st March 2018: 255,109.993 units of ₹2,033.1430 each)	-	5,186.75
IDFC Ultra Short Term Fund - 6,305,779.878 units of ₹26.4976 each (31st March 2018: 6,305,779 units of ₹24.6253 each)	1,670.88	1,552.82
IDFC Credit Opportunities Fund - Regular Plan - NIL (31st March 2018: 19,183,578.17 units of ₹10.7189 each)	-	2,056.27
Franklin India Low Duration Fund - Growth - NIL (31st March 2018: 26,016,733.96 units of ₹19.9756 each)	-	5,197.00
Reliance Regular Savings Fund - Debt Plan - G -Option - NIL (31st March 2018: 8,516,690.584 units of ₹24.2077 each)	-	2,061.69
Reliance Corporate Bond Fund - Growth Plan - NIL (31st March 2018: 14,596,941.94 units of ₹14.0131 each)	-	2,045.48
L & T Income Opportunities Fund - NIL (31st March 2018: 10,339,176.19 units of ₹19.9074 each)	-	2,058.26
Kotak Income Opportunities Fund - Growth Regular - NIL (31st March 2018: 10,778,765.83 units of ₹19.1253 each)	-	2,061.47
Kotak Low Duration Fund - Standard Plan (G)- 343,284.732 units of ₹2,286.4203 each (31st March 2018: 85,448.948 units of ₹2,122.9824 each)	7,849.05	1,814.07

## Notes to Financial Statements for the year ended 31st March 2019

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

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Reliance Money Manager - Growth Plan Growth Option - NIL (31st March 2018: 108053.089 units of ₹2,394.5731 each)	-	2,587.41
IDFC Arbitrage Fund-Monthly Dividend (R.P.) - 28,465,906.623 units of ₹12.7372 each (31st March 2018: NIL)	3,625.76	-
Kotak Equity Arbitrage Fund - Regular (DRI) - 20,754,414.483 units of ₹23.0666 each (31st March 2018: NIL)	4,787.34	-
Reliance Arbitrage Advantage Fund - Regular (DIR) - 86,216,525.637 units of ₹10.6263 each (31st March 2018: NIL)	9,161.63	-
Reliance Liquid Fund-Treasury plan (G) - growth option(LFIGG) - 47,688.022 units of ₹4,539.2103 each (31st March 2018: NIL)	2,163.75	-
SBI Magnum Low Duration Fund - 243,093.077 units of ₹1,010.54 each (31st March 2018: NIL)	2,456.56	-
SBI Magnum Ultra Short Duration Fund - 482,917.040 units of ₹1,675.03 each (31st March 2018: NIL)	8,089.01	-
	<b>47,167.71</b>	<b>54,215.33</b>
<b>Total current investments</b>		
Aggregate amount of quoted investments and market value thereof	51,898.10	54,215.33
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

### 6. Loans :

<b>Description of Assets</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>a.) Non Current</b>		
Unsecured, considered good		
Loans to employees	91.86	58.60
	<b>91.86</b>	<b>58.60</b>
<b>b.) Current</b>		
Unsecured, considered good		
Loans to employees	88.27	90.03
Unsecured, considered doubtful		
Loans to wholly owned subsidiary	91.84	91.40
Less: Allowance for doubtful loans	(91.84)	(91.40)
	<b>88.27</b>	<b>90.03</b>

**Notes to Financial Statements** for the year ended 31st March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

**7. Other Financial Assets :**

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Non Current</b>		
Unsecured, considered good		
Margin Money Accounts*	1.50	26.17
Security deposits	468.04	429.89
Share application money pending allotment	9.51	-
	<b>479.05</b>	<b>456.06</b>

\*Margin Money deposits with bank of a carrying amount of ₹1.50 Lakhs (31<sup>st</sup> March 2018: 26.17 Lakhs) are lien marked for import L.C.s .

**8. Other Assets :**

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a.) Non Current</b>		
Unsecured, considered good		
Capital Advances	142.59	16.00
Taxes paid under protest	121.01	121.01
	<b>263.60</b>	<b>137.01</b>
<b>b.) Current</b>		
Unsecured, considered good		
Prepaid expenses	186.63	176.72
Advance for expenses	38.05	16.71
Export Incentives Receivables	5.03	-
MEIS Licenses on hand	79.32	289.87
Advance to supplier	215.89	333.80
Interest accrued on electricity deposits	23.59	19.84
	<b>548.51</b>	<b>836.94</b>

**9. Inventories (valued at lower of cost or net realizable value)**

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Raw materials (includes goods in transit)		
-in godown	16,159.71	31,762.68
-in goods in transit	212.91	183.50
Packing materials	537.92	266.79
Work-in-progress	515.12	678.65
Finished goods	3,215.80	4,332.59
Stores and spares	1,841.59	1,568.63
	<b>22,483.05</b>	<b>38,792.84</b>

## Notes to Financial Statements for the year ended 31st March 2019

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

### 10. Trade receivables

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Secured, considered good	1,141.10	1,723.73
Unsecured, considered good	468.31	189.58
	<b>1,609.41</b>	<b>1,913.31</b>

### 11. Cash and cash equivalents

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Balances with banks:		
- in current accounts	1,195.81	558.77
Cash in hand	10.13	21.82
	<b>1,205.94</b>	<b>580.59</b>

### 12. Other bank balances

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
- Deposit Accounts	12,114.23	0.77
- Unpaid dividend accounts	180.28	129.94
- Margin money accounts *	569.88	633.26
	<b>12,864.39</b>	<b>763.97</b>

\*Margin money deposits given as security

Margin Money deposits with bank of a carrying amount of ₹569.88 Lakhs (31<sup>st</sup> March 2018: 633.26 Lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

### 13. Equity share capital

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Authorised share capital:</b>		
15,85,00,000 equity shares of ₹1/- each (31 <sup>st</sup> March 2018: 7,92,50,000 equity shares of ₹2/- each)	1,585.00	1,585.00
<b>Issued, subscribed and fully paid up capital:</b>		
13,62,45,630 equity shares of ₹1/- each (31 <sup>st</sup> March 2018: 4,54,15,210 equity shares of ₹2/- each)*	1,362.46	908.30
<b>Total</b>	<b>1,362.46</b>	<b>908.30</b>

\*The Board of Directors of the Company at its meeting held on 09.05.2018, recommended a proposal for sub division of each equity share of ₹2/- into two (2) equity shares of ₹1/- each and issue of bonus equity shares in the ratio of 1:2 (after sub division of shares). The split and issue of bonus equity shares resulted in increase in number of shares from 4,54,15,210 equity shares of ₹2/- each to 13,62,45,630 equity shares of ₹1/- each. The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹438 Lakhs and general reserve amounting to ₹16.15 Lakhs. which was approved by the shareholders by means of a special resolution through E.G.M. held on 14.06.2018.

## Notes to Financial Statements for the year ended 31st March 2019

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

Notes:

### (a) Reconciliation of the number of shares outstanding:

	Number of shares	Amount
Balance at 1 <sup>st</sup> April 2017	4,54,15,210	908.30
Shares issued during the year	-	-
Balance at 31 <sup>st</sup> March 2018	4,54,15,210	908.30
Shares issued during the year	9,08,30,420	454.16
Balance at 31 <sup>st</sup> March 2019	13,62,45,630	1,362.46

### (b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Equity shares of ₹1/- each fully paid up (31<sup>st</sup> March 2018: ₹2/- each)</b>				
1. Srinivasa Cystine Private Limited	3,62,99,115	26.64	1,20,99,705	26.64
2. Thai Union Group Public Company Limited	2,10,30,630	15.44	70,10,210	15.44
3. Thai Union Asia Investment Holding Limited	1,19,54,826	8.77	42,74,675	9.41
4. Alluri Indra Kumar	83,30,700	6.11	27,76,900	6.11
5. Alluri Indra Kumar (HUF)	81,89,250	6.01	27,29,750	6.01

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

### (c) Rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹1/- per share (31<sup>st</sup> March 2018: ₹2/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

### (d) Equity shares movement during the 5 years preceding 31<sup>st</sup> March 2019 on account of Equity shares issued as bonus

The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹438 Lakhs and general reserve amounting to ₹16.15 Lakhs, which was approved by the shareholders by means of a special resolution through E.G.M. held on 14.06.2018.

### 14. Other equity

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
General reserve	15,065.72	13,081.87
Securities premium account	-	438.00

## Notes to Financial Statements for the year ended 31st March 2019

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

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Retained earnings	89,800.23	79,360.55
Total other equity	<b>1,04,865.95</b>	<b>92,880.42</b>
<b>General Reserve</b>		
Balance at beginning of year	13,081.87	9,081.87
Less: Utilised for bonus	(16.15)	-
Transferred from surplus in statement of profit and loss	2,000	4,000.00
<b>Balance at end of year</b>	<b>15,065.72</b>	<b>13,081.87</b>
<b>Securities premium</b>		
Balance at beginning of year	438.00	438.00
Less: Utilised for Bonus	(438.00)	-
<b>Balance at end of year</b>	<b>-</b>	<b>438.00</b>
<b>Retained earnings</b>		
Balance at beginning of year	79,360.55	46,902.76
Profit attributable to owners of the Company	22,349.48	41,493.85
Other comprehensive income	(54.72)	(116.60)
Transfer to general reserve	(2,000)	(4,000.00)
Dividend (including dividend distribution tax)	(9,855.07)	(4,919.46)
<b>Balance at end of year</b>	<b>89,800.23</b>	<b>79,360.55</b>

### General Reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The reserve is utilised for Bonus issue in accordance with the provisions of Companies Act 2013.

### Securities premium:

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

## 15. Other financial liabilities

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a.) Non - Current</b>		
Security deposits*	374.50	374.50
<b>Total</b>	<b>374.50</b>	<b>374.50</b>
<b>b.) Current</b>		
Unpaid dividend	180.28	129.94
Creditors for capital works	8.91	-
Derivative financial liabilities	10.12	-
<b>Total</b>	<b>199.30</b>	<b>129.94</b>

\*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31<sup>st</sup> March 2018: 9% p.a.)



## Notes to Financial Statements for the year ended 31st March 2019

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

### 16. Provisions

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Provisions (refer note 39)</b>		
Provision for gratuity	142.55	218.16
Provision for leave encashment	79.89	102.30
	<b>222.44</b>	<b>320.46</b>
a. Non - Current portion	104.76	156.42
b. Current portion	117.68	164.04
<b>Total</b>	<b>222.44</b>	<b>320.46</b>

### 17. Other Liabilities :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Current</b>		
Advance from customers	2,503.11	2,873.14
Statutory dues	140.91	216.41
<b>Total</b>	<b>2,644.02</b>	<b>3,089.55</b>

### 18. Current borrowings :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Secured:</b>		
Working capital loan	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(a) Working Capital loans of ₹NIL (31<sup>st</sup> March 2018 ₹NIL) was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the Company and personal guarantee of Mr.A.Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @8.70% p.a.

(b) Working capital loans of Rs.Nil (31<sup>st</sup> March 2018 Rs.Nil) was availed from Cooperative Rabobank U.A., Mumbai. The loan is secured by first charge on all current assets and second charge on fixed assets of the Company. The loan is repayable on demand and carries interest @8.50% p.a

Note: Debit balance in cash credit accounts as at 31<sup>st</sup> March 2019 have been grouped under the head "Cash and Cash equivalents"

The Company has unutilised cash credit limits of Rs.5500.00 lakhs and Rs. 2000 lakhs as of 31<sup>st</sup> March 2019 from State bank of India, Industrial Branch, Hyderabad and Rabobank U.A., Mumbai, respectively for working capital requirements. The company has the right to draw upon this line of credit based on its working capital requirements.

### 19. Trade payable

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Dues to micro enterprises and small enterprises (Refer Note below)	787.26	1,464.56
Dues to creditors other than micro enterprises and small enterprises	15,134.52	25,780.77
	<b>15,921.78</b>	<b>27,245.33</b>

#### Dues to micro and small enterprises:

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company

## Notes to Financial Statements for the year ended 31st March 2019

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

is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Principal amount remaining unpaid to any supplier as at the end of the accounting year	786.37	1,464.56
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.89	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.89	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.89	-

### 20. Income Taxes :

#### 20 (a) Deferred taxes

##### For the year ended 31<sup>st</sup> March 2019

	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to				
Depreciation and amortisation	1,214.38	43.39	-	1,257.77
Fair valuation of Investments	657.87	194.45	-	852.32
Fair valuation of derivative instruments	-	(3.54)	-	(3.54)
Others	0.79	(0.32)	-	0.47
<b>Total :</b>	<b>1,873.04</b>	<b>233.98</b>	<b>-</b>	<b>2,107.02</b>

##### For the year ended 31<sup>st</sup> March 2018

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

**Notes to Financial Statements** for the year ended 31st March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

**20 (b) Non-current Tax Assets**

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Non-current tax assets (net of provision for tax)	1,819.91	620.38
<b>Total</b>	<b>1,819.91</b>	<b>620.38</b>

**20 (c) Tax expense recognised in Statement of Profit and Loss**

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Current tax</b>		
In respect of the current year	11,171.46	20,707.55
In respect of the earlier years	(187.72)	
	<b>10,983.74</b>	<b>20,707.55</b>
<b>Deferred tax</b>		
In respect of the current year	233.98	713.78
	<b>233.98</b>	<b>713.78</b>
<b>Total tax expense</b>	<b>11,217.72</b>	<b>21,421.33</b>

**20 (d) - Tax Expense recognised in Other comprehensive income**

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Deferred tax</b>		
In respect of the current year	-	-
	-	-

**20(e) - Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

	Year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Profit before tax	33,567.20	62,915.18
Income tax expense calculated at 34.944% (2017-2018; 34.608%)	11,729.72	21,773.68
Impact of expenses that are not deductible (taxable) in determining taxable profit		
Weighted average deduction under u/s 35CCC	-	(85.50)
Exempt income	(521.43)	(349.54)
Deduction u/s 80IA of Income Tax Act, 1961*	(27.74)	(37.60)
Interest on Income tax	8.93	
Corporate Social Responsibility & Donations	82.51	-
Earlier taxes	(187.72)	-
Interest on MSMED	0.31	
Opening DTL on impact of rate change	18.18	-
14A disallowance	106.26	85.24
Others	8.70	35.05
<b>Income tax expense recognised in profit or loss</b>	<b>11,217.72</b>	<b>21,421.33</b>

\* The Company has been availing deduction under Section 80IA of the Income Tax Act 1961 for setting up of Wind mills for power generation at Lakkihalli, Chitradurga district, Karnataka, from the financial year 2011-2012. The tax benefit on account of deduction under Section 80IA for the year ended 31<sup>st</sup> March 2019 is ₹27.74 Lakhs (year ended 31<sup>st</sup> March 2018: ₹37.60 Lakhs)

## Notes to Financial Statements for the year ended 31st March 2019

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

### 21 Revenue from operations

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Sale of Products</b>		
Finished goods - Shrimp Feed - Domestic	2,73,669.38	2,81,264.15
Finished goods - Shrimp Feed - Exports	167.93	-
Export Incentives	5.03	-
Trading goods	-	268.74
<b>Total</b>	<b>2,73,842.34</b>	<b>2,81,532.89</b>

### 22 Other income (net)

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Interest income on</b>		
Bank deposits	292.04	27.32
Bonds & Debentures	201.98	-
Others	25.01	38.02
Dividend income from investments mandatorily measured at fair value through profit or loss	1,492.18	1,010.01
Profit on sale of mutual funds	1,686.20	668.65
Exchange differences (net)	-	19.33
Other non-operating income	234.62	239.80
Fair Value gain/(Loss) on derivative instruments	(10.12)	-
Fair value gain/(loss) on financial instruments measured at fair value through profit and loss	537.24	1,528.66
Amortization of government grant	-	23.13
<b>Total</b>	<b>4,459.15</b>	<b>3,554.92</b>

### 23 Cost of materials consumed

	For the year ended 31st March 2019	For the year ended 31st March 2018
Inventory at the beginning of the year	32,212.97	22,855.09
Add: Purchases	2,06,765.90	2,09,783.50
	2,38,978.87	2,32,638.59
Less: Inventory at the end of the year	16,910.53	32,212.97
<b>Cost of materials consumed</b>	<b>2,22,068.34</b>	<b>2,00,425.62</b>

#### Details of purchase of traded goods:

	For the year ended 31st March 2019		For the year ended 31st March 2018	
	Qty in MT	Value	Qty in MT	Value
<b>Inventory at the beginning of the year</b>				
Packing material	-	-	-	4.97
Stores & Spares	-	-	-	266.88
	-	-	-	<b>271.85</b>

**Notes to Financial Statements** for the year ended 31st March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

**24 Changes in inventories of finished goods and work-in-progress**

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Closing Stock:</b>		
Finished goods	3,215.80	4,332.59
Work-in-progress	515.14	678.66
	3,730.94	5,011.25
<b>Opening Stock:</b>		
Finished goods	4,332.60	4,147.20
Work-in-progress	678.66	280.80
	5,011.26	4,428.00
<b>Net(increase) /decrease</b>	<b>1,280.32</b>	<b>(583.25)</b>

**25 Employee benefits expense**

	For the year ended 31st March 2019	For the year ended 31st March 2018
Salaries, wages and bonus	7,710.15	9,222.46
Contribution to provident and other funds	363.75	316.50
Gratuity expense	87.82	101.56
Staff welfare expenses	121.83	117.38
	<b>8,283.55</b>	<b>9,757.90</b>

**26 Finance costs**

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Interest expense</b>		
- Interest on bank overdrafts and loans	15.64	12.51
- Interest on income tax	25.55	-
Other borrowing costs	83.39	111.92
<b>Total</b>	<b>124.58</b>	<b>124.43</b>

**27 Depreciation and amortisation expense**

	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation of property, plant and equipment	2,025.09	1,464.71
Amortisation of intangible assets	3.22	2.11
	<b>2,028.31</b>	<b>1,466.82</b>

**28 Other expenses**

	For the year ended 31st March 2019	For the year ended 31st March 2018
Rent [refer note (i)]	198.39	146.01
Power & fuel	3,544.95	3,518.44
Repairs & maintenance		
- Buildings	187.02	76.36

## Notes to Financial Statements for the year ended 31st March 2019

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

	For the year ended 31st March 2019	For the year ended 31st March 2018
- Plant & machinery	124.44	81.19
- Others	19.82	7.62
Consumable stores	1,346.80	1,280.99
Other manufacturing expenses	1,852.85	1,541.63
Rates & taxes	168.70	225.14
Insurance	155.96	152.57
Electricity charges	8.59	8.65
Vehicle maintenance	72.41	56.30
Travelling & conveyance	533.46	450.81
Communication costs	56.57	42.33
Printing & stationery	34.46	31.16
Directors' sitting fees	22.74	8.70
Auditors remuneration [refer note (ii)]	35.92	27.40
Professional charges	149.70	160.92
Corporate social responsibility [refer note (iii)]	496.80	605.03
Donations	17.00	5.02
Bank charges	48.70	48.52
Assets written off	6.04	18.37
Advertisement charges	15.24	14.44
Carriage outward	130.49	285.99
Marketing expenses	548.75	301.15
Royalty	1,049.29	1,271.10
Loss on sale of fixed assets	22.97	3.04
Exchange Fluctuation (Net)	295.00	-
Bad debts written off	-	19.14
General expenses	324.39	241.94
<b>Total</b>	<b>11,467.45</b>	<b>10,629.96</b>

### Notes:

#### i) Operating leases:

Lease payments made under operating leases aggregating to ₹198.39 Lakhs (31st March 2018: ₹146.01 Lakhs) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil .

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>ii) Auditors' remuneration comprises of:</b>		
As Auditors	23.60	18.88
Tax matters	-	-
Other services	6.80	4.72
Reimbursement of expenses	5.52	3.80
<b>Total</b>	<b>35.92</b>	<b>27.40</b>

## Notes to Financial Statements for the year ended 31st March 2019

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

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>iii) Corporate Social Responsibility</b>		
Agricultural extension projects	-	494.08
Others	496.80	110.95
<b>Total</b>	<b>496.80</b>	<b>605.03</b>

### 29 Exceptional items :

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Income :</b>		
Anti Dumping duty refund	518.70	-
	518.70	-
<b>Less : Expenditure</b>		
Provision for doubtful loan	0.44	0.42
Anti Dumping duty	-	78.88
	0.44	79.30
	<b>518.26</b>	<b>(79.30)</b>

The exceptional item of ₹518.26 Lakhs for the year ended 31st March 2019 includes refund of differential anti dumping duty of ₹518.70 Lakhs paid (net of expenses) on final determination by the Department of Commerce, USA on the exports made by the company during the financial years from 2015-2016 & 2016-2017 and provision for doubtful advance ₹0.44 Lakhs given to wholly owned subsidiary Svimsan Exports & Imports Private Limited (SEIPL). (Previous Year ₹79.30 Lakhs includes differential anti dumping duty ₹78.88 Lakhs and provision for doubtful advances given to SEIPL ₹0.42 Lakhs.)

### 30 Fair value measurements

Financial instruments by category	As at 31st March 2019		As at 31st March 2018	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial assets</b>				
Investments				
- in equity instruments				
- Quoted	-	2.81	-	3.76
- Unquoted	109.18	-	12.00	-
- in mutual funds	-	47,167.71	-	54,215.32
- in Secured Bonds	2,609.27	-	-	-
- Non Convertible debentures	2,121.12	6,641.53	-	-
Trade receivables	1,609.41	-	1,913.31	-
Cash and cash equivalents	1,205.94	-	580.59	-
Other bank balances	12,865.89	-	790.14	-
Loans	180.13	-	148.63	-
Security deposits	468.04	-	429.89	-
<b>Total financial assets</b>	<b>21,168.98</b>	<b>53,812.05</b>	<b>3,874.56</b>	<b>54,219.08</b>



## Notes to Financial Statements for the year ended 31st March 2019

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

	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Current maturities of long term debt from banks	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-
Security deposits	374.50	-	374.50	-
Trade payables	15,921.78	-	27,245.33	-
Derivative financial instrument	-	10.12	-	-
Capital creditors	8.91	-	-	-
<b>Total Financial Liabilities</b>	<b>16,305.19</b>	<b>10.12</b>	<b>27,619.83</b>	<b>-</b>

### (i) Fair value hierarchy

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

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

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

### 31 Financial Risk Management

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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis credit ratings of customers and subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	Working capital management by Deputy General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.

## Notes to Financial Statements for the year ended 31st March 2019

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

Risk	Exposure arising from	Measurement	Management
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Joint Managing Director. The capital requirements are managed by analyzing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/ payables)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

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

### Credit Risk

#### (i) Credit Risk Management

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

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the

asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

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

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

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

## Notes to Financial Statements for the year ended 31st March 2019

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

### (ii) Provision for expected credit losses

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

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

### Year Ended 31<sup>st</sup> March 2019

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

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	12,865.89	0%	-	12,865.89
	Loans and advances	271.97	34%	91.84	180.13
	Security deposits	468.04	0%	-	468.04

## Notes to Financial Statements for the year ended 31st March 2019

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

### Year Ended 31<sup>st</sup> March 2018

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

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	790.14	0%	-	790.14
	Loans and advances	240.03	38%	91.40	148.63
	Security deposits	429.89	0%	-	429.89

Expected credit loss for trade receivables under simplified approach

### Year ended 31<sup>st</sup> March 2019

Ageing	Not due	1-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	1,574.40	-	25.66	9.35	0	1,609.41
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	1,574.40	0.00	25.66	9.35	0	1,609.41

### Year ended 31<sup>st</sup> March 2018

Ageing	Not due	1-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	1,913.17	0.12	0.02	-	-	1,913.31
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	1,913.17	0.12	0.02	-	-	1,913.31

### Liquidity Risk

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

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

## Notes to Financial Statements for the year ended 31st March 2019

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

### (i) Maturities of financial liabilities

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

#### Contractual cash flows

31 <sup>st</sup> March 2019	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Trade payables	15,921.78	15,921.78	15,921.78	-	-	-
Derivative financial instrument	10.12	10.12	10.12	-	-	-
Capital creditors	8.91	8.91	8.91	-	-	-
Security deposits	374.50	-	-	-	-	-
Total	16,315.31	15,940.81	15,940.81	-	-	-

#### Contractual cash flows

31 <sup>st</sup> March 2018	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Trade payables	27,245.33	27,245.33	27,245.33	-	-	-
Security deposits	374.50	-	-	-	-	-
	27,619.83	27,245.33	27,245.33	-	-	-

### Market Risk - Interest Risk

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

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Variable rate borrowings	-	-
<b>Total</b>	-	-

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

	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable
<b>Financial Liabilities</b>						
Current borrowings	-	-	-	-	-	-
	-	-	-	-	-	-

## Notes to Financial Statements for the year ended 31st March 2019

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

### Sensitivity

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

	Impact on profit after tax	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Interest rate - Increases by 100 basis points	-	-
Interest rate - Decreases by 100 basis points	-	-

### Market risk - Price risk

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

### Foreign currency risk

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

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Amount in Foreign Currency	Amount in ₹ (Lakhs)	Amount in Foreign Currency	Amount in ₹ (Lakhs)
<b>Trade and other payables</b>				
USD	19,45,337.00	1,345.61	48,83,710.00	3,196.67
Euro	-	-	-	-
<b>Advance to suppliers</b>				
USD	1,17,625.00	81.36	1,77,116.00	114.27
Euro	-	-	50,840.00	40.62
<b>Trade Receivables</b>				
USD	24,413.00	16.89	-	-
Euro	-	-	-	-
Balance in EEFC A/c-USD	592960.17	410.16	53,717.26	34.94
<b>Derivatives outstanding Forward contracts</b>				
To buy USD	12,59,750.00	882.88	-	-
To sell USD	5,86,445.00	405.56	-	-
<b>Share application money pending allotment</b>				
IDR	19,56,18,482.00	9.51	-	-
<b>Net exposure (Receivable/ (Payable))</b>	<b>19,50,81,488.17</b>	<b>(350.53)</b>	<b>(46,02,037.00)</b>	<b>(3,006.84)</b>
<b>NET Exposure in USD</b>	<b>5,37,033.83</b>	<b>(359.88)</b>	<b>(46,52,876.74)</b>	<b>(3047.46)</b>

## Notes to Financial Statements for the year ended 31st March 2019

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

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Increase in USD rate by 1%	(3.60)	(30.47)
Decrease in USD rate by 1%	3.60	30.47

### 32 Capital management

#### (a) Risk Management

The Company's objectives when managing capital are to

- > safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital.

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

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

The gearing ratios were as follows:

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2019
Net debt	-	-
Total equity	1,06,228.41	93,788.72
Net debt to equity ratio	-	-

#### (i) Debt covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

#### (b) Dividends

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Equity shares</b>		
i) Final dividend for the year ended 31 <sup>st</sup> March 2018 of ₹6/- per equity share of ₹1/- each (31 March 2017 ₹9/-per equity share of ₹2/- each) per fully paid share.	8,174.74	4,087.37
ii) Dividends not recognised at the end of the reporting period		
iii) In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹4/- per fully paid equity share (31 <sup>st</sup> March 2018 - ₹6/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	5,449.83	8,174.74



## Notes to Financial Statements for the year ended 31st March 2019

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

### 33 Contingent Liabilities

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company *	90.04	3,093.59
Corporate guarantee given under a Multiple Banking Arrangement to SBI and Axis Bank in favour of loan taken by Avanti Frozen Foods Private Limited	15,000.00	11,506.00

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

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai
Total		90.04		

- (i) The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to ₹29.22 Lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
- (ii) Company is importing Squid Liver Powder (SLP) which was one of the raw materials for manufacturing of shrimp feed. SLP was imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

- 2) The Company has given corporate guarantee of ₹15000 Lakhs as on 31.03.2019 (₹11506 Lakhs as on 31.03.2018) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad and Axis Bank Limited, Begumpet, Hyderabad for loan facilities availed by Avanti Frozen Foods Private Limited.

### 34 Commitments

Estimated amount of contracts remaining to be executed to the extent not provided for (net of advances) ₹207.54 Lakhs (31<sup>st</sup> March 2018: Nil).

## Notes to Financial Statements for the year ended 31st March 2019

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

### 35 Earnings per share

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Profit after Tax (PAT)(A)	22,349.48	41,493.84
Weighted average number of equity shares for Basic EPS (B)	13,62,45,630	13,62,45,630
<b>Basic earnings per share (A/B)</b>	<b>16.40</b>	<b>30.46</b>

#### Note:

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

\* during the year ended 31<sup>st</sup> March 2019 the (I) Each equity share of ₹2/- was split (sub divided) to two (2) equity shares of ₹1/- each and (II) bonus equity shares in the ratio of 1:2 (after sub division of shares) were allotted. The split and issue of bonus equity shares resulted in increase in number of shares from 4,54,15,210 equity shares of ₹2/- each to 13,62,45,630 equity shares of ₹1/- each. Pursuant to sub division and issue of bonus shares, the weighted average number of shares and earnings per share of the previous periods have been accordingly re-stated.

### 36 Corporate social responsibility expenditure

- a) Expenditure related to CSR as per section 135 of companies act, 2013 read with schedule VII thereof, against the mandatory spend of ₹757.15 Lakhs.
- b) Amount spent during the year on:

Particulars	As at	As at
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Revenue expenditure on CSR activities	496.80	605.03
<b>Total</b>	<b>496.80</b>	<b>605.03</b>

### 37 Segment reporting

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

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

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

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

#### Segment Revenue and Results

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

## Notes to Financial Statements for the year ended 31st March 2019

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

### 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.

	Shrimp Feed		Wind Mills		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>								
External Sales	2,73,706.27	2,81,369.04	136.07	163.85	-	-	2,73,842.34	2,81,532.89
Inter-segment sales	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>2,73,706.27</b>	<b>2,81,369.04</b>	<b>136.07</b>	<b>163.85</b>	<b>-</b>	<b>-</b>	<b>2,73,842.34</b>	<b>2,81,532.89</b>
<b>Segment Result</b>								
Operating Profit	28,699.37	59,510.56	15.00	53.41	-	-	28,714.37	59,563.99
Other Income	231.37	281.44	9.00	-	4,218.78	3,273.48	4,459.15	3,554.92
Interest Expense	124.58	124.43	-	-	-	-	124.58	124.43
Exceptional item	-	-	-	-	518.26	(79.30)	518.26	(79.30)
Income tax - Current year & previous year	-	-	-	-	10,983.74	20,707.55	10,983.74	20,707.55
- Deferred Tax	-	-	-	-	233.98	713.78	233.98	713.78
<b>Net Profit</b>	<b>28,806.15</b>	<b>59,667.58</b>	<b>24.00</b>	<b>53.41</b>	<b>(6,480.68)</b>	<b>(18,227.13)</b>	<b>22,349.47</b>	<b>41,493.84</b>
<b>Other Information</b>								
Segment Assets	58,412.79	55,812.64	576.41	633.86	68,708.27	70,375.04	1,27,697.47	1,26,821.54
Segment Liabilities	15,638.86	25,504.40	-	10.74	5,830.20	7,517.68	21,469.06	33,032.82
<b>Capital Employed</b>	<b>42,773.93</b>	<b>30,308.24</b>	<b>576.41</b>	<b>623.12</b>	<b>62,878.07</b>	<b>62,857.36</b>	<b>1,06,228.41</b>	<b>93,788.72</b>

## Notes to Financial Statements for the year ended 31st March 2019

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

### 38 Related party disclosures

#### 1. Names of related parties and related party relationship:

##### Related parties where control exists

<b>Subsidiary Companies</b>	Svimsan Exports & Imports Private Limited Avanti Frozen Foods Private Limited (AFFPL)
<b>Related parties with whom transactions have taken place during the year</b>	
<b>Key Managerial Personnel (KMP)</b>	Sri A. Indra Kumar, Chairman and Managing Director Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
<b>Relatives of Key Managerial Personnel</b>	Sri A. Venkata Sanjeev, Manager Operations, AFL Sri A. Nikhilesh Chowdary, Executive Director, AFFPL
<b>Associate Companies</b>	Srivathsa Power Projects Limited Patikari Power Private Limited
<b>Companies in which KMP are interested</b>	Srinivasa Cystine Private Limited SCL Trading Private Limited Sanjeev Agro Vet Private Limited Sri Sai Srinivasa Agro Farms & Developers Private Limited
<b>Entities having significant Influence over the Company</b>	Thai Union Feed Mill Co Ltd, Thailand

#### 2. Related party transactions

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

Particulars	Key Management Personnel		Entities having significant Influence over the Company		Subsidiary		Associate Companies		Entities where KMP are interested	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Remuneration	2,887.21	5,098.56	-	-	-	-	-	-	-	-
Rent paid	3.07	4.30	-	-	-	-	-	-	2.55	2.53
Rent Received	-	-	-	-	-	-	1.20	1.20	0.49	0.49

## Notes to Financial Statements for the year ended 31st March 2019

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

Particulars	Key Management Personnel		Entities having significant Influence over the Company		Subsidiary		Associate Companies		Entities where KMP are interested	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Royalty paid			1,049.29	1,271.10	-	-	-	-	-	-
Loan given	-	-	-	-	0.44	0.42	-	-	-	-
Purchase of MEIS	-	-	-	-	1,522.13	1,206.61	-	-	-	-
Anti Dumping Duty refund	-	-	-	-	421.45	-	-	-	-	-
Sale of Goods	-	-	-	-	316.81	364.68	-	-	-	-
Commission on corporate guarantee	-	-	-	-	32.07	8.56	-	-	-	-
Corporate guarantee given	-	-	-	-	15,000.00	11,506.00	-	-	-	-

### Year end Balances

Particulars	Key Management Personnel		Entities having significant Influence over the Company		Associate Companies		Subsidiary	
	As at		As at		As at		As at	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Investment	-	-	-	-	2,735.06	2,735.06	8,561.00	8,561.00
Remuneration	2,350.59	4,604.73	-	-	-	-	-	-
Royalty			180.46	260.52				
Loans and advances outstanding	-	-	-	-	-	-	420.62	8.56
Corporate guarantee given	-	-	-	-	-	-	15,000.00	11,506.00

## Notes to Financial Statements for the year ended 31st March 2019

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

### 39 Employee Benefits

#### (i) Leave obligations

The leave obligations cover the Company's liability earned leave.

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Current leave obligations expected to be settled within the next 12 months	65.19	-

#### (ii) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary); Employee State Insurance and Superannuation Fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹345.43 Lakhs (31<sup>st</sup> March 2018 - ₹316.50 Lakhs)

#### (iii) Post employment benefit obligation Gratuity

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

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

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening balance</b>	<b>502.19</b>	<b>284.03</b>	<b>218.16</b>	<b>273.01</b>	<b>236.50</b>	<b>36.51</b>
Current Service Cost	71.04	-	71.04	54.23		35.32
Past Service Cost	-		-	44.41		44.41
Interest expense	38.64		38.64	21.83		21.83
Interest income	-	21.85	(21.85)		18.91	
Contributions	-		-	-		-
<b>Total amount recognised in profit or loss</b>	<b>109.68</b>	<b>21.85</b>	<b>87.83</b>	<b>120.47</b>	<b>18.91</b>	<b>101.56</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.04	(6.04)		0.64	(0.64)

**Notes to Financial Statements** for the year ended 31st March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/loss from change in demographic assumptions	39.32		39.32			-
(Gain)/loss from change in financial assumptions	-		-	9.78		9.78
Experience (gains)/losses	21.44		21.44	107.45		107.45
<b>Total amount recognised in other comprehensive income</b>	<b>60.76</b>	<b>6.04</b>	<b>54.72</b>	<b>117.23</b>	<b>0.64</b>	<b>116.59</b>
Employer contributions		218.16	(218.16)		36.50	(36.50)
Benefit payments	(9.39)	(9.39)	-	(8.53)	(8.53)	-
<b>Closing Balance</b>	<b>663.24</b>	<b>520.69</b>	<b>142.55</b>	<b>502.18</b>	<b>284.03</b>	<b>218.16</b>

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Present value of funded obligations	663.24	502.19
Fair value of plan assets	520.69	284.03
Deficit of funded plan	142.55	218.16
Unfunded plans	-	-
Deficit of gratuity plan	142.55	218.16

**(ii) Significant estimates: actuarial assumptions**

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Discount rate	7.70%	7.70%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	5.00%	10.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2006-08) Ult.	IALM (2006-08) Ult.

**(iii) Sensitivity analysis**

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

	Impact on defined benefit obligation							
	Change in assumption			Increase in assumption		Decrease in assumption		
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Discount rate	1.00%	1.00%	Decrease by	61.77	31.36	Increase by	72.84	35.40
Attrition rate	1.00%	1.00%	Decrease by	22.38	19.12	Increase by	31.41	31.23
Salary escalation rate	1.00%	1.00%	Increase by	64.07	32.21	Decrease by	56.52	29.32



## Notes to Financial Statements for the year ended 31st March 2019

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

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

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

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Funds managed by Life Insurance Corporation of India	520.69	284.03
<b>Total</b>	<b>520.69</b>	<b>284.03</b>

### (v) Risk exposure

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

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

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

### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending '31 March 2020 is ₹226.68 Lakhs

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
<b>31-March-20</b>				
Gratuity	52.50	193.04	311.43	1,263.47
<b>Total</b>	<b>52.50</b>	<b>193.04</b>	<b>311.43</b>	<b>1,263.47</b>

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

# INDEPENDENT AUDITORS' REPORT

To the Members of **Avanti Feeds Limited**  
**Report on the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of Avanti Feeds Limited ('the Company') and its subsidiaries (collectively referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2019, the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We

have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matters	Auditor's Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 2.4e and 23 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>- Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Group.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>- Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services, were tested using a combination of DCs, Sales orders, weighment slips, non-returnable gate passes, shipping bills including packing lists, subsequent invoicing, bills of lading, customer acceptances and historical trend of collections and disputes.</li> <li>- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>- We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul> </li> </ul>

S. No	Key Audit Matters	Auditor's Response
2.	<p>Availment of Section 80 IA and Section 80IB benefits under the Income tax Act, 1961.</p> <p>Refer Note 22 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We have reviewed the status of the availment of Sections 80 IA and Section 80 IB benefits under the Income tax Act, 1961 by the Group for its;</p> <ol style="list-style-type: none"> <li data-bbox="711 506 1398 562">i. Windmill division from AY 2012-13 onwards for 10 years as a tax holiday period, which will end in AY 2021-22.</li> <li data-bbox="711 584 1398 663">ii. New Shrimp processing plant at Yerravaram, East Godavari, AP, from AY 2018-19 onwards for 10 years as a tax holiday period, which will end in AY 2027-28.</li> </ol> <p>The current tax benefit availed for FY 18-19 is ₹1,646.50 Lakhs (Previous year- ₹189.82 Lakhs).</p>
3.	<p>The Group enters into various financial instruments such as derivative financial instruments to hedge the Group's exposure to variability in foreign exchange movements, including investments in quoted and unquoted equity instruments, quoted and unquoted mutual funds and quoted non-convertible debentures. As at 31<sup>st</sup> March 2019, financial instruments carried at fair value through profit and loss totaled ₹55,031.10 Lakhs (current investments of ₹48,386.77 Lakhs and non-current investments of ₹6,644.34 Lakhs) as disclosed in Note 6 to the Consolidated Financial Statements and derivative financial liabilities totaled ₹26.04 Lakhs (current liabilities) as disclosed in Note 17 to the Consolidated Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li data-bbox="711 808 1398 954">• Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</li> <li data-bbox="711 976 1398 1178">• Utilizing our treasury experts, we also tested on a sample basis the existence and valuation of such financial instruments as at 31<sup>st</sup> March 2019. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and</li> <li data-bbox="711 1200 1398 1279">• Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in Note 32 to the Consolidated Financial Statements.</p>

S. No	Key Audit Matters	Auditor's Response
4.	<p>Antidumping duty levy (ADD) on the exports to U.S.A. by the Group Under the Tariff Act of 1930, U.S. industries may petition the government for relief from imports that are sold in the United States at less than fair value ("dumped") or which benefit from subsidies provided through foreign government programs. Under the law, the U.S. Department of Commerce (DOC) determines whether the dumping or subsidizing exists and, if so, the margin of dumping or amount of the subsidy; the DOC determines whether there is material injury or threat of material injury to the domestic industry by reason of the dumped or subsidized imports.</p> <p>Antidumping duty investigations are conducted under title VII of the law. The DOC conducts the injury investigations in preliminary and final phases.</p> <p>The provision of this duty payable involves an element of contingency as its based on the judgement of a foreign governing body which might result in a probable outflow/inflow of resources in the future, the amount of which cannot be reliably estimated.</p> <p>Refer Notes 24 and 31 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We assessed the Group's process to identify the impact of the differential between the preliminary and final rates of ADD levy. Our audit approach consisted of:</p> <ul style="list-style-type: none"> <li>Verifying the latest ADD levy rates applicable to the Company as published by US Department of Commerce in the U.S. Federal Register.</li> <li>Selecting a sample of shipments exported, and testing the ADD provided for in respect of each. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these transactions.</li> <li>Selected a sample of continuing and new shipments and performed the following procedures:</li> <li>Read, analyzed and identified the rate of ADD levy.</li> <li>Compared these rates with those as per the latest rates published in the Federal Register.</li> <li>Performed analytical procedures for reasonableness of ADD provided for over the years.</li> <li>We have verified that the Group provides for the ADD in a financial year based on the preliminary rates applicable at the time of export of each of its shipments to the US.</li> </ul> <p>Upon final determination of rates for the particular review period, the differential amount between the preliminary and final rates is either refunded to or paid by the Group, as verified by us.</p>

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies and associate companies which are companies incorporated in India, have adequate internal financial

controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements / financial information of Avanti Frozen Foods Private Limited, Svimsan Exports and Imports Private Limited, subsidiaries, whose financial statements / financial information reflect total assets of ₹42,869.25 Lakhs as at 31<sup>st</sup> March 2019, total revenues of ₹76,207.64 Lakhs and net cash flows amounting to ₹4,509.26 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹25.71 Lakhs for the year ended 31<sup>st</sup> March 2019, as considered in



the consolidated financial statements, in respect of Srivathsa Power Projects Limited and Patikari Power Private Limited, associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and its associates, is based solely on the reports of the other auditors.

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

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

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows dealt with by this Report are in agreement with the books of account maintained for the

purpose of preparation of the consolidated financials statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the Directors of the Group companies and associate companies incorporated in India is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A" which is based on the auditor's reports of the Holding Company, its subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, its subsidiary companies and associate companies to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and



Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note 35 to the consolidated financial statements;
- ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring

amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates incorporated in India.

**For TUKARAM & CO LLP.**

Chartered Accountants  
ICAI Firm Regn. 004436S

**B. Lokanath**

PARTNER  
Membership No.024927

Place: Hyderabad

Date: 07.06.2019

## “Annexure – A” to the Auditors’ Report

Report of even date on the Consolidated Financial Statements of Avanti Feeds Limited

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

In conjunction with our audit of the consolidated financial statements of Avanti Feeds Limited as of and for the year ended 31<sup>st</sup> March, 2019, we have audited the internal financial controls over financial reporting of Avanti Feeds Limited (hereinafter referred to as the “Holding Company”, its subsidiary companies and associate companies which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial

Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India.

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

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

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

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For TUKARAM & CO LLP.**

Chartered Accountants  
ICAI Firm Regn. 004436S

#### **B. Lokanath PARTNER**

Membership No.024927

Place: Hyderabad

Date: 07.06.2019

## Consolidated Balance sheet as at 31<sup>st</sup> March 2019

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

	Note	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant, and equipment	3	29,226.70	31,197.65
Capital work-in-progress	3	900.93	197.29
Intangible assets	4	26.19	16.64
Investments accounted for using the equity method	5	3,146.47	3,120.76
Financial assets			
Investments	6	6,753.52	15.77
Loans	7(a)	95.67	61.69
Other financial assets	8	744.52	620.64
Non-current tax assets (net)	22(b)	2,297.56	864.43
Other non-current assets	9(a)	338.41	298.33
<b>Total Non-current Assets</b>		<b>43,529.97</b>	<b>36,393.20</b>
<b>Current Assets</b>			
Inventories	10	37,906.21	52,481.44
Financial assets			
Investments	6	53,117.16	55,308.56
Trade receivables	11	4,863.69	5,003.45
Cash and cash equivalents	12	5,806.21	671.57
Other Bank balances	13	12,885.06	763.97
Loans	7(b)	97.96	95.53
Other current assets	9(b)	3,275.59	1,908.57
<b>Total Current Assets</b>		<b>1,17,951.88</b>	<b>1,16,233.09</b>
<b>Total Assets</b>		<b>1,61,481.85</b>	<b>1,52,626.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,362.46	908.30
Other equity	15	1,19,234.22	1,02,239.67
<b>Equity attributable to owners</b>		<b>1,20,596.68</b>	<b>1,03,147.97</b>
<b>Non-controlling interest</b>		<b>15,133.28</b>	<b>11,837.32</b>
<b>Total equity</b>		<b>1,35,729.96</b>	<b>1,14,985.29</b>
<b>Liabilities</b>			
Financial liabilities			
Borrowings	16	105.64	183.68
Other financial liabilities	17(a)	374.50	374.50
Provisions	18(a)	167.74	197.28
Deferred tax liabilities (net)	22(a)	1,774.10	2,611.36
Other non-current liabilities	19(a)	1,335.34	1,486.32
<b>Total Non-current Liabilities</b>		<b>3,757.32</b>	<b>4,853.14</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	667.14	364.25
Trade payables			
i) Total outstanding dues of Micro enterprises and small enterprises	21	886.87	1,511.91
ii) Total outstanding dues of creditors other than Micro enterprises - aaa and small enterprises	21	17,104.02	27,142.92
Other financial liabilities	17(b)	543.06	494.16
Other current liabilities	19(b)	2,675.80	3,110.58
Provisions	18(b)	117.68	164.04
<b>Total Current Liabilities</b>		<b>21,994.57</b>	<b>32,787.86</b>
<b>Notes forming part of the Financial Statements</b>	1-43		
<b>Total Equity and Liabilities</b>		<b>1,61,481.85</b>	<b>1,52,626.29</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For **TUKARAM & CO. LLP.**

Chartered Accountants  
Firm Registration No. 004436S

**A. Indra Kumar**

Chairman & Managing Director

**B. LOKANATH**

Partner  
Membership No. 024927

**C. Ramachandra Rao**

Jt. Managing Director  
Company Secretary & CFO

**N. Ram Prasad**

Director

Place: Hyderabad  
Date: 07.06.2019

## Consolidated Statement of profit & loss for the year ended 31<sup>st</sup> March 2019

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

	Note	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Income</b>			
Revenue from operations	23	3,48,777.95	3,39,290.31
Other Income (net)	24	5,382.73	4,824.82
<b>Total Income</b>		<b>3,54,160.68</b>	<b>3,44,115.13</b>
<b>Expenditure :</b>			
Cost of materials consumed	25	2,74,018.03	2,48,518.12
Changes in inventories of finished goods and work-in-progress	26	(324.56)	(7,550.09)
Employee benefits expense	27	10,032.29	11,087.00
Finance costs	29	262.67	296.40
Depreciation and amortisation expense	28	3,583.87	2,375.75
Other expenses	30	24,327.41	18,970.65
<b>Total expenses</b>		<b>3,11,899.71</b>	<b>2,73,697.83</b>
Profit before tax, exceptional items & share in profit of Associates		42,260.97	70,417.30
Add: Share of net profit/(loss) of associates accounted for using the equity method		25.71	111.88
<b>Profit before exceptional items and tax for the year</b>		<b>42,286.68</b>	<b>70,529.18</b>
Exceptional items	31	518.70	(78.88)
<b>Profit before tax</b>		<b>42,805.38</b>	<b>70,450.30</b>
Tax expenses			
Current tax	22c	13,170.44	22,456.01
Earlier year taxes	22c	(189.79)	-
Deferred tax	22c	(837.26)	1,346.35
<b>Total tax expense</b>		<b>12,143.39</b>	<b>23,802.36</b>
<b>Profit for the year</b>		<b>30,661.99</b>	<b>46,647.94</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(62.25)	(125.44)
<b>Total comprehensive income for the year</b>		<b>30,599.74</b>	<b>46,522.50</b>
<b>Attributable to :</b>			
Owners of AFL		27,303.77	44,524.91
Non-controlling interests		3,295.97	1,997.59
<b>Profit is attributable to:</b>			
Owners of AFL		27,363.01	44,646.81
Non-controlling interests		3,298.98	2,001.13
<b>Other comprehensive income is attributable to:</b>			
Owners of AFL		(59.24)	(121.90)
Non-controlling interests		(3.01)	(3.54)
<b>Earnings per equity share</b>			
(Equity shares, par value of ₹ 1/- each)			
Basic and diluted EPS (in ₹)			
Basic		20.08	32.77
Diluted		20.08	32.77
<b>Notes forming part of the Financial Statements</b>			

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For **TUKARAM & CO. LLP.**

Chartered Accountants

Firm Registration No. 004436S

For and on behalf of the Board of Directors

**A. Indra Kumar**

Chairman & Managing Director

**B. LOKANATH**

Partner

Membership No. 024927

**C. Ramachandra Rao**

Jt. Managing Director

Company Secretary & CFO

**N. Ram Prasad**

Director

Place: Hyderabad

Date: 07.06.2019

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2019

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

### a. Equity Share Capital

Particulars	Number of Shares	Amount
<b>Balance at 1<sup>st</sup> April 2017</b>	4,54,15,210	908.30
Changes in equity share capital during the year	-	-
<b>Balance at 31<sup>st</sup> March 2018</b>	4,54,15,210	908.30
Changes in equity share capital during the year	9,08,30,420	454.16
<b>Balance at 31<sup>st</sup> March 2019</b>	13,62,45,630	1,362.46

### b. Other Equity

	Reserves and Surplus				Total
	Capital Reserve	Securities premium	General reserve	Retained earnings	
<b>Balance at 1<sup>st</sup> April 2017</b>	-	456.85	9,124.28	53,053.09	62,634.22
Profit for the year	-	-	-	44,646.81	44,646.81
Remeasurements of the defined benefit plans	-	-	-	(121.90)	(121.90)
Dividends (including corporate dividend tax)	-	-	-	(4,919.46)	(4,919.46)
Transfer of retained earnings to general reserve	-	-	4,000.00	(4,000.00)	-
<b>Balance at 31<sup>st</sup> March 2018</b>	<b>-</b>	<b>456.85</b>	<b>13,124.28</b>	<b>88,658.54</b>	<b>1,02,239.67</b>
<b>Balance at 1<sup>st</sup> April 2018</b>	-	456.85	13,124.28	88,658.54	1,02,239.67
Profit for the year	-	-	-	27,363.01	27,363.01
Utilised for bonus issue	-	(438.00)	(16.15)	-	(454.15)
Remeasurements of the defined benefit plans	-	-	-	(59.24)	(59.24)
Dividends (including corporate dividend tax)	-	-	-	(9,855.07)	(9,855.07)
Transfer of retained earnings to general reserve	-	-	2,000	(2,000)	-
<b>Balance at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>18.85</b>	<b>15,108.13</b>	<b>1,04,107.24</b>	<b>1,19,234.22</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

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

**B. LOKANATH**  
Partner  
Membership No. 024927

Place: Hyderabad  
Date: 07.06.2019

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

For and on behalf of the Board of Directors  
**A. Indra Kumar**  
Chairman & Managing Director

**N. Ram Prasad**  
Director

## Statement of Consolidated Cash Flows for the year ended 31<sup>st</sup> March 2019

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

	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>	42,805.38	70,450.30
<b>Profit before tax</b>		
Adjustments for :		
Depreciation and amortisation expense	3,583.87	2,375.75
Finance costs	262.67	296.40
Loss/ (Profit) on sale of property, plant and equipment	31.57	19.27
Interest income	(534.44)	(74.46)
Dividend income	(1,537.27)	(1,100.21)
Exchange gains/ losses	634.01	(1,359.07)
Gain/loss from sale of financial assets measured at fair value through profit and loss	(1,686.20)	(668.65)
Fair valuation of financial assets measured at fair value through profit and loss	(537.82)	(1,528.66)
Fair valuation of derivatives	26.05	369.36
Share of profit/(loss) from Associates	(25.71)	(111.88)
Amortisation of government grant	(187.19)	(131.12)
<b>Operating profit before working capital changes</b>	42,834.93	68,537.03
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	139.76	(2,662.25)
Loans	(36.41)	(60.84)
Other financial assets	97.83	(227.95)
Inventories	14,575.23	(16,911.67)
Other bank balances	(12,121.09)	(302.90)
Other assets	(1,367.02)	(461.90)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(10,663.92)	3,687.77
Provisions	(133.49)	98.04
Other financial liabilities	48.90	(405.69)
Other current liabilities	(394.70)	580.71
<b>Cash generated from operations</b>	<b>32,980.02</b>	<b>51,870.35</b>
Net income tax paid	(14,603.57)	(23,777.40)
<b>Net cash flow from operating activities (A)</b>	<b>18,376.45</b>	<b>28,092.95</b>
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(2,500.15)	(7,961.20)
Proceeds from sale of Property, Plant and Equipment	81.63	12.87
Investment in Mutual funds	(2,322.34)	(20,176.53)
Interest received	525.19	97.86
Dividend income received	1,537.27	1,100.21
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(2,678.41)</b>	<b>(26,926.78)</b>

**Statement of Cash Flows** for the year ended 31<sup>st</sup> March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>For the year ended 31<sup>st</sup> March 2018</b>
<b>C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>		
Finance costs	(262.67)	(309.75)
Repayment of borrowings	224.85	(800.14)
Dividends paid	(9,905.41)	(4,919.46)
Profit on exchange fluctuations & forward contracts	(634.01)	1,359.07
Funds infused by minority interest resulting in dilution of stake of Holding company	-	-
Government grant subsidiary	-	125.00
<b>Net cash flow (used in) financing activities (C)</b>	<b>(10,577.24)</b>	<b>(4,545.28)</b>
<b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>5,120.80</b>	<b>(3,379.11)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>685.41</b>	<b>4,064.52</b>
<b>Cash and cash equivalents at the end of the year (Refer Note (i) below)</b>	<b>5,806.21</b>	<b>685.41</b>
Note (i): Cash and cash equivalents comprises of:		
Balances with Banks	5,780.55	658.98
Cash in hand	25.66	26.43
	<b>5,806.21</b>	<b>685.41</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

As per our Report of even date  
For **TUKARAM & CO. LLP.**  
Chartered Accountants  
Firm Registration No. 004436S

**B. LOKANATH**  
Partner  
Membership No. 024927

Place: Hyderabad  
Date: 07.06.2019

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

For and on behalf of the Board of Directors

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

**N. Ram Prasad**  
Director



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2019

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

### Background

Avanti Feeds Limited ('AFL or the Company') is a listed public Company under "The Companies Act, 1956", with its registered office in Visakhapatnam. The company started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed. AFL has two subsidiaries (incorporated in India) named Avanti Frozen Foods Private Limited (AFFPL) and Svimsan Exports & Imports Private Limited (SEIPL), AFFPL is engaged in the business of exporting Shrimp. AFL, AFFPL and SEIPL are hereinafter referred to as the 'Group'.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on May 25, 2019.

### 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a. Basis of preparation

##### (i) Compliance with Ind AS

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

The financial statements up to year ended 31<sup>st</sup> March 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

##### (ii) Historical cost convention

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

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

- defined benefit plans- plan assets measured at fair value

##### (iii) Amended standards adopted by the group

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities.

#### b. Principles of consolidation and equity accounting

##### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

##### (ii) Associates

Associates are all entities over which the group has significant influence but not control. This

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

### (iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the impairment policy.

### iv) Changes in Ownership Interest

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect

their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### c. Segment reporting

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

The Chief Financial Officer (CFO) of the Holding Company has been identified as the chief operating decision maker. Refer Note 39 for the segment information presented.

### d. Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

in Indian rupees (INR), which is the Group's functional and presentation currency.

### (ii) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### e. Revenue recognition

The Company earns revenue primarily from sale of Shrimp Feed and Shrimp Exports Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Effective 1<sup>st</sup> April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1<sup>st</sup> April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18.

Refer note 2.4 (C) - Significant accounting policies - Revenue recognition in the Annual report of the Company for the year ended 31<sup>st</sup> March 2018,

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

### f. Government grant

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

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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

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

### g. Income Tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It

establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

### h. Leases

#### As a lessee

Leases in which a significant portion of the risks

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### i. Impairment of assets

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

### j. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### k. Trade receivables

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

### l. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

### m. Investments and other financial assets

#### (i) Classification

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

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

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

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

equity investment at fair value through other comprehensive income.

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

### (ii) Measurement

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

### Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of

impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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

### Equity instruments

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

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

### (iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its



## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Group determines whether there has been a significant increase in credit risk.

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

### (iv) Derecognition of financial assets

A financial asset is derecognised only when - the Group has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

### (v) Income recognition

#### Interest income:

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

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

#### Dividends:

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

#### n. Derivatives

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

#### o. Offsetting financial instruments

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

#### p. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with

## Notes to Consolidated Financial Statements for the year ended 31st March 2019 (All amounts in Lakhs in Indian Rupees, unless otherwise stated)

the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

### q. Intangible assets

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

#### (i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

#### (ii) Amortisation methods and periods

Intangible assets are amortized over their respective individual estimated useful lives of 6 years on a straight line basis.

### r. Trade and other payables

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

### s. Borrowings

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

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



## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

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

### t. Borrowing Cost

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

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

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

### u. Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow

with respect to any one item included in the same class of obligations may be small.

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

### v. Employee benefits

#### (i) Short-term obligations

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

#### (ii) Other long-term employee benefit obligations

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, Employee State Insurance and superannuation fund

### Gratuity obligations

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

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

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

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

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

### Defined contribution plans

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

### (iv) Bonus plans

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

### w. Contributed Equity

#### Equity shares are classified as equity.

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

### x. Dividends

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

### y. Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year.

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### (ii) Diluted earnings per share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### z. Rounding of amounts

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

### 2 Recent accounting pronouncements

Effective date for application of the following amendments is annual period beginning on or after 1<sup>st</sup> April 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

#### Ind AS 116 - Leases :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1<sup>st</sup> April 2019.

The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

#### Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most

## Notes to Consolidated Financial Statements for the year ended 31st March 2019 (All amounts in Lakhs in Indian Rupees, unless otherwise stated)

likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

### Ind AS 12 - Income taxes :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

### Ind AS 109- Prepayment features with Negative compensation :

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

### Ind AS 19 - Plan amendment, curtailment or settlement :

On 30<sup>th</sup> March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

### Ind AS 23 - Borrowing Costs :

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

### Ind AS 28 - Long-term Interests in Associates and Joint Ventures :

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

### Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

## 3: Critical estimates and judgements

Areas involving critical estimates.

Estimation of defined benefit obligation , Refer note: 41

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

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

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Compu-ters	Furni-ture and fixtures	Motor vehicles	Total tangible assets	Capital work - in - progress
<b>Gross Carrying amount</b>													
<b>As at 31st March, 2017</b>	<b>2,592.70</b>	<b>3,599.06</b>	<b>221.18</b>	<b>7,310.22</b>	<b>649.31</b>	<b>1,454.91</b>	<b>253.15</b>	<b>109.06</b>	<b>56.90</b>	<b>135.19</b>	<b>1,009.47</b>	<b>17,391.15</b>	<b>9,721.66</b>
Additions	870.12	2,720.72	142.21	1,602.50	-	1,443.96	121.31	53.63	82.75	103.34	423.11	17,878.67	4,442.14
Disposals	-	-	-	16.08	-	0.76	3.08	0.85	14.08	0.01	18.27	53.13	13,966.51
<b>As at 31st March, 2018</b>	<b>3,462.82</b>	<b>6,319.78</b>	<b>363.39</b>	<b>18,896.64</b>	<b>649.31</b>	<b>2,898.11</b>	<b>371.38</b>	<b>161.84</b>	<b>125.57</b>	<b>238.52</b>	<b>1,414.31</b>	<b>34,901.65</b>	<b>197.29</b>
Additions	188.07	181.72	2.92	603.00	-	138.98	67.07	72.95	35.12	36.88	393.59	1,720.31	779.86
Disposals	21.64	4.00	-	6.55	-	1.42	0.74	0.70	2.21	0.02	139.32	176.59	76.22
<b>As at 31st March, 2019</b>	<b>3,629.25</b>	<b>6,497.50</b>	<b>366.31</b>	<b>19,493.09</b>	<b>649.31</b>	<b>3,035.67</b>	<b>437.71</b>	<b>234.09</b>	<b>158.48</b>	<b>275.38</b>	<b>1,668.58</b>	<b>36,445.38</b>	<b>900.93</b>
<b>Depreciation</b>													
<b>Upto 31st March, 2017</b>	<b>-</b>	<b>94.48</b>	<b>17.43</b>	<b>827.20</b>	<b>54.12</b>	<b>152.59</b>	<b>23.60</b>	<b>25.48</b>	<b>22.47</b>	<b>16.68</b>	<b>118.98</b>	<b>1,353.03</b>	<b>-</b>
Charge for the year	-	189.45	35.40	1,599.62	54.12	216.85	33.65	26.35	26.55	21.48	168.43	2,371.91	-
Disposals	-	-	-	5.06	-	0.30	0.82	0.19	9.45	0.01	5.16	21.00	-
<b>Upto 31st March, 2018</b>	<b>-</b>	<b>283.93</b>	<b>52.83</b>	<b>2,421.76</b>	<b>108.24</b>	<b>369.14</b>	<b>56.43</b>	<b>51.64</b>	<b>39.57</b>	<b>38.15</b>	<b>282.25</b>	<b>3,703.95</b>	<b>-</b>
<b>Charge for the year</b>	<b>-</b>	<b>267.26</b>	<b>41.83</b>	<b>2,526.37</b>	<b>54.12</b>	<b>329.60</b>	<b>45.34</b>	<b>36.87</b>	<b>43.69</b>	<b>28.59</b>	<b>204.41</b>	<b>3,578.09</b>	<b>-</b>
Disposals	-	0.43	-	2.20	-	0.51	0.34	0.66	2.11	0.02	57.08	63.35	-
<b>Upto 31st March, 2019</b>	<b>-</b>	<b>550.76</b>	<b>94.66</b>	<b>4,945.93</b>	<b>162.36</b>	<b>698.23</b>	<b>101.43</b>	<b>87.85</b>	<b>81.15</b>	<b>66.72</b>	<b>429.58</b>	<b>7,218.68</b>	<b>-</b>
<b>Net Carrying amount</b>													
<b>As at 31st March, 2018</b>	<b>3,462.82</b>	<b>6,035.84</b>	<b>310.56</b>	<b>16,474.88</b>	<b>541.07</b>	<b>2,528.93</b>	<b>314.94</b>	<b>110.20</b>	<b>86.00</b>	<b>200.35</b>	<b>1,132.06</b>	<b>31,197.65</b>	<b>197.29</b>
<b>As at 31st March, 2019</b>	<b>3,629.25</b>	<b>5,946.73</b>	<b>271.65</b>	<b>14,547.16</b>	<b>486.95</b>	<b>2,337.44</b>	<b>336.27</b>	<b>146.24</b>	<b>77.33</b>	<b>208.66</b>	<b>1,239.00</b>	<b>29,226.70</b>	<b>900.93</b>

Notes:

- Refer to note 20 for information on property, plant and equipment pledged as security by the company.
- Gross value of assets as at 31st March 2019 includes ₹1,130.52 Lakhs of government grant availed under the scheme of Export Promotion Capital Goods Scheme (31st March 2018: ₹1,094.34 Lakhs). (refer Note 19)
- Refer to note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 4. Intangible assets

	Computer software
<b>Gross Carrying amount</b>	
<b>As at 31<sup>st</sup> March 2017</b>	<b>12.26</b>
Additions	12.01
Disposals	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>24.27</b>
Additions	15.34
Disposals	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>39.61</b>
<b>Depreciation</b>	
Upto 31 <sup>st</sup> March 2017	3.79
Charge for the year	3.84
Disposals	-
<b>Upto 31<sup>st</sup> March 2018</b>	<b>7.63</b>
Charge for the year	5.79
Disposals	-
<b>Upto 31<sup>st</sup> March 2019</b>	<b>13.42</b>
<b>Net Carrying amount</b>	
<b>As at 31<sup>st</sup> March 2018</b>	<b>16.64</b>
<b>As at 31<sup>st</sup> March 2019</b>	<b>26.19</b>

### 5. Investments accounted for using the equity method

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Equity instruments of associate Company (unquoted)</b>		
Srivathsa Power Projects Limited		
1,66,93,630 (31 <sup>st</sup> March 2018: 1,66,93,630) equity shares of ₹10/- each fully paid up	2,129.64	2,241.38
Patikari Power Private Limited *		
1,06,45,200 (31 <sup>st</sup> March 2018: 1,06,45,200) equity shares of ₹10/- each fully paid up	1,016.83	879.38
* Out of 1,06,45,200 equity shares, 42,50,000 shares have been pledged with respect to loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.		
<b>Total (A)</b>	<b>3,146.47</b>	<b>3,120.76</b>

### 6. Investments:

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a) Non - Current Investments (Refer Note i below)</b>		
<b>Investments carried at cost</b>		
Equity instruments of other entities (unquoted)	109.18	12.00
<b>Investment carried at fair value through profit and loss</b>		
(i) Equity instruments (quoted)	2.81	3.77
(ii) Investments in Non Convertible Debentures - Quoted	6,641.53	-
	<b>6,753.52</b>	<b>15.77</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>b) Current investments (Refer Note ii below)</b>		
<b>Investment carried at fair value through profit and loss</b>		
Investments in Mutual Funds (quoted)	48,386.77	55,308.56
<b>Investment carried at amortised cost</b>		
<b>(i) Investments in Secured Bonds - Quoted</b>		
LIC Housing Finance Ltd 2019 (secured) bonds	2,609.27	-
<b>(ii) Investments in Non Convertible Debentures- Quoted</b>		
HDFC Ltd SR-M 015 9.45	2,121.12	-
	<b>53,117.16</b>	<b>55,308.56</b>
<b>Note (i)</b>		
<b>Equity instruments (quoted)</b>		
IDBI Bank Limited		
2,880 (31 <sup>st</sup> March 2018: 2,880) equity shares of ₹10/- each fully paid up	1.34	2.09
UCO Bank Limited		
7,800 (31 <sup>st</sup> March 2018: 7,800) equity shares of ₹10/- each fully paid up	1.47	1.68
<b>Total (A)</b>	<b>2.81</b>	<b>3.77</b>
<b>Equity instruments other entity (unquoted)</b>		
Bhimavaram Hospitals Limited		
1,20,000 (31 <sup>st</sup> March 2018: 1,20,000) equity shares of ₹10/- each fully paid up	12.00	12.00
PT Thai Union Kharisma Lestari		
1,99,920 (31 <sup>st</sup> March 2018: NIL) equity shares of IDR 10,000/- each fully paid up	97.18	-
<b>Total (B)</b>	<b>109.18</b>	<b>12.00</b>
<b>Investments in Non Convertible Debentures- Quoted</b>		
HDB Financial Services Ltd Sr A/O(MI)/1 Br NCD	3,106.94	-
Mahindra And Mahindra Financial Services Ltd As2018 BR NCD	1,011.40	-
Tata Capital Financial Services Ltd Sr Tr A 2018-19 Tr I BR NCD	2,523.19	-
	6,641.53	-
Aggregate amount of quoted investments and market value thereof	6,644.34	3.77
Aggregate amount of unquoted investments	3,255.65	3,132.76
Aggregate amount of impairment in the value of investments	-	-
<b>Note (ii)</b>		
<b>Current investments</b>		
<b>Investment in quoted mutual funds</b>		
SBI - Premier Liquid Fund - 96373.907 units of ₹1003.25 each (31 <sup>st</sup> March 2018; 866138.75units of ₹1003.25 each)	966.87	8,689.54
HDFC Floating Rate Income Fund - STP - Wholesale Growth - 5152012 units of ₹32.5031 each (31 <sup>st</sup> March 2018 ; 5152012 units of ₹30.2436 each)	1,674.56	1,558.15



## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
ICICI - Pru - Flexible Income Plan Growth - NIL (31 <sup>st</sup> March 2018 : 1989086.936 units of ₹260.2065each)	-	5,176.81
Kotak Low duration Fund Standard Growth (Regular Plan) - NIL (31 <sup>st</sup> March 2018; 257840.784 units of ₹2122.9824 each)	-	5,473.91
Birla Sunlife Savings Fund - Growth Regular Plan - 1486.60 units of ₹368.9824 each (31 <sup>st</sup> March 2018: 1486.60 units of ₹341.9069 each)	5.49	5.08
Aditya Birla Sunlife Savings Cash Manager - NIL (31 <sup>st</sup> March 2018 617775.12 units of ₹417.5546 of each)	-	2,579.55
Franklin Ultra Short Term Fund - SIP - Growth - 21636685.43 units of ₹26.2888 each (31 <sup>st</sup> March 2018; 21636685.43 units of ₹24.0531 each)	5,683.70	5,204.29
Baroda Pioneer Treasure Advantage - NIL (31 <sup>st</sup> March 2018 ; 255109.993 units of ₹2033.1430 each)	-	5,186.75
IDFC Ultra Short Term Fund - 6305779.878 units of ₹26.4976 each (31 <sup>st</sup> March 2018; 6305779 units of ₹24.6253 each)	1,670.88	1,552.83
IDFC Credit Opprtunities Fund - Reular Plan - NIL (31 <sup>st</sup> March 2018; 19183578.17 units of ₹10.7189 each)	-	2,056.27
Franklin India Low Duration Fund - Growth - NIL (31 <sup>st</sup> March 2018; 26016733.96 units of ₹19.9756 each)	-	5,197.00
Reliance Regular Savings Fund - Debt Plan - G - G. Option - NIL (31 <sup>st</sup> March 2018 ; 8516690.584 units of ₹24.2077 each)	-	2,061.69
Reliance Corporate Bond Fund - Growth Plan - NIL (31 <sup>st</sup> March 2018; 14596941.94 units of ₹14.0131 each)	-	2,045.48
L & T Income Opportunities Fund - NIL (31 <sup>st</sup> March 2018; 10339176.19 units of ₹19.9074 each)	-	2,058.26
Kotak Income Opportunities Fund - Growth Regular - NIL (31 <sup>st</sup> March 2018; 10778765.83 units of ₹19.1253 each)	-	2,061.47
Kotak Low duraiton Fund - Standard Plan (G)- 343284.732 units of ₹2286.4203 each (31 <sup>st</sup> March 2018; 85448.948 units of ₹2122.9824 each)	7,849.05	1,814.07
Reliance Money Manager - Growth plan growth option - NIL (31 <sup>st</sup> March 2018; 108053.089 units of ₹2,394.5731 each)	-	2,587.41
IDFC arbitrage fund-monthly dividend (R.P.) - 28465906.623 units of ₹12.7372 each (31 <sup>st</sup> March 2018 NIL)	3,625.76	-
Kotak equity arbitrage fund - regular (DRI) - 20754414.483 units of ₹23.0666 each (31 <sup>st</sup> March 2018 NIL)	4,787.34	-
Reliance arbitrage advantage fund - regular (DIR) - 86216525.637 units of ₹10.6263 each (31 <sup>st</sup> March 2018 NIL)	9,161.63	-
Reliance liquid fund-treasury plan(G) - growth option(LFIGG) - 47688.022 units of 4539.2103 each (31 <sup>st</sup> March 2018: NIL)	2,163.75	-
SBI Magnum low duration fund - 243093.077 units of ₹1010.54 each (31 <sup>st</sup> March 2018 NIL)	2,456.56	-
SBI Magnum ultra short duration fund - 482917.040 units of ₹1675.03 each (31 <sup>st</sup> March 2018 NIL)	8,089.01	-

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Franklin Templeton India Savings Fund - 25,16,496.925 units of ₹10.0215 each (31 <sup>st</sup> March 2018: NIL units)	252.19	-
	<b>48,386.77</b>	<b>55,308.56</b>
Aggregate amount of quoted investments and market value thereof	53,117.16	55,308.56
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

### 7. Loans :

Description of Assets	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a.) Non Current</b>		
Unsecured, considered good		
Loans to employees	95.67	61.69
	<b>95.67</b>	<b>61.69</b>
<b>b.) Current</b>		
Unsecured, considered good		
Loans to employees	97.96	95.53
<b>Total</b>	<b>97.96</b>	<b>95.53</b>

### 8. Other Financial Assets :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Non Current</b>		
Unsecured, considered good		
Margin Money Accounts*	39.22	67.06
Security deposits	695.79	553.58
Share application money pending allotment	9.51	-
	<b>744.52</b>	<b>620.64</b>

\* Margin Money deposits with bank of a carrying amount of ₹39.22 Lakhs (31<sup>st</sup> March 2018: 67.06 Lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

### 9. Other Assets :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a.) Non Current</b>		
Unsecured, considered good		
Capital advances	217.40	177.32
Taxes paid under protest	121.01	121.01
<b>Total</b>	<b>338.41</b>	<b>298.33</b>

**Notes to Consolidated Financial Statements** for the year ended 31st March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>b.) Current</b>		
Unsecured, considered good		
Prepaid expenses	263.29	370.24
Advance for purchases	73.53	66.24
Export incentives receivable	1,604.37	954.78
MEIS Licenses on hand	1,076.28	289.87
Advance to suppliers	220.70	199.27
Interest accrued on electricity deposits	37.42	28.17
<b>Total</b>	<b>3,275.59</b>	<b>1,908.57</b>

**10. Inventories (valued at lower of cost or net realizable value)**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Raw materials (includes good in transit)		
In godown	16,159.71	31,762.68
In goods in transit	212.91	183.50
Packing materials	732.77	418.55
Work-in-process	723.08	860.90
Finished goods		
Finished goods	10,021.45	13,187.02
Stock-in-transit	7,690.41	4,062.46
Stores and spares	2,365.88	2,006.33
<b>Total</b>	<b>37,906.21</b>	<b>52,481.44</b>

**11. Trade receivables**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Secured & Considered Good :	4,395.37	1,723.73
Unsecured, considered good	624.33	3,279.72
Less: Allowance for bad & doubtful debts	(156.01)	-
<b>Total</b>	<b>4,863.69</b>	<b>5,003.45</b>

**12. Cash and cash equivalents**

	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
Balances with banks :		
-In current accounts	5,780.55	645.14
Cash in hand	25.66	26.43
<b>Total</b>	<b>5,806.21</b>	<b>671.57</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 13. Other bank balances

	As at 31st March 2019	As at 31st March 2018
Unpaid dividend accounts	180.28	129.94
Deposit Accounts	12,114.23	0.77
Margin money accounts*	590.55	633.26
<b>Total</b>	<b>12,885.06</b>	<b>763.97</b>

\* Margin Money deposits with bank of a carrying amount of ₹590.55 Lakhs (31st March 2018: 633.26 Lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

### 14. Equity share capital

	As at 31st March 2019	As at 31st March 2018
<b>Authorised share capital:</b>		
15,85,00,000 equity shares of ₹1/- each (31st March 2018: 7,92,50,000 equity shares of ₹2/- each)	1,585.00	1,585.00
<b>Issued, subscribed and fully paid up capital:</b>		
13,62,45,630 equity shares of ₹1/- each (31st March 2018: 4,54,15,210 equity shares of ₹2/- each)*	1,362.46	908.30
<b>Total</b>	<b>1,362.46</b>	<b>908.30</b>

\*The Board of Directors of the Company at its meeting held on 09.05.2018, recommended a proposal for sub division of each equity share of ₹2/- into two (2) equity shares of ₹1/- each and issue of bonus equity shares in the ratio of 1:2 (after sub division of shares). The split and issue of bonus equity shares resulted in increase in number of shares from 4,54,15,210 equity shares of ₹2/- each to 13,62,45,630 equity shares of ₹1/- each. The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹438 Lakhs and general reserve amounting to ₹16.15 Lakhs. which was approved by the shareholders by means of a special resolution through E.G.M. held on 14.06.2018.

Notes:

#### (a) Reconciliation of the number of shares outstanding:

	Number of shares	Amount
Balance at April 1, 2017	4,54,15,210	908.30
Shares issued during the year	-	-
Balance at 31st March 2018	4,54,15,210	908.30
Shares issued during the year	9,08,30,420	454.16
Balance at 31st March 2019	13,62,45,630	1,362.46

#### (b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2019		As at 31st March 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Equity shares of ₹1/- each fully paid up (31st March 2018: ₹2/- each)</b>				
1. Srinivasa Cystine Private Limited	3,62,99,115	26.64	1,20,99,705	26.64

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

Name of the shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
2. Thai Union Group Public Company Limited	2,10,30,630	15.44	70,10,210	15.44
3. Thai Union Asia Investment Holding Limited	1,19,54,826	8.77	42,74,675	9.41
4. Alluri Indra Kumar	83,30,700	6.11	27,76,900	6.11
5. Alluri Indra Kumar (HUF)	81,89,250	6.01	27,29,750	6.01

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

### (c) Rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹1/- per share (previous year ₹2/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

### (d) Equity shares movement during the 5 years preceding 31<sup>st</sup> March 2019 on account of Equity shares issued as bonus

The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹438 Lakhs and general reserve amounting to ₹16.15 Lakhs, which was approved by the shareholders by means of a special resolution through E.G.M. held on 14.06.2018.

### 15. Other equity

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Securities premium	18.85	456.85
General reserve	15,108.13	13,124.28
Retained earnings	1,04,107.24	88,658.54
<b>Total Other Equity</b>	<b>1,19,234.22</b>	<b>1,02,239.67</b>
<b>Securities premium</b>		
Balance at beginning of year	456.85	456.85
Less: Utilised for bonus issue	(438.00)	-
<b>Balance at end of year</b>	<b>18.85</b>	<b>456.85</b>
<b>General Reserve</b>		
Balance at beginning of year	13,124.28	9,124.28
Less: Utilised for bonus issue	(16.15)	-
Transferred from Surplus in Statement of Profit and Loss	2,000	4,000.00

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Balance at end of year</b>	<b>15,108.13</b>	<b>13,124.28</b>
<b>Retained earnings</b>		
Balance at beginning of year	88,658.54	53,053.09
Profit attributable to owners of the Company	27,363.01	44,646.81
Remeasurements of the defined benefit plans	(59.24)	(121.90)
Profits transferred to General Reserve	(2,000.00)	(4,000.00)
Dividend declared during the year (including tax thereon)	(9,855.07)	(4,919.46)
<b>Balance at end of year</b>	<b>1,04,107.24</b>	<b>88,658.54</b>

### General Reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The reserve is utilised for Bonus issue in accordance with the provisions of Companies Act 2013.

### Securities premium:

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

## 16. Non-current borrowings

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Secured</b>		
Vehicle loans	105.64	183.68
<b>Total non-current borrowings</b>	<b>105.64</b>	<b>183.68</b>

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

### Summary of borrowing arrangements

#### Vehicle loans:

Nature of Security & Terms of Repayment :

Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in equal monthly installments as stipulated in the agreements with the lenders.

## 17. Other financial liabilities

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a.) Non - Current</b>		
Security deposits*	374.50	374.50
<b>Total</b>	<b>374.50</b>	<b>374.50</b>
<b>b.) Current</b>		
Current maturities of Long term borrowings (refer note 16)		
vehicles loan	160.92	139.06
Unpaid dividend	180.28	129.94
Derivative financial instrument	26.04	65.39
Creditors for capital works	175.82	159.77
<b>Total</b>	<b>543.06</b>	<b>494.16</b>

\*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31<sup>st</sup> March 2018: 9% p.a.).

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 18. Provisions

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Provisions (refer note 41)</b>		
Provision for gratuity	171.73	246.99
Provision for leave encashment	113.69	114.33
	285.42	361.32
a. Non - Current portion	167.74	197.28
b. Current portion	117.68	164.04
<b>Total</b>	<b>285.42</b>	<b>361.32</b>

### 19. Other Liabilities :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a) Non-Current</b>		
Unamortised government grants (refer note (i) and (ii) below)	1,335.34	1,486.32
	<b>1,335.34</b>	<b>1,486.32</b>
<b>b) Current</b>		
Advance from customers	2,503.11	2,873.14
Statutory dues	172.69	237.44
<b>Total</b>	<b>2,675.80</b>	<b>3,110.58</b>

#### Unamortised government grants includes

(i) Investment subsidy of ₹500.00 Lakhs received from Andhra Pradesh Food Processing Society, Government of Andhra Pradesh for setting up of new shrimp processing unit at Yerravaram, East Godavari District, Andhra Pradesh. There are no unfulfilled conditions or other contingencies attaching to these grants. As these grants are in relation to property, plant and equipment and buildings, the same has been capitalised and amortised on a systematic basis over the useful life of respect assets. The carrying value of the grant as at 31<sup>st</sup> March 2019 is ₹421.01 Lakhs (31<sup>st</sup> March 2018: ₹470.98 Lakhs).

(ii) Waiver of duties of ₹1,130.52 Lakhs on import of or domestically sourced property, plant and equipment, availed under Export Promotion Capital Goods Scheme. There are no unfulfilled conditions or other contingencies attaching to these grants. As these grants are in relation to property, plant and equipment, the same has been capitalised and amortised over the useful life of respect assets. The carrying value of the grant as at 31<sup>st</sup> March 2019 is ₹914.32 Lakhs (31<sup>st</sup> March 2018: ₹1,015.34 Lakhs).

### 20. Current borrowings :

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Secured:</b>		
Working capital loan from State Bank India	-	364.25
Working capital loan from Axis Bank	667.14	-
<b>Total</b>	<b>667.14</b>	<b>364.25</b>

#### Notes:

##### Working capital loan:

##### Avanti Frozen Foods Private Limited

"The working capital limits, sanctioned by State Bank of India and Axis Bank as at March 31, 2019, are ₹8,000.00 lakhs and ₹4,000.00 lakhs, respectively (March 31, 2018: ₹7,000.00 lakhs and ₹2,000.00 lakhs, respectively).



## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

The loans are secured by way of first charge on all chargeable current assets of the Company, fixed assets of shrimp processing Plants at Yerravaram and Gopalapuram, Andhra Pradesh and corporate guarantee of Avanti Feeds Limited. The working capital loans are repayable on demand and carries interest rate of LIBOR+55bps p.a. and LIBOR+50bps p.a. on pre-shipment credit in foreign currency from State Bank of India and Axis Bank, respectively. In case of cash credit facility the interest rates are 8.70% p.a. and 8.65% p.a. from State Bank of India and Axis Bank, respectively.

Note: Debit balance in cash credit accounts as at March 31, 2019 have been grouped under the head "Cash and cash equivalents"

### Avanti Feeds Limited

(a) Working Capital loans of Rs. NIL ( P.Y. Rs.NIL) was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the company and personal guarantee of Mr.A.Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @ 8.70% p.a.

(b) Working capital loans of Rs.Nil (31st March 2018 Rs.Nil) was availed from Cooperative Rabobank U.A., Mumbai. The loan is secured by first charge on all current assets and second charge on fixed assets of the Company. The loan is repayable on demand and carries interest @8.50% p.a

Note: Debit balance in cash credit accounts as at March 31, 2019 have been grouped under the head "Cash and Cash equivalents"

The Company has unutilised cash credit limits of Rs.5500.00 lakhs and Rs. 2000 lakhs as of 31st March 2019 from State bank of India, Industrial Branch, Hyderabad and Rabobank U.A., Mumbai, respectively for working capital requirements. The company has the right to draw upon this line of credit based on its working capital requirements.

### 21. Trade payable

	As at 31st March 2019	As at 31st March 2018
Dues to micro enterprises and small enterprises (Refer Note below)	886.87	1,511.91
Dues to creditors other than micro enterprises and small enterprises	17,104.02	27,142.92
	<b>17,990.89</b>	<b>28,654.83</b>

#### Dues to micro and small enterprises:

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

	As at 31st March 2019	As at 31st March 2018
Principal amount remaining unpaid to any supplier as at the end of the accounting year	885.87	1,511.91
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.00	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	1.00	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1.00	-

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 22. Income Taxes :

#### (a) Deferred taxes

##### For the year ended 31<sup>st</sup> March 2018

	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/ (assets) in relation to				
Depreciation & Amortization	1,001.11	974.22	-	1,975.33
Fair valuation of Investments	129.62	528.25	-	657.87
Fair valuation of derivative instruments	136.35	(158.98)	-	(22.63)
Others	(2.07)	2.86		0.79
<b>Total</b>	<b>1,265.01</b>	<b>1,346.35</b>	<b>-</b>	<b>2,611.36</b>

##### For the year ended 31<sup>st</sup> March 2019

	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax liabilities/ (assets) in relation to				
Depreciation & Amortization	1,975.33	(80.12)	-	1,895.21
Fair valuation of Investments	657.87	194.45	-	852.32
Fair valuation of derivative instruments	(22.63)	14.46	-	(8.17)
Provision for doubtful debts	-	(45.43)		(45.43)
MAT Credit Entitlement under Section 115JAA	-	(920.46)		(920.46)
Others	0.79	(0.15)		0.64
<b>Total</b>	<b>2,611.36</b>	<b>(837.26)</b>	<b>-</b>	<b>1,774.10</b>

#### (b) Tax Assets

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Non - current tax assets (net of provision for tax)	2,297.56	864.43
<b>Total</b>	<b>2,297.56</b>	<b>864.43</b>

#### c. Tax Expense recognised in Profit and Loss

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Current tax</b>		
In respect of the current year	13,170.44	22,456.01
In respect of the earlier years	(189.79)	-
	<b>12,980.65</b>	<b>22,456.01</b>
<b>Deferred tax</b>		
In respect of the current year	(837.26)	1,346.35
	(837.26)	1,346.35
<b>Total tax expense</b>	<b>12,143.39</b>	<b>23,802.36</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### (d) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended 31st March 2019	For the year ended 31st March 2018
Profit before tax	42,805.38	70,450.30
Income tax expense	14,957.91	24,381.00
Weighted average deduction under u/s 35CCC	-	(85.50)
Deduction u/s 80IB of Income Tax Act (Refer note:1 below)	(1,618.76)	(152.22)
Exempt income	(534.56)	(380.76)
Deduction u/s 80IA (Refer note: 2 below)	(27.74)	(37.60)
14A disallowance	109.15	85.24
Expenses not deductible	(11.44)	(8.84)
Impact of opening deferred tax liability due to change in effective tax rate	(98.90)	-
Tax expense of earlier years	(189.79)	-
Interest on Income tax	8.91	-
Corporate Social Responsibility & Donations	82.51	-
Tax impact on subsidiary profit subject to lower tax rate	(534.24)	-
Others	0.35	1.04
	<b>12,143.39</b>	<b>23,802.36</b>

#### Note:

- Avanti Frozen Foods Private Limited has been availing deduction under section 80IB of the Income Tax Act, 1961 for the new shrimp processing Plant at Yerravaram, East Godavari, Andhra Pradesh, from the financial year 2017-18. The tax benefit on account of deduction 80IB for the year ended 31st March 2019 is ₹1,618.76 Lakhs (year ended 31st March 2018: ₹152.22 Lakhs).
- Avanti Feeds Limited has been availing deduction under section 80IA of the Income Tax Act 1961 for setting up of Wind mills for power generation at Lakkihalli, Chitradurga district, Karnataka, from the financial year 2011-2012. The tax benefit on account of deduction 80IA for the year ended 31st March 2019 is ₹27.74 Lakhs (year ended 31st March 2018: ₹37.60 Lakhs)

### 23 Revenue from operations

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Sale of Products</b>		
Finished goods	3,42,457.73	3,34,650.84
<b>Other operating revenue</b>		
Government grant - Export incentives	6,320.22	4,639.47
<b>Total</b>	<b>3,48,777.95</b>	<b>3,39,290.31</b>

### 24 Other income (net)

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Interest on :</b>		
Bank deposits	294.82	36.44
Bonds & Debentures	201.98	-
Others	37.64	38.02
Gain/ (loss) on sale of mutual Fund	1,686.20	668.65
Profit on sale of property, plant and equipment	-	2.14

**Notes to Consolidated Financial Statements** for the year ended 31st March 2019  
(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
Other non-operating income	925.86	329.87
Fair value gain/(loss) on financial instruments measured at fair value through profit and loss	537.82	1,528.66
Exchange differences (net)	-	1,359.07
Fair value gain/(loss) on derivatives measured at fair value through profit and loss	(26.05)	(369.36)
Dividend income from investments mandatorily measured at fair value through profit or loss	1,537.27	1,100.21
Amortisation of government grant	187.19	131.12
<b>Total</b>	<b>5,382.73</b>	<b>4,824.82</b>

**25 Cost of materials consumed**

	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
Inventory at the beginning of the year	32,364.73	22,917.44
Add: Purchases	2,58,758.69	2,57,965.40
	<b>2,91,123.42</b>	<b>2,80,882.84</b>
Less: Inventory at the end of the year	17,105.39	32,364.72
<b>Cost of materials consumed</b>	<b>2,74,018.03</b>	<b>2,48,518.12</b>

**26 Changes in inventories of finished goods and work-in-progress**

	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
<b>Closing Stock:</b>		
Finished goods	17,711.86	17,249.48
Work-in-progress	723.08	860.90
	<b>18,434.94</b>	<b>18,110.38</b>
<b>Opening Stock:</b>		
Finished goods	17,249.48	10,221.35
Work-in-progress	860.90	338.94
	<b>18,110.38</b>	<b>10,560.29</b>
<b>Net(increase) /decrease</b>	<b>(324.56)</b>	(7,550.09)

**27 Employee benefits expense**

	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
Salaries, wages and bonus	9,232.24	10,411.49
Contribution to provident and other funds	501.90	399.98
Gratuity expense	109.64	121.65
Staff welfare expenses	188.51	153.88
<b>Total</b>	<b>10,032.29</b>	<b>11,087.00</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 28 Depreciation and amortisation expense

	For the year ended 31st March 2019	For the year ended 31st March 2018
Depreciation of property, plant and equipment	3,578.08	2,371.91
Amortisation of intangible assets	5.79	3.84
<b>Total</b>	<b>3,583.87</b>	<b>2,375.75</b>

### 29 Finance costs

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Interest expense</b>		
- Interest on bank overdrafts and loans	104.99	160.76
- Interest on income tax	37.47	-
Other borrowing costs	120.21	135.64
<b>Total</b>	<b>262.67</b>	<b>296.40</b>

### 30 Other expenses

	For the year ended 31st March 2019	For the year ended 31st March 2018
Rent (Refer Note i)	319.02	185.69
Power and fuel	5,352.01	4,926.33
Repairs and maintenance;		
- Buildings	286.87	174.49
- Plant and machinery	380.88	270.69
- Others	22.49	9.77
Consumable stores	2,206.75	2,073.73
Other manufacturing expenses	5,111.29	3,623.52
Rates and taxes	198.42	248.27
Insurance	420.51	272.73
Electricity Charges	8.59	8.65
Vehicle maintenance	154.74	91.82
Travelling and conveyance	618.00	518.96
Communication expenses	74.27	58.78
Printing and stationery	51.85	44.15
Directors' Sitting Fee	24.64	9.60
Auditors Remuneration (refer note (ii))	58.64	37.82
Professional charges	196.24	222.78
Corporate Social Responsibility (refer note iii)	498.70	605.03
Corporate Social Responsibility (refer note iii)		
Donations	17.00	5.02
Bank charges	228.80	183.09
Assets written off	6.04	18.37
Advertisement	15.75	24.10
Carriage outward	431.94	477.37
Ocean freight and export expenses	3,075.40	2,066.59
Marketing expenses	2,155.96	1,100.16
Royalty	1,049.29	1,271.10
Loss on sale of fixed assets	25.53	3.04
Bad debts written off	-	19.14

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	For the year ended 31st March 2019	For the year ended 31st March 2018
Allowance for bad and doubtful debts	156.01	-
Exchange fluctuation (Net)	634.01	-
General expenses	547.77	419.86
<b>Total:</b>	<b>24,327.41</b>	<b>18,970.65</b>

### Notes:

#### i) Operating leases:

Lease payments made under operating leases aggregating to ₹319.02 Lakhs (31st March 2018: ₹185.69 Lakhs) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil.

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>ii) Auditors' remuneration comprises of:</b>		
As Auditors	35.70	28.03
Tax Matters	10.03	1.18
Other Services	6.80	4.72
Reimbursement of expenses	6.11	3.89
<b>Total</b>	<b>58.64</b>	<b>37.82</b>
<b>iii) Corporate Social Responsibility</b>		
Others	498.70	110.95
Agricultural extension projects	-	494.08
<b>Total</b>	<b>498.70</b>	<b>605.03</b>

#### 31 Exceptional items :

	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>Income</b>		
Anti Dumping duty refund	518.70	-
<b>Total</b>	<b>518.70</b>	<b>-</b>
<b>Expenditure</b>		
Anti Dumping duty	-	78.88
<b>Total</b>	<b>518.70</b>	<b>(78.88)</b>

The exceptional item of ₹518.70 Lakhs for the year ended 31st March 2019 is refund of differential anti dumping duty (net of expenses) on final determination by the Department of Commerce, USA on the exports made by the company during the financial years from 2015-16 to 2016-17 and provision (Previous Year ₹78.88 Lakhs is differential anti dumping duty)

#### 32 Fair value measurements

Financial instruments by category	As at 31st March 2019		As at 31st March 2018	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial Assets</b>				
Investments				
- in equity instruments (quoted)	-	2.81	-	3.77

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

Financial instruments by category	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Amortised Cost	FVPL	Amortised Cost	FVPL
- in equity instruments (unquoted)	109.18	-	12.00	-
- in mutual funds	-	48,386.77	-	55,308.56
- in Secured Bonds	2,609.27	-	-	-
- Non Convertible debentures	2,121.12	6,641.53	-	-
Trade receivables	4,863.69	-	5,003.45	-
Cash and cash equivalents	5,806.21	-	671.57	-
Other bank Balances	12,924.28	-	831.03	-
Loans	193.63	-	157.22	-
Security deposits	695.79	-	553.58	-
<b>Total Financial Assets</b>	<b>29,323.17</b>	<b>55,031.11</b>	<b>7,228.85</b>	<b>55,312.33</b>

Financial Liabilities	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	Amortised Cost	FVPL	Amortised Cost	FVPL
Borrowings	772.78	-	547.93	-
Current maturities of long term debt from banks	160.92	-	139.06	-
Security deposits	374.50	-	374.50	-
Trade payables	17,990.89	-	28,654.83	-
Derivative financial instrument	-	26.04	-	65.39
Capital creditors	175.82	-	159.77	-
<b>Total Financial Liabilities</b>	<b>19,474.91</b>	<b>26.04</b>	<b>29,876.09</b>	<b>65.39</b>

### (i) Fair value hierarchy

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

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 33 Financial Risk Management

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

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

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

#### Credit Risk

##### (i) Credit Risk Management

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

Credit risk is managed by the Marketing General Manager of AFL. The Group has few customer with most of them being foreign customers. The Group provides a credit period of 60-90 days which is in line with the normal industry practice.

The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices.

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



## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

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

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

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

### (ii) Provision for expected credit losses

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

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### Year Ended 31<sup>st</sup> March 2019

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

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
<b>Loss allowance measured at 12 month expected credit losses -</b>	Loans & Advances	285.47	32%	91.84	193.63
Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	695.79	0%	-	695.79
	Other bank balances	12,924.28	0%	-	12,924.28

### Year Ended 31<sup>st</sup> March 2018

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

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
<b>Loss allowance measured at 12 month expected credit losses -</b>	Other bank balances	831.03	0%	-	831.03
Financial assets for which credit risk has not increased significantly since initial recognition	Loans & Advances	248.62	37%	91.40	157.22
	Security deposits	553.58	0%	-	553.58

Expected credit loss for trade receivables under simplified approach

### Year ended 31<sup>st</sup> March 2019

Ageing	Not due	1-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	3,126.66	1,669.96	34.61	23.03	165	5,019.71
Expected loss rate	0%	0%	0%	25%	91%	3.10%
Expected credit loss	-	-	-	5.68	150.34	156.02
<b>Carrying amount of trade receivables (net of impairment)</b>	3,126.66	1,669.96	34.61	17.35	15.11	4,863.69

### Year ended 31<sup>st</sup> March 2018

Ageing	Not due	1-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	2,613.50	2,146.49	243.47	-	-	5,003.45
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	2,613.50	2,146.49	243.47	-	-	5,003.45

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### Reconciliation of expected credit loss - Trade receivables

<b>Expected credit loss on April 01, 2017</b>	-
Changes in loss allowance	-
<b>Expected credit loss on March 31, 2018</b>	-
Changes in loss allowance	156.01
<b>Expected credit loss on March 31, 2019</b>	<b>156.01</b>

### Liquidity Risk

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

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

### (i) Maturities of financial liabilities

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

#### Contractual cash flows

31 <sup>st</sup> March 2019	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	933.70	933.70	828.05	89.47	16.17	-
Trade payables	17,990.89	17,991	17,991	-	-	-
Derivative financial instrument	26.04	26.04	26.04	-	-	-
Security deposits	374.50	-	-	-	-	-
Capital creditors	175.82	176	176	-	-	-
	<b>19,501</b>	<b>19,126</b>	<b>19,126</b>	-	-	-

#### Contractual cash flows

31 <sup>st</sup> March 2018	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	686.99	686.99	686.99	-	-	-
Trade payables	28,654.83	28,654.83	28,654.83	-	-	-
Derivative financial instrument	65.39	65.39	65.39	-	-	-
Security deposits	374.50	-	-	-	-	-
Capital creditors	159.77	159.77	159.77	-	-	-
	<b>29,941.48</b>	<b>29,566.98</b>	<b>29,566.98</b>	-	-	-

### Market Risk - Interest Risk

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

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Variable rate borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable/receivable
<b>Financial Liabilities</b>						
Long term borrowings	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-

### Sensitivity

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

	Impact on profit after tax	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Interest rate - Increases by 100 basis points	-	-
Interest rate - Decreases by 100 basis points	-	-

### Market risk - Price risk

The Group's investments in quoted equity securities is limited , there is no exposure to price risk.

### Foreign currency risk

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

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Amount in Foreign Currency	Amount in ₹ (Lakhs)	Amount in Foreign Currency	Amount in ₹ (Lakhs)
<b>Trade and other payables</b>				
USD	24,89,450	1,721.61	51,05,110	3,340.68
EURO	-	-	-	-
<b>Working Capital loans</b>				
USD	9,58,797	663.21	5,60,000	364.25
<b>Balance in EEFC account</b>				
USD	67,60,942	4,676.63	54715.26	35.59
<b>Advance to suppliers</b>				
USD	1,17,625	81.36	1,77,116	114.27
EURO	-	-	50,840	40.62
<b>Trade Receivables</b>				
USD	50,80,133	3,470.99	47,03,526	3,090.14
EURO	1,57,818	122.63	-	-

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Amount in Foreign Currency	Amount in ₹ (Lakhs)	Amount in Foreign Currency	Amount in ₹ (Lakhs)
<b>Derivatives outstanding Forward contracts</b>				
To buy USD	12,59,750	882.88	-	-
To sell USD	83,90,553	5,779.44	1,85,54,500	12,007.44
<b>Share application money pending allotment</b>				
IDR	19,56,18,482	9.51	-	-
	19,71,55,950	1,079.74	(1,92,33,412.74)	(12,431.75)
<b>Net Exposure Receivable/ (Payable) in USD</b>	<b>13,79,650</b>	<b>947.60</b>	<b>(1,92,84,252.74)</b>	<b>(12,472.37)</b>

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below

	Impact on profit after tax and equity	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Increase in USD rate by 1%	9.48	(124.72)
Decrease in USD rate by 1%	(9.48)	124.72

### 34 Capital management

#### (a) Risk Management

The Group's objectives when managing capital are to

- > safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital.

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

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

The gearing ratios were as follows:

	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2019
Net debt	933.70	686.99
Total equity	1,35,729.96	1,14,985.29
<b>Net debt to equity ratio</b>	<b>1%</b>	<b>1%</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### (b) Dividends

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Equity shares</b>		
i) Final dividend for the year ended 31 <sup>st</sup> March 2018 of ₹6/- (31 March 2017 ₹9/-) per fully paid share.	8,174.74	4,087.37
ii) Dividends not recognised at the end of the reporting period		
iii) In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹4/- per fully paid equity share (31 <sup>st</sup> March 2018 - ₹6/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	5,449.83	8,174.74

### 35 Contingent Liabilities

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company *	90.04	3,093.59
Corporate guarantee given under a Multiple Banking Arrangement to SBI and Axis Bank in favour of loan taken by Avanti Frozen Foods Private Limited	15,000.00	11,506.00

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

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai
<b>Total</b>		90.04		

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

ii) Company is importing Squid Liver Powder (SLP) which is one of the raw materials for manufacturing of shrimp feed. SLP is imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

2) The Company has given corporate guarantee of ₹15000.00 Lakhs as on 31.03.2019 (₹11506.00 Lakhs

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

as on 31.03.2018) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad and Axis Bank Limited, Begumpet, Hyderabad for loan facilities availed by Avanti Frozen Foods Private Limited.

### 36 Commitments

Estimated amount of contracts remaining to be executed to the extent not provided for (net of advances) ₹327.87 Lakhs (31<sup>st</sup> March 2018 ₹392.68 Lakhs)

### 37 Earnings per share

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Profit attributable to equity holders of parent entity	27,363.01	44,646.81
Net Profit for calculation of Basic and Diluted EPS (A)	27,363.01	44,646.81
Weighted average number of equity shares for Basic EPS (B) (nos.)	13,62,45,630	13,62,45,630
<b>(a) Basic earnings per share (in INR) (A/B)</b>	<b>20.08</b>	<b>32.77</b>

#### Note:

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

\* during the year ended 31<sup>st</sup> March 2019 the (I) Each equity share of ₹2/- was split to two (2) equity shares of ₹1/- each and (II) bonus equity shares in the ratio of 1:2 (after sub division of shares) were allotted. The split and issue of bonus equity shares resulted in increase in number of shares from 4,54,15,210 equity shares of ₹2/- each to 13,62,45,630 equity shares of ₹1/- each. Accordingly, as per requirement of Ind as 33, earning per share has been computed by taking the increased number of shares for all the periods reported.

### 38 Corporate social responsibility expenditure

a) Expenditure related to CSR as per section 135 of companies act, 2013 read with schedule VII thereof, against the mandatory spend of ₹833.91 Lakhs

b) Amount spent during the year on:

Particulars	As at	As at
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Revenue expenditure on CSR activities	496.80	605.03
<b>Total</b>	<b>496.80</b>	<b>605.03</b>

### 39 Segment reporting

The Company's Chairman and Managing Director (CMD) examines the group's performance both from a product and geographic perspective and has identified the following segments of its business:

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

Shrimp are purchased from the farmers and are further processed and exported to various countries.

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

	Shrimp Feed		Shrimp Processing		Power		Unallocated		Total	
	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>Revenue</b>										
External Sales	2,73,706.27	2,81,008.51	75,251.99	58,117.95	136.07	163.85	-	-	3,49,094.33	3,39,290.31
Inter-segment sales	(316.38)	-	-	-	-	-	(316.38)	-	-	-
<b>Total Revenue</b>	<b>2,73,389.89</b>	<b>2,81,008.51</b>	<b>75,251.99</b>	<b>58,117.95</b>	<b>136.07</b>	<b>163.85</b>	<b>-</b>	<b>-</b>	<b>3,48,777.95</b>	<b>3,39,290.31</b>
<b>Segment Result</b>										
Operating Profit	28,698.93	59,577.93	8,426.99	6,257.56	15.00	53.40	-	-	37,140.92	65,888.89
Share of Profit / (Loss) from Associates	-	-	-	25.71	25.71	111.88	-	-	25.71	111.88
Minority interest	-	-	-	-	-	-	-	-	-	-
Other Income	209.42	227.36	955.65	1,306.82	9.00	-	4,208.66	3,290.63	5,382.73	4,824.81
Interest Expense	124.58	107.27	138.09	171.98	-	-	0.00	17.15	262.67	296.40
Exceptional item	-	-	-	-	-	-	518.70	(78.88)	518.70	(78.88)
Income Tax - Current Tax	-	-	1,996.90	1,748.46	-	-	10,983.75	20,707.55	12,980.65	22,456.01
- Deferred Tax	-	-	(1,071.25)	632.57	-	-	233.98	713.78	(837.26)	1,346.35
<b>Net Profit after tax</b>	<b>28,783.77</b>	<b>59,698.02</b>	<b>8,318.89</b>	<b>5,011.37</b>	<b>49.71</b>	<b>165.28</b>	<b>(6,490.37)</b>	<b>(18,226.72)</b>	<b>30,662.00</b>	<b>46,647.94</b>
<b>Other Information</b>										
Segment Assets	58,412.79	55,812.64	35,856.79	32,504.86	3,722.88	3,754.62	63,489.39	60,554.17	1,61,481.85	1,52,626.29
Segment Liabilities	15,638.86	25,504.40	4,055.11	4,007.54	-	10.74	6,057.92	8,118.32	25,751.89	37,641.00
<b>Capital Employed</b>	<b>42,773.93</b>	<b>30,308.24</b>	<b>31,801.68</b>	<b>28,497.32</b>	<b>3,722.88</b>	<b>3,743.88</b>	<b>57,431.47</b>	<b>52,435.85</b>	<b>1,35,729.96</b>	<b>1,14,985.29</b>



## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

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

	India		USA		Rest of the world	
	For the Year Ended		For the Year Ended		For the Year Ended	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Revenue	2,80,932.35	2,85,851.68	52,723.24	45,921.23	15,438.75	7,517.40
Location of assets	1,57,896.73	1,50,062.20	2,122.90	1,753.86	1,462.22	810.23
Additions to fixed assets	2,439.27	8,366.29	-	-	-	-

The Group does not have any individual customer that attributes to more than 10% of the revenue.

### 40 Related party disclosures

#### 1. Names of related parties and related party relationship:

Related parties with whom transactions have taken place during the year	
<b>Key Managerial Personnel (KMP)</b>	Sri A. Indra Kumar, Chairman and Managing Director Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO A.Nikhilesh Chowdary, Executive Director (with effect from June 01, 2018)
<b>Relatives of Key Managerial Personnel</b>	Sri A. Venkata Sanjeev, Manager Operation, AFL Sri A. Nikhilesh Chowdary, Executive Director, AFFPL
<b>Entities having significant influence over the Company</b>	Thai Union Group PCL, Thailand ("TUG") Tri-union Frozen Products Inc. (Chicken of the Sea Frozen Foods) (a subsidiary of TUG) Thai Union China Co. Ltd. (a subsidiary of TUG) Thai Union Feed Mill Co. Ltd. (a Subsidiary of TUG)
<b>Associate Companies</b>	Srivathsa Power Projects Limited Patikari Power Private Limited
<b>Companies in which KMP are interested</b>	Srinivasa Cystine Private Limited SCL Trading Private Limited Sanjeev Agro Vet Private Limited Sri Sai Srinivasa Agro Farms & Developers Private Limited

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### 2. Related party transactions

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

Particulars	Key Management Personnel		Associate Companies		Entities having significant Influence over the Company		Entities where KMP are interested	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Remuneration	2,939.30	5,113.58	-	-	-	-	-	-
Rent paid	3.37	5.00	-	-	-	-	2.55	2.53
Rent Received	-	-	1.20	1.20	-	-	0.49	0.49
Royalty paid	-	-	-	-	1,049.29	1,271.10	-	-
Dividend paid	1,075.34	537.67	-	-	2,031.29	1,026.19	2,432.06	1,216.03
Sale of products	-	-	-	-	29,444.89	8,299.56	-	-
Purchase of goods	-	-	-	-	34.73	-	-	-

### Year end Balances

Particulars	Key Management Personnel		Associate Companies		Entities having significant Influence over the Company	
	As at		As at		As at	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Remuneration payable	2,343.15	4,604.73	-	-	-	-
Royalty	-	-	-	-	180.46	260.52
Investment	-	-	3,146.47	3,120.76	-	-
Trade Receivables	-	-	-	-	1,605.12	311.36

### 41 Employee Benefits

#### (i) Leave obligations

The leave obligations cover the group's liability earned leave.

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

	31st March 2019	31st March 2018
Current leave obligations expected to be settled within the next 12 months	65.19	-

#### (ii) Defined Contribution Plans

The Group also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary), Employee State Insurance and Super Annuation fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹450.73 Lakhs (31 March 2018 ₹387.96 Lakhs)

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### (iii) Post employment benefit obligation Gratuity

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

#### Balance sheet amounts- Gratuity

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

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening balance</b>	<b>605.72</b>	<b>358.79</b>	<b>246.93</b>	<b>343.54</b>	<b>294.88</b>	<b>48.66</b>
Current Service Cost	90.64	-	90.64	54.23	18.91	35.32
Past Service Cost	-	-	-	50.11	-	50.11
Interest expense/(income)	46.61	-	46.61	21.83	0.64	21.19
Interest income	-	27.60	(27.60)	-	-	-
Contributions	-	-	-	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>137.25</b>	<b>27.60</b>	<b>109.65</b>	<b>126.17</b>	<b>19.55</b>	<b>106.62</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.82	(6.82)	-	-	-
(Gain)/loss from change in demographic assumptions	40.64	-	40.64	-	-	-
(Gain)/loss from change in financial assumptions	1.48	-	1.48	12.10	-	12.10
Experience (gains)/losses	26.94	-	26.94	114.04	-	114.04
<b>Total amount recognised in other comprehensive income</b>	<b>69.06</b>	<b>6.82</b>	<b>62.24</b>	<b>126.14</b>	<b>-</b>	<b>126.14</b>
Employer contributions	-	247.09	(247.09)	-	48.80	(48.80)
Benefit payments	(10.86)	(10.86)	-	(9.19)	(9.19)	-
<b>Closing Balance</b>	<b>801.17</b>	<b>629.44</b>	<b>171.73</b>	<b>586.66</b>	<b>354.04</b>	<b>232.62</b>

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Present value of funded obligations	801.17	586.66
Fair value of plan assets	629.44	354.04
Deficit of funded plan	171.73	232.62
Unfunded plans	-	-
Deficit of gratuity plan	171.73	232.62

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### (ii) Significant estimates: actuarial assumptions

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Discount rate	7.70%	8.00%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	10.00%	10.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.		IALM (2006-08) Ult.

### (iii) Sensitivity analysis

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

	Impact on defined benefit obligation							
	Change in assumption			Increase in assumption		Decrease in assumption		
	31 <sup>st</sup> March 2019 (₹in Lakhs)	31 <sup>st</sup> March 2018 (₹in Lakhs)		31 <sup>st</sup> March 2019 (₹in Lakhs)	31 <sup>st</sup> March 2018 (₹in Lakhs)	31 <sup>st</sup> March 2019 (₹in Lakhs)	31 <sup>st</sup> March 2018 (₹in Lakhs)	
Discount rate	1.00%	1.00%	Decrease by	71.66	38.76	Increase by	84.20	43.82
Attrition rate	1.00%	1.00%	Decrease by	29.02	23.66	Increase by	42.62	38.82
Salary escalation rate	1.00%	1.00%	Increase by	74.35	39.84	Decrease by	65.70	36.14

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

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

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

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Funds managed by Life Insurance Corporation of India	629.44	354.04
<b>Total</b>	<b>629.44</b>	<b>354.04</b>

### (v) Risk exposure

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

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

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

### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31st March 2020 is ₹277.69 lakhs.

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
<b>31-March-20</b>				
Gratuity	75.97	241.83	368.13	1,423.31
<b>Total</b>	<b>75.97</b>	<b>241.83</b>	<b>368.13</b>	<b>1,423.31</b>

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

**43 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/Associates**

(₹In Lakhs)

	As at 31st March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Parent								
Avanti Feeds Limited	81.25%	97,988.88	72.89%	22,349.48	87.91%	(54.72)	72.86%	22,294.76
<b>Subsidiaries:</b>								
Indian								
1 Svimsan Exports and Imports Private Limited	-0.08%	(92.13)	0.00%	(0.44)	0.00%	0	0.00%	(0.44)
2 Avanti Frozen Foods Private Limited	18.82%	22,699.93	16.14%	4,948.47	7.26%	(4.52)	16.16%	4,943.95
<b>Total</b>		<b>1,20,596.68</b>		<b>27,297.51</b>		<b>(59.24)</b>		<b>27,238.27</b>
<b>Minority Interests in all subsidiaries</b>								
1 Avanti Frozen Foods Private Limited		15,133.28		3,298.98		(3.01)		3,295.97
Consolidated		1,35,729.96		30,596.48		(62.25)		30,534.23
<b>Associates (Investment as per the equity method);</b>								
Indian								
1 Srivathsa Power Projects Limited	1.77%	2,129.64	-0.36%	(111.74)	0.00%	(0.72)	-0.37%	(112.46)
2 Patikari Power Private Limited	0.84%	1,016.84	0.45%	137.45	1.30%	(0.81)	0.45%	136.64

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

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

### Part A : Subsidiaries:

Salient features of financial statements of subsidiaries as per the Companies Act, 2013.

S. No	Name of the subsidiary / associates	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover / Total Income	Profit/ (loss) before taxation	Provision for Taxation	Profit/ (loss) after taxation	Proposed dividend	% of share holding
1	Svimsan Exports and Imports Private Limited	INR	100.00	(192.13)	0.01	92.14	-	-	(0.44)	-	(0.44)	-	100%
2	Avanti Frozen Foods Private Limited	INR	1,001.67	36,831.54	42,869.24	5,036.03	1,219.06	75,251.99	9,173.10	925.66	8,247.44	-	60%

### Part B: Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies.

(₹In Lakhs)

	Srivathsa Power Projects Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31-03-2019	31-03-2019
2. Shares of associates held by the company on the year end		
Number of shares	1,66,93,630	1,06,45,200
Amount of investment in Associates		
Extent of holding %	49.99%	25.89%
3. Description of how there is significant influence	Voting Power	Voting Power
4. Reason why the associate/ joint venture is not consolidated	Not applicable	Not applicable
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	2,129.64	1,016.84
6. Profit/ (Loss) for the year		
i. Considered in Consolidation	(111.74)	137.45
ii. Not Considered in Consolidation	-	-

# NOTICE

Notice is hereby given that the Twenty Sixth (26<sup>th</sup>) Annual General Meeting of the members of Avanti Feeds Limited (CIN: L16001AP1993PLC095778) will be held on Friday, the 9<sup>th</sup> August, 2019 at 11.00 A.M. at Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhapatnam - 530 020 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt :
  - a. the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, the Board's Report and the Report of the Auditors thereon.
  - b. the audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Report of the Auditors thereon.
2. To declare dividend of ₹4/- per equity share of ₹1/- each fully paid, for the Financial Year 2018-19.
3. To appoint a Director in place of Sri N. Ram Prasad (DIN:00145558), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Wai Yat Paco Lee, (DIN:02931372) who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### 5. To appoint Sri A. Venkata Sanjeev as Director :

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**"RESOLVED** that Sri A. Venkata Sanjeev (DIN: 07717691) who was appointed as an

Additional Director by the Board of Directors of the Company on 07.06.2019 and who holds office as such upto the date of this 26<sup>th</sup> Annual General Meeting, under Sec.161(1) of the Companies Act, 2013 and in respect of whom the Company received a Notice in writing under Sec.160 of the Act, from a member proposing his candidature for the office of a director of the Company, be and is hereby appointed as Director of the Company."

### 6. To appoint Sri A. Venkata Sanjeev as Whole-time Director designated as Executive Director:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

**"RESOLVED** that pursuant to Sec. 196, 197, 198, 203, Schedule V and other applicable provisions and relevant Rules, if any, of the Companies Act, 2013 and Reg.17 and Reg.17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and subject to necessary approvals of financial institutions / authorities if any, Sri A. Venkata Sanjeev (DIN: 07717691), be and is hereby appointed as Whole-time Director, designated as Executive Director for a period of 5 years with effect from 09.08.2019 on the remuneration as detailed below.

#### i. Salary and allowances per month:

A. Salary	₹2,50,000
B. House Rent Allowance	₹1,50,000
Total:	₹4,00,000

Sri A. Venkata Sanjeev, Executive Director be paid an annual increment at 15% of the salary and allowances during his tenure as Executive Director.

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

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

III. Ex-gratia:

Yearly Ex-gratia subject to a limit of 20% of the annual salary."

#### **MINIMUM REMUNERATION:**

**"RESOLVED FURTHER** that in pursuance of the provisions of Sec. 197 (11) read with Schedule V and other applicable provisions of the Companies Act, 2013, where in any financial year the Company incurs loss or its profits are inadequate, the salary, allowances and perquisites, as specified above be paid to Sri. A. Venkata Sanjeev (DIN: 07717691), Executive Director, as Minimum Remuneration."

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

7. **To approve continuation of payment of remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED** that pursuant to Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, if any, and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of members of the Company be and is hereby accorded to-

- (i) continuation of payment of remuneration as per existing terms and conditions approved by the shareholders to Sri A. Indra Kumar, Chairman and Managing Director at the Annual General Meeting held on 13.08.2016 who is a Promoter of the company; and
- (ii) payment of remuneration, on the terms set out in the Resolution at Item No.6 of this Notice, to Sri A. Venkata Sanjeev, member of Promoter Group being appointed as Whole-time Director designated as Executive Director with effect from 09.08.2019,

notwithstanding that such payment(s) exceed the limits prescribed under Reg.17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

**RESOLVED FURTHER** that the above approval for payment of remuneration be valid till the expiry of term of the Chairman & Managing Director and Executive Director.

**RESOLVED FURTHER** that the Board be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to above Resolution.



**8. To re-appoint Sri A.V. Achar as Independent Director :**

To consider and approve the following Resolution, with or without modification(s) as **Special Resolution:**

“**RESOLVED** that pursuant to Sec.149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg.17(1) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and other applicable provisions if any, Sri Alevoor Vedavyas Achar (DIN:00325886), who was appointed as Independent Director of the Company and who holds office as Independent Director upto 01.08.2019, and who is eligible for re-appointment for a second term, and in respect of whom the Company has received a Notice in writing under Sec.160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a further period of 2 (Two) years (second term) with effect from 02.08.2019.”

**9. To re-appoint Sri B.V. Kumar as Independent Director:**

To consider and approve the following Resolution, with or without modification(s) as **Special Resolution:**

“**RESOLVED** that pursuant to Sec.149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg.17(1) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

as amended from time to time and other applicable provisions if any, Sri Bolloju Vasanth Kumar (DIN:00521139), who was appointed as Independent Director of the Company and who holds office as Independent Director upto 01.08.2019, and who is eligible for re-appointment for a second term and in respect of whom the Company has received a Notice in writing under Sec.160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a further period of 2 (Two) years (second term) with effect from 02.08.2019.”

**10. To re-appoint Sri M.S.P. Rao as Independent Director:**

To consider and approve the following Resolution, with or without modification(s) as **Special Resolution:**

“**RESOLVED** that pursuant to Sec.149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg.17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions if any, Sri Mulakala Surya Prakasa Rao (DIN:00482071) who was appointed as Independent Director of the Company and who holds office as Independent Director upto 01.08.2019, and who is eligible for re-appointment for a second term and in respect of whom the Company has received a Notice in writing under Sec.160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a further period of 2 (Two) years (second term) with effect from 02.08.2019.”

11. **To re-appoint Sri K. Ramamohana Rao as Independent Director:**

To consider and approve the following Resolution, with or without modification(s) as **Special Resolution:**

**“RESOLVED** that pursuant to Sec.149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg.17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions if any, Sri Kamireddy Ramamohana Rao (DIN:02384687) who was appointed as Independent Director of the Company and who holds office as Independent Director upto 01.08.2019, and who is eligible for re-appointment for a second term and in respect of whom the Company has received a Notice in writing under Sec.160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a further period of 2 (Two) years (second term) with effect from 02.08.2019.”

12. **To re-appoint Sri N.V.D.S. Raju as Independent Director:**

To consider and approve the following Resolution, with or without modification(s) as **Special Resolution:**

**“RESOLVED** that pursuant to Sec.149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg.17(1) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions if any,

Sri Nanduri Venkata Divakara Somaraju (DIN: 05183133) who was appointed as Independent Director of the Company and who holds office as Independent Director upto the conclusion of this (26<sup>th</sup>) Annual General Meeting, and who is eligible for re-appointment for a second term and in respect of whom the Company has received a Notice in writing under Sec.160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent director of the Company not liable to retire by rotation, to hold office for a further period of 5 (Five) years (second term) with effect from 09.08.2019.”

13. **To re-appoint Smt. K. Kiranmayee as Independent Director:**

To consider and approve the following Resolution, with or without modification(s) as **Special Resolution:**

**“RESOLVED** that pursuant to Sec.149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg.17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions if any, Smt. Kaza Kiranmayee (DIN:07117423) who was appointed as Independent Director of the Company and who holds office as Independent Director upto the conclusion of this (26<sup>th</sup>) Annual General Meeting, and who is eligible for re-appointment for a second term and in respect of whom the Company has received a Notice in writing under Sec.160 of the Companies Act, 2013 from a member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a further period of 5 (Five) years (second term) with effect from 09.08.2019.”

14. **To appoint Sri J.V.Ramudu as Independent Director:**

To consider and approve the following Resolution with or without modification(s) as an **Ordinary Resolution:**

**"RESOLVED** that Sri Jasthi Venkata Ramudu, (DIN: 03055480) who was appointed as an Additional Director of the Company by the Board of Directors on 10.11.2018 and who holds office upto the date of this 26<sup>th</sup> Annual General Meeting of the Company under Sec.161(1) of the Companies Act, 2013 and in respect of whom the Company received a Notice in writing under Sec.160 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER** that pursuant to Sec.149, 152 read with Schedule IV and all

other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Reg. 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable provisions, if any, Sri Jasthi Venkata Ramudu (DIN: 03055480), who has submitted a declaration that he meets the criteria of independence as prescribed in Sec.149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, be and is hereby appointed as an Independent Director for a period of 5 years (first term) with effect from 10.11.2018."

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

Place: Hyderabad  
Date : 07.06.2019

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

## NOTES

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company. Proxy holder may vote either for or against each resolution set out in this Notice.
2. The instrument of Proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
3. A person can act as a Proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. A member holding more than 10% (ten percent) of the share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or member.
4. Pursuant to Sec. 108 of the Companies Act, 2013 read with relevant Rules under the Act, the business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means (i.e. remote e-voting). Instructions and other information relating to remote e-voting forms part of this Notice.
5. The Explanatory Statement pursuant to Sec.102 of the Companies Act, 2013 which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
6. Register of Members and Share Transfer Books of the Company shall remain closed from 01.08.2019 to 09.08.2019 (both days inclusive) for annual closing and determining the entitlement of the shareholders for the dividend for the year 2018-19, if declared, at the Annual General Meeting.
7. The dividend on equity shares, if declared at the Annual General Meeting, will be credited / dispatched before 31.08.2019 as under:
  - a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of the business hours on 31.07.2019 and
  - b) To all those members holding shares in physical form on or before the close of business hours on 31.07.2019.
8. To ensure timely delivery of shareholders' communications and also credit of dividend through NECS or dividend warrants/payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/NECS details, (i) in case of shares held in demat form, to the respective Depository Participant and (ii) in case of shares held in physical form to Registrars and Transfer Agents of the Company i.e. Karvy Fintech Private Limited, Hyderabad, so as to reach them on or before 31.07.2019.
9. To avoid fraudulent transactions, the identity/ signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/ CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e. Karvy Fintech Private Limited. Members are requested to keep the same updated.
10. The Notice of Annual General Meeting will be sent to the members, whose name appears in the Register of members / depositories as at closing hours of business on 05.07.2019.
11. Members desiring to seek any information on the annual accounts are requested to write

to the Company at an early date to enable compilation of information.

12. All communications relating to shares are to be addressed to the Company's Registrars and Transfer Agents i.e. Karvy Fintech Private Limited, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad 500 032, Phone No.+91 040 67161524 e-Mail id: einward.ris@karvy.com, website: www.karvyfintech.com
13. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrars and Transfer Agents of the Company i.e. Karvy Fintech Private Limited, as mentioned above, or at the Company's Corporate Office at G2, Concorde Apartments, H.No.6-3-658, Somajiguda, Hyderabad.500 082. Members are requested to note that dividends that are not claimed within Seven(7) years from the date of transfer to the Company's Unpaid Dividend account will be transferred to the Investor Education and Protection Fund (IEPF), as per Sec.124 of the Companies Act, 2013. Shares on which dividend remains unclaimed for Seven(7) consecutive years will be transferred to the IEPF as per Sec.124 of the Act and the applicable rules.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in Electronic Form are therefore requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of the Company.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1<sup>st</sup> April 2019, requests for effecting transfer of equity shares of the Company in physical form shall not be processed unless the equity shares are held in dematerialized form with a Depository.

This restriction shall not be applicable to the requests received for transmission or transposition of physical shares. Therefore, shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, to avoid any inconvenience in future for transferring those shares. For any clarification(s) on the dematerialization of shares the shareholders are requested to contact Registrars and Transfer Agents of the Company i.e. Karvy Fintech Private Limited, or the Company at its Corporate Office.

15. The members whose names appear on the Register of Members/list of beneficial owners as on 02.08.2019 are eligible to participate in remote e-voting on the resolutions set out in this notice.
16. The Companies (Management and Administration) Rules, 2015 stipulate that the electronic voting period shall close at 5 P.M. on the date preceding the date of AGM. Accordingly, the remote e-voting period will commence at 9.00 A.M. (IST) on 05.08.2019 and will end at 5.00 P.M. (IST) on 08.08.2019.
17. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled by Karvy Fintech Private Limited, the agency engaged by the company to provide e-voting facility.
18. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
19. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
20. The Company has appointed Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting and remote e-voting process in a fair and transparent manner. The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

21. The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting will not later than 48 hours of the conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to Chairman. The results declared along with Scrutinizer's Report shall be placed on the website of the Company. The results shall simultaneously be communicated to stock exchanges where the shares of the Company are listed i.e. Bombay Stock Exchange and National Stock Exchange.
22. A route map giving directions to reach the venue of the 26<sup>th</sup> Annual General Meeting is given at the end of this Notice.
23. Subject to approval of the requisite number of votes, the Resolutions set out in this Notice for the AGM shall be deemed to be passed on the date of the meeting i.e. 9<sup>th</sup> August 2019.
24. To support the 'Green initiative', (i) the Members who hold the shares in demat form and who have not registered their e-mail addresses, are requested to register the same with their Depository Participant(s) and (ii) the members who hold the shares in physical form and who have not registered their e-mail addresses, are requested to register the same with Registrars and Transfer Agents i.e. Karvy Fintech Private Limited, Hyderabad.

**Procedure for remote e-voting:**

- I. The Company has engaged the services of Karvy Fintech Private Limited (Karvy) as agency to provide e-voting facility for AGM. The instructions for remote e-voting are as under:

**(a) In case of Members receiving an e-mail from Karvy:**

- (i) Launch an internet browser and open <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. User ID and password). The Event No. + Folio No. or DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- (iii) After entering the above details click on - Login.
- (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- (v) On successful login, the system will prompt you to select the E-Voting Event.
- (vi) Select the EVENT of Avanti Feeds Limited and click on - Submit.
- (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [bhaskararaoandco@gmail.com](mailto:bhaskararaoandco@gmail.com). They may also upload the same in

the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”

**(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip:**

(i) Initial password is provided, as follows, at the bottom of the Attendance Slip.

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>
-	-	-

(ii) Please follow all steps from Sl. No. (i) to Sl. No. (xi) above, to cast vote.

II. In case of any queries, you may refer to the ‘Frequently Asked Questions’ (FAQs) and ‘e-voting user manual’ available in the downloads section of Karvy’s e-voting website <https://evoting.karvy.com>.

III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

IV. Members who have acquired shares after the dispatch of the Annual Report may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.

a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical shares : MYEPWD <SPACE> XXX1234567

b. If e-mail or mobile number of the member is not registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Member may call Karvy’s toll free number 1-800-3454-001 .

d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).

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

Place: Hyderabad  
Date : 07.06.2019

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



## Explanatory Statement:

(Pursuant to Sec.102 of the Companies Act)

### Item No.5:

#### To appoint Sri A. Venkata Sanjeev as Director :

The Board at its meeting held on 07.06.2019, appointed Sri A.Venkata Sanjeev as an Additional Director. As per Sec.160 of the Companies Act, 2013 Sri A Venkata Sanjeev will hold the office of Additional Director upto the date of this Annual General Meeting i.e. 9<sup>th</sup> August, 2019.

Nomination and Remuneration Committee recommended the appointment of Sri A Venkata Sanjeev as Director.

The Company has received a Notice in writing from a member along with the deposit of requisite amount under Sec. 160 of the Act, proposing the candidature of Sri A. Venkata Sanjeev, as Director.

Sri A Venkata Sanjeev is interested in the Resolution set out at Item No. 5 of the Notice. Sri A Indra Kumar, Chairman & Managing Director being related to Sri A. Venkata Sanjeev may be deemed to be interested in the Resolution set out at Item No.5 of the Notice. The relatives of Sri A Venkata Sanjeev may be deemed to be interested in the Resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval by the members.

### Item No.6:

#### To appoint Sri A. Venkata Sanjeev as Whole-time Director designated as Executive Director:

Sri A. Venkata Sanjeev has graduated in Engineering (Mechanical). He worked, as Manager-Operations, in the Company for about 5 years. His major achievements during his tenure are-

- (i) Setting up new shrimp feed manufacturing facility at Bandapuram and subsequent further expansion in a record time.
- (ii) Modernisation of shrimp feed Plant at Kovvur.
- (iii) Ensuring production of shrimp feed with consistent quality maintenance in all the feed Plants.

During the period of 5 years of service with the Company, he acquired knowledge and experience in the operations of the Company. His innovative thinking, hard work and strong commitment to achieve higher performance levels will be an asset to the Company for further growth. Hence, the appointment of Sri A Venkata Sanjeev as Executive Director is proposed. As Executive Director he will be responsible for efficient management of operations of shrimp feed plants at all locations.

The Nomination and Remuneration Committee and Audit Committee recommended his appointment as Whole-time Director designated as Executive Director as set out in the Resolution.

The Board at its meeting held on 07.06.2019 appointed Sri A. Venkata Sanjeev as a Whole-Time Director, designated as Executive Director, for a period of 5 (Five) years, w.e.f. from 09.08.2019, subject to approval of shareholders, on the terms set out in the Resolution No.6.

It is proposed to seek members' approval for the appointment of and remuneration payable to Sri A Venkata Sanjeev as a Whole-Time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Duties:

- a. The Whole-time Director will perform his duties as such with regard to all works of the Company and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and conform to and comply with all such



directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Whole-time Director will be under the overall authority of the Managing Director.

- b. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Sec. 166 of the Act with regard to duties of Directors.
- c. The Whole-time Director shall adhere to the Company's Code of Conduct.

#### I. General Information:

(1) Nature of Industry: Manufacture of Shrimp Feed.

(2) Date of commencement of commercial production of Shrimp Feed:

SI No	Details	Location	Date of Commercial Production
1	Plant - I	Kovvur, West Godavari District, Andhra Pradesh	01.11.1994
2	Plant - II	Vemuluru, West Godavari District, Andhra Pradesh	08.06.2001
3	Plant - III	Kovvur, West Godavari District, Andhra Pradesh	15.03.2014
4	Plant - IV	Bandapuram, West Godavari District, Andhra Pradesh	04.08.2016
5	Plant - V	Balda Village, Valsad District, Gujarat	12.08.2011

(3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(4) Financial performance:

Financial Parameters	₹ In Lakhs)		
	2018-19	2017-18	2016-17
Turnover	273842.34	281532.89	223085.10
Net Profit as computed under Sec. 198 of Companies Act, 2013	31383.98	60683.33	29388.33
Net profit as per Statement of Profit and Loss.	22349.48	41493.84	19634.93
Amount of dividend paid	-	8174.74	4087.37
Rate of dividend declared per equity share	-	₹6.00 per share of ₹1/- each	₹9.00 per share of ₹2/- each.

(5) Foreign Investments or collaborations, if any:

The shareholding details of FIIs, FPIs, NRIs as on 31.03.2019 are as under:

Sl. No.	Category	Number of equity shares of ₹1/- each	Percentage of paid-up capital
1	Foreign Portfolio Investors, Foreign Portfolio - Corp, Foreign Institutional Investors		
	a) Thai Union Group	3,29,85,456	24.21%
	b) Others	63,29,521	4.65%
	Sub-Total	3,93,14,977	28.86%
2	Non-resident Indians and Foreign Nationals	18,96,695	1.39%
	Grand Total	4,12,11,672	30.25%

The Company has technical collaboration from Thai Union Group PCL who is also a shareholder in the Company.

## II. Information about the appointee:

### (1) Background details:

Sri A Venkata Sanjeev has graduated in Engineering (Mechanical). He worked, as Manager-Operations, in the Company for about 5 years. His major achievements during his tenure are-

- (i) Setting up new shrimp feed manufacturing facility at Bandapuram and subsequent further expansion in a record time.
- (ii) Modernisation of shrimp feed Plant at Kovvur.
- (iii) Ensuring production of shrimp feed with consistent quality maintenance in all the feed Plants.

### (2) Past Remuneration:

The remuneration drawn by Sri A Venkata Sanjeev during last Three (3) years as Manager-Operations are as under:

Sl No	Financial Year	Remuneration paid (₹ in lakhs)
1	2015-16	1.87
2	2016-17	13.92
3	2017-18	24.90
4	2018-19 (Upto May, 2019)	3.35

### (3) Recognition or Awards: NIL

### (4) Job Profile and suitability:

Job Profile include-

1. Planning production, raw material procurement, quality control and dispatches at all Feed Plants and implementation of the same.
2. Assist the Board in strategic planning for expansion and establishing new units.
3. Ensure achievement of corporate objectives under the guidance of the Board.
4. Responsible for efficient management of the

operations.

### Suitability:

During the period of 5 years of service with the Company, he acquired knowledge and experience in the operations of the Company. In view of his innovative thinking, hard work and strong commitment to achieve higher performance levels, he is considered suitable for the position of Executive Director.

(5) Remuneration Proposed: As set out in the Resolution at Item No. 6.

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

Taking into consideration, the profile of Sri A. Venkata Sanjeev, his hands on experience, that he has in the operations of shrimp Feed Plants and the responsibilities assigned to him, the aforesaid remuneration package is considered commensurate with his qualifications and experience.

(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Sri A. Venkata Sanjeev does not have any pecuniary relationship directly or indirectly with the Company. He is son of Sri A Indra Kumar, Chairman & Managing Director, except this, he does not have any relationship with any managerial personnel in the company.

## III. Other information:

### 1. Reasons of loss or inadequate profits:

The nature of shrimp culture activity on which shrimp feed consumption depends is highly volatile. The shrimp culture success depends on many factors such as climatic conditions, availability of good quality seed, free from attack of any disease, good culture practices etc. Moreover, the international export price of the shrimp also influences shrimp culture to a great extent. India has seen in earlier years drastic fall in shrimp culture activity due to wide spread deceases, steep fall in international prices of shrimp etc.,

due to which the profitability of feed declined significantly leading to loss or inadequacy of profits. In order to assure remuneration for the services rendered by Sri A. Venkata Sanjeev, minimum remuneration set out in Resolution at item No. 6 is considered necessary.

2. Steps taken or proposed to be taken for improvement:

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

- a. Educate the farmers to follow good culture practices to prevent any spread of diseases.
- b. Extend technical support to the farmers during culture period rendering timely advice to enable the farmer to reap good harvest.
- c. Assist the farmer in selection of good quality seed.
- d. To take such initiatives to maintain price mechanism in association with Seafood Exporters Association and other Governmental Agencies, in the best interest of the stakeholders.
- e. Expansion of activities to different States to balance reduction/calamity in one region.

3. Expected increase in productivity and profits in measurable terms:

With sustained growth of sea food consumption globally year after year, the demand for shrimp is estimated to grow at about 3.6% CAGR. India being one of the major source of supply of processed shrimp, the growth Year-on-Year is estimated at 5% with an estimated sustainable margin of about 10%.

The combined remuneration paid to Sri A. Indra Kumar, Chairman & Managing Director and Sri A. Venkata Sanjeev exceeds the limits prescribed under Reg.17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

As per Reg.17(6)(e) w.e.f 01.04.2019, remuneration payable in excess of prescribed limits under SEBI (LODR) Regulations, 2015 to Executive Directors

who are Promoters or members of Promoter Group shall be, subject to approval of shareholders by Special Resolution.

Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Sri A Venkata Sanjeev as a Whole-time Director designated as Executive Director, as set out in Resolution at Item No. 6.

Sri A. Venkata Sanjeev satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sec.196(3) of the Act for being eligible for his appointment as Executive Director. He is not disqualified from being appointed as Director in terms of Sec. 164 of the Act.

Details of Sri A. Venkata Sanjeev are provided in the Annexure to this Notice pursuant to provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Sri A. Venkata Sanjeev is interested in the Resolution set out at Item No. 6 of the Notice. Sri A. Indra Kumar, Chairman & Managing Director being related to Sri A. Venkata Sanjeev may be deemed to be interested in the Resolution set out at Item No.6 of the Notice. The relatives of Sri A. Venkata Sanjeev may be deemed to be interested in the Resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No.6.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

**Item No: 7**

**To approve continuation of payment of remuneration to Executive Directors who are Promoters or members of the Promoter Group**

**in excess of the limits prescribed under SEBI (LODR) (Amendment) Regulations, 2018.**

As per newly introduced Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the Payment of fees or compensation payable to executive directors who are Promoters or members of the Promoter Group, shall be subject to approval of the shareholders by Special Resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds ₹5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Sec 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

Sri A. Indra Kumar, Chairman & Managing Director and Sri A. Venkata Sanjeev, proposed for appointment as Executive Director as set out at Item No.6 of this Notice, are Promoter and member of Promoter Group of the Company, respectively.

The appointment of Sri A. Indra Kumar, as Chairman & Managing Director has been approved by the shareholders at the Annual General Meeting held on 13.08.2016 for a period of 5 years. He is drawing remuneration upto 5% of the Net Profits of the Company, which is approved by the shareholders.

As already mentioned at Item No.6, the Board approved the appointment and remuneration of Sri A. Venkata Sanjeev as Whole-time Director, designated as Executive Director for a period of 5 years with effect from 09.08.2019, subject to approval of Shareholders as set out in the Resolution at Item No.6.

Since the remuneration drawn by (i) Sri A. Indra Kumar, Chairman and Managing Director and Promoter, and (ii) Sri A. Venkata Sanjeev, proposed to be appointed as Executive Director and member of promoter group, put together will be in excess of the limits prescribed under Reg.17(6)(e) of the SEBI (LODR) Regulations, 2015, it requires the approval of the shareholders

by way of Special Resolution for -

- (i) continuation payment of remuneration as per existing terms and conditions approved by the shareholders to Sri A. Indra Kumar, Chairman and Managing Director at the Annual General Meeting held on 13.08.2016 and
- (ii) payment of remuneration to Sri A. Venkata Sanjeev, being appointed as Whole-time Director designated as Executive Director with effect from 09.08.2019, at this meeting, as set out in the Resolution at Item No.6,

notwithstanding the limits prescribed under Reg.17(6)(e) of SEBI (LODR) Regulations.

Sri A. Indra Kumar and Sri A. Venkata Sanjeev are interested in the Resolution set out at Item No. 7 of the Notice. The relatives of Sri A. Indra Kumar and Sri A. Venkata Sanjeev may be deemed to be interested in the Resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No.7.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

**Item Nos. 8 & 9:**

**To re-appoint Sri A.V. Achar and Sri B.V. Kumar as Independent Directors:**

Sri A. V. Achar (DIN: 00325886) and Sri B.V. Kumar (DIN: 00521139) have been appointed as Independent Directors of the Company and they hold office as Independent Directors of the Company up to 01.08.2019 (first term).

The Nomination and Remuneration Committee (NRC), on the basis of the report of performance evaluation, recommended re-appointment of Sri A. V. Achar and Sri B.V. Kumar as Independent Directors for a further period of 2 years (second term) with effect from 02.08.2019.

In the opinion of the Board, Sri A. V. Achar and Sri B.V. Kumar, fulfils the conditions for appointment

as Independent Directors as specified in the Act and the Listing Regulations.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, in view of their background, experience and contribution made by them during their tenure of the first term, continued association of Sri A. V. Achar and Sri B.V. Kumar, as Independent Directors would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, Board recommended re-appointment of Sri A. V. Achar and Sri B.V. Kumar, as Non-Executive Independent Directors of the Company, not liable to retire by rotation, for a further period of 2 years (second term), with effect from 02.08.2019.

Sri A. V. Achar and Sri B.V. Kumar, are not disqualified from being appointed as Directors in terms of Sec. 164 of the Act and they have given their consent to act as Director.

The Company has also received declarations from Sri A. V. Achar and Sri B.V. Kumar, stating that they meet the criteria of independence as prescribed under Sec 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has received Notice in writing from a member along with the deposit of requisite amount under Sec. 160 of the Act, proposing the candidatures of each of Sri A.V. Achar and Sri B. V. Kumar as Independent Directors of the Company.

In terms of Reg.17(1A) of SEBI (LODR) Regulations (Amendment) 2018, appointment of a Non-Executive Director beyond the age of 75 years, requires consent of the members by way of Special Resolution. In view of the vast experience of Sri A.V. Achar (Aged 79 years) and Sri B.V. Kumar (Aged 85 years) the Board recommends passing Special resolution for their re-appointment as Non-Executive Independent Directors beyond the age of 75 years pursuant to aforesaid Regulation.

Sri A. V. Achar and Sri B.V. Kumar shall be paid remuneration by way of sitting fee for attending meetings of the Board or Committees thereof

or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and Committee meetings .

Details of Sri A. V. Achar and Sri B.V. Kumar are provided in the Annexure to this Notice pursuant to provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Copy of draft letters of appointment of Sri A. V. Achar and Sri B.V. Kumar, as Independent Directors setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office of the Company.

Sri A. V. Achar and Sri B.V. Kumar, are interested in the Resolutions set out at Item No. 8 & 9, respectively of this Notice with regard to their re-appointment. Relatives of Sri A. V. Achar and Sri B.V. Kumar, respectively may be deemed to be interested in the Resolution(s) to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 8 & 9 of the Notice for approval by the members.

#### **Item Nos. 10 & 11:**

#### **To re-appoint Sri M.S.P. Rao and Sri K. Ramamohana Rao as Independent Directors:**

Sri M.S.P. Rao (DIN: 00482071) and Sri K. Ramamohana Rao (DIN: 02384687) have been appointed as Independent Directors of the Company and they hold office as Independent Directors of the Company upto 01.08.2019 (first term).

The Nomination and Remuneration Committee (NRC), on the basis of the report of performance

evaluation, recommended re-appointment of Sri M.S.P. Rao and Sri K. Ramamohana Rao as Independent Directors for a further period of 2 years (second term) with effect from 02.08.2019.

In the opinion of the Board, Sri M.S.P. Rao and Sri K. Ramamohana Rao fulfils the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, in view of their background, experience and contribution made by them during their tenure of the first term, continued association of Sri M.S.P. Rao and Sri K. Ramamohana Rao would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, Board recommended re-appointment of Sri M.S.P. Rao and Sri K. Ramamohana Rao as Non-Executive Independent Directors of the Company, not liable to retire by rotation, for a further period of 2 years (second term) with effect from 02.08.2019.

Sri M.S.P. Rao and Sri K. Ramamohana Rao are not disqualified from being appointed as Directors in terms of Sec. 164 of the Act and have given their consent to act as a Director.

The Company has also received declarations from Sri M.S.P. Rao and Sri K. Ramamohana Rao, stating that they meet the criteria of independence as prescribed under Sec 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has received Notice in writing from a member along with the deposit of requisite amount under Sec. 160 of the Act, proposing the candidatures of each of Sri M.S.P. Rao and Sri K. Ramamohana Rao as Independent Directors of the Company.

Sri M.S.P. Rao and Sri K. Ramamohana Rao shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and Committee meetings.

Details of Sri M.S.P. Rao and Sri K. Ramamohana Rao are provided in the Annexure to this Notice pursuant to provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Copy of draft letters of appointment of Sri M.S.P. Rao and Sri K. Ramamohana Rao setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office of the Company.

Sri M.S.P. Rao and Sri K. Ramamohana Rao are interested in the Resolutions set out at Item No. 10 & 11 respectively of this Notice with regard to their re-appointment. Relatives of Sri M.S.P. Rao and Sri K. Ramamohana Rao respectively may be deemed to be interested in the Resolution(s) to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 10 & 11 of the Notice for approval by the members.

#### **Item No: 12:**

#### **To re-appoint Sri N.V.D.S. Raju as Independent Director:**

Sri N.V.D.S. Raju (DIN: 05183133) has been appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to the conclusion of this (26<sup>th</sup>) Annual General Meeting (first term).

The Nomination and Remuneration Committee (NRC) on the basis of the report of performance evaluation, has recommended re-appointment of Sri N.V.D.S. Raju as Non-Executive Independent Director for a further period of 5 years (second term) with effect from 09.08.2019.



In the opinion of the Board, Sri N.V.D.S. Raju fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, in view of his background, experience and contribution made by him during his tenure of the first term, continued association of Sri N.V.D.S. Raju as Independent Director would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, Board recommended re-appointment of Sri N.V.D.S. Raju as Non-Executive Independent Director of the Company, not liable to retire by rotation for a further period of 5 years (second term) with effect from 09.08.2019.

Sri N.V.D.S. Raju is not disqualified from being appointed as a Director in terms of Sec 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Sri N.V.D.S. Raju stating that he meets the criteria of independence as prescribed under Sec 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has received Notice in writing from a member along with the deposit of requisite amount under Sec 160 of the Act, proposing the candidature of Sri N.V.D.S. Raju as Independent Director of the Company.

In terms of Reg.17(1A) of SEBI (LODR) Regulations (Amendment) 2018, appointment of a Non-Executive Director beyond the age of 75 years, requires consent of the members by way of Special Resolution. Sri N.V.D.S. Raju, shall attain age of 75 years during the proposed second term. In view of the vast experience of Sri N.V. D.S. Raju the Board recommends passing Special Resolution for his re-appointment as Non-Executive Independent Director pursuant to aforesaid SEBI Regulation.

Sri N.V.D.S. Raju shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board,

reimbursement of expenses for participating in the Board and Committee meetings.

Details of Sri N.V.D.S. Raju are provided in the Annexure to this Notice pursuant to provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Copy of draft letter of appointment of Sri N.V.D.S. Raju setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company.

Sri N.V.D.S. Raju is interested in the resolution set out at Item No.12 of the Notice with regard to his re-appointment. Relatives of Sri N.V.D.S. Raju may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the members.

#### **Item No: 13**

#### **To re-appoint Smt. K. Kiranmayee as Independent Director:**

Smt. K. Kiranmayee (DIN: 07117423) has been appointed as an Independent Director of the Company and she holds office as an Independent Director of the Company up to the conclusion of this (26<sup>th</sup>) Annual General Meeting (first term).

The Nomination and Remuneration Committee (NRC) on the basis of the report of performance evaluation, has recommended re-appointment of Smt. K. Kiranmayee as an Independent Director for a further period of 5 years (second term) with effect from 09.08.2019.

In the opinion of the Board, Smt K. Kiranmayee fulfils the conditions for appointment as an

Independent Director as specified in the Act and the Listing Regulations.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, in view of her background, experience and contribution made by her during her tenure of the first term, continued association of Smt K. Kiranmayee would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, Board recommended re-appointment of Smt K. Kiranmayee as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a further period of 5 years (second term) with effect from 09.08.2019.

Smt K. Kiranmayee is not disqualified from being appointed as a Director in terms of Sec 164 of the Act and has given her consent to act as a Director.

The Company has also received declaration from Smt K. Kiranmayee stating that she meets the criteria of independence as prescribed under Sec. 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has received Notice in writing from a member along with the deposit of requisite amount under Sec. 160 of the Act, proposing the candidature of Smt. K. Kiranmayee, as Independent Director of the Company.

Smt. K. Kiranmayee shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other Committee meetings.

Details of Smt. K. Kiranmayee are provided in the Annexure to this Notice pursuant to provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Copy of draft letter of appointment of Smt K.

Kiranmayee setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company.

Smt K. Kiranmayee is interested in the Resolution set out at Item No.13 of the Notice with regard to her re-appointment. Relatives of Smt K. Kiranmayee may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item No.13 of the Notice for approval by the members.

#### **Item No: 14**

#### **To appoint Sri J.V. Ramudu as Independent Director:**

Sri J. V. Ramudu was appointed as an Additional Director (Non-Executive & Independent), by the Board of the Company at its meeting held on 10.11.2018. His appointment as Independent Director for a period of 5 years with effect from 10.11.2018 (first term) is subject to approval of the members.

As per Sec. 161 of the Companies Act, 2013 the Additional Director appointed by the Board will hold office upto the date of this Annual General Meeting.

The Company has received Notice in writing from a member along with the deposit of requisite amount under Sec.160 of the Companies Act 2013, proposing the candidature of Sri. J.V. Ramudu as Independent Director of the Company.

Sri J.V. Ramudu is not disqualified from being appointed as a Director in terms of Sec. 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Sri J.V. Ramudu stating that he meets the criteria of independence as prescribed both under Sec. 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").



The Nomination and Remuneration Committee (NRC) recommended appointment of Sri J.V. Ramudu as an Independent Director for a period of 5 years (first term) with effect from 10.11.2018.

In the opinion of the Board, Sri J.V. Ramudu fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

The Board recommends the appointment of Sri J.V. Ramudu as Independent Director with effect from 10.11.2018 for a period of 5 (Five ) years as set out in the Resolution at Item No 14.

Sri J.V. Ramudu shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other Committee meetings.

Details of Sri J.V. Ramudu are provided in the Annexure to this Notice pursuant to provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Copy of draft letter of appointment of Sri J.V. Ramudu setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company.

Sri J.V. Ramudu is interested in the Resolution set out at Item No.14 of the Notice with regard to his appointment. Relatives of Sri J.V. Ramudu may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Resolution set out at Item No.14 of the Notice for approval by the members.

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

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

Place: Hyderabad  
Date : 07.06.2019

## Annexure

Details of the Directors seeking re-appointment/appointment at the Annual General Meeting pursuant to (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are as under:

### A. Details of Directors retiring by rotation and seeking re-appointment :

(i) Sri N. Ramprasad and (ii) Mr. Wai Yat Paco Lee

Name of the Director	Sri N. Ram Prasad	Mr. Wai Yat Paco Lee
Director Identification No.	00145558	02931372
Date of Birth	02.03.1956	17.01.1966
Age (years)	63	53
Qualification	MS (Chemical Engineering) from United States of America.	Graduated in Business Management from Purdue University, USA and post-graduation from Sasin Graduate Institute of Business Administration, Bangkok which is a joint programme of Kellogg School of Management, USA and The Wharton School of University, USA.
Experience (including expertise in specific functional area) / Brief Resume	He is MS (Chemical Engineering) from United States of America with vast industrial and management experience.	Mr.Wai Yat Paco Lee is a financial professional and presently holding the position of General Manager, Business Development, Global Frozen and Related Business of Thai Union Group PCL. He joined TU in 2003 as Financial Controller and was part of core team in transforming TUF to one of the largest sea food exporter company.
Terms and Conditions of Re-appointment	Non-Executive, Non-Independent Director, liable to retire by rotation.	Non-Executive, Non-Independent Director, liable to retire by rotation.
Remuneration proposed to be paid (including sitting fees if any)	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.
Date of first appointment on the Board	07.04.1993	14.07.2012
Shareholding in the Company as on 31 <sup>st</sup> March 2019	279701 equity shares of ₹1/- each.	Nil
Relationship with other Directors / Key Managerial Personnel	He is the spouse of Sri A. Indra Kumar's sister.	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the financial year 2018-19	4	4
Directorships of other Boards as on 31 <sup>st</sup> March 2019	a) SE Gases Private Limited. b) Srinivasa Cystine Private Limited. c) Pumps India Private Limited. d) Southern Electrodes Limited.	a) D & G Technology Holding Company Ltd. b) Pakfood Public Company Ltd. c) Avanti Frozen Foods Private Ltd. d) PT Thai Union Karisma Lestari (member of Board of Commissioners) e) Information Technology Group Company Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March 2019	NIL	NIL

**B. Details of Independent Directors proposed to be re-appointed at the ensuing Annual General Meeting.**

(i) Sri A.V. Achar, (ii) Sri B.V. Kumar (iii) Sri M.S.P. Rao, (iv) Sri K. Ramamohana Rao, (v) Sri N.V.D.S. Raju and (vi) Smt. K. Kiranmayee

<b>Name of the Director</b>	<b>Sri A.V. Achar</b>	<b>Sri B.V. Kumar</b>
Director Identification No.	00325886	00521139
Date of Birth	22.03.1940	29.05.1934
Age (Years)	79	85
Qualification	B.A., B.Com., B.L., C.A.I.I.B.	M.A., LL.B., IRS
Experience (including expertise in specific functional area) / Brief Resume	Sri A.V. Achar, is a Retired General Manager of a scheduled Commercial Bank and now he is working as lead Auditor and Lead Tutor for ISO Management Systems. He has vast experience in Banking Sector/ Administration Sector/ Management System Sector.	Sri B.V. Kumar is an IRS (Retired) Officer having held senior positions including Member Customs, Central Board of Excise and Customs (CBEC), Government of India. At present, he is a Practicing Advocate specialised in Customs, Central Excise, Service Tax and GST for over two and half decades.
Terms and Conditions of Re-appointment	Non-Executive Independent Director- as per existing terms and conditions.	Non-Executive Independent Director- as per existing terms and conditions.
Remuneration proposed to be paid	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.
Date of first appointment on the Board	07.04.1993	26.09.2002
Shareholding in the Company as on 31 <sup>st</sup> March 2019	3000 equity shares of ₹1/- each.	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the financial year 2018-19	5	5
Directorships of other Boards as on 31 <sup>st</sup> March 2019	Golkonda Hospitality Services and Resorts Limited	Nil
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March 2019	Nil	Nil
<b>Name of the Director</b>	<b>Sri M.S.P. Rao</b>	<b>Sri K Ramamohana Rao</b>
Director Identification No.	00482071	02384687
Date of Birth	15.06.1953	03.04.1950
Age (Years)	65	69
Qualification	B.E (Chemical Engg.) from IIT, Mumbai	B.Com.

<b>Name of the Director</b>	<b>Sri M.S.P. Rao</b>	<b>Sri K Ramamohana Rao</b>
Experience (including expertise in specific functional area) / Brief Resume	Technical & Industrial experience in various industries.	Agriculturist and his Experience in aquaculture will be helpful to the company for formulating marketing policies.
Terms and Conditions of Re-appointment	Non-Executive Independent Director- as per existing terms and conditions.	Non-Executive Independent Director- as per existing terms and conditions.
Remuneration proposed to be paid	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.
Date of first appointment on the Board	27.04.2005	26.09.1998
Shareholding in the Company as on 31 <sup>st</sup> March 2019	440 equity shares of ₹1/- each.	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the financial year 2018-19	5	5
Directorships of other Boards as on 31 <sup>st</sup> March 2019	a) Athena Kynshi Power Private Limited b) Athena Emra Power Private Limited c) APPL Power Private Limited d) Teesta Urja Limited e) Teesta Valley Power Transmission Limited f) East India Petroleum Private Limited g) Countrywide Power Transmission Limited	a) Avanti Frozen Foods Private Limited b) Srinivasa Cystine Private Limited c) SCL Trading Private Limited d) SVIMSAN Exports & Imports Private Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March 2019	Member of (i) Corporate Social Responsibility Committee and (ii) Management Committee, in Teesta Urja Limited.	NIL

<b>Name of the Director</b>	<b>Sri N.V.D.S. Raju</b>	<b>Smt. K Kiranmayee</b>
Director Identification No.	05183133	07117423
Date of Birth	10.03.1948	30.01.1968
Age (Years)	71	51
Qualification	B.Com., M.A., CAIIB, MBA, M.Phil, P.G. Dip. in International Trade FRM (Financial Risk Management), New York University.	B.Sc., B.Ed.

<b>Name of the Director</b>	<b>Sri N.V.D.S. Raju</b>	<b>Smt. K Kiranmayee</b>
Experience (including expertise in specific functional area) / Brief Resume	He is a Faculty at Institute of Insurance and Risk Management- an initiative of IRDA. He has experience for more than 35 years as a professional banker in India and 5 years at New York (USA) with State Bank of India and also as faculty at ICAI School of Financial studies, Visiting faculty at NALSAR and Faculty and Head Distance Learning, IIRM.	She has experience in various capacities in the field of education for more than 27 years. She is also Head of Indus International Junior School, Hyderabad.
Terms and Conditions of Re-appointment	Non-Executive, Independent Director- as per existing terms and conditions.	Non-Executive Independent women Director- as per existing terms and conditions.
Remuneration proposed to be paid	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2018-19.
Date of first appointment on the Board	11.03.2015	11.03.2015
Shareholding in the Company as on 31 <sup>st</sup> March 2019	Nil	5550 equity shares of ₹1/- each.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel
Number of meetings of the Board attended during the financial year 2018-19	5	5
Directorships of other Boards as on 31 <sup>st</sup> March 2019	Sivananda Supatha Foundation (Sec.8 Company) - Chairman	Nil
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March 2019	NIL	Nil

C. Details (i) Sri J.V. Ramudu, proposed to be appointed as Non-Executive Independent Director for a period of 5 years w.e.f. 10.11.2018 and (ii) Sri A. Venkata Sanjeev, proposed to be appointed as Director w.e.f. 07.06.2019 and as Executive Director for a period of of 5 years w.e.f 09.08.2019.

<b>Name of the Director</b>	<b>Sri J.V. Ramudu</b>	<b>Sri A.Venkata Sanjeev</b>
Director Identification No.	03055480	07717691
Date of Birth	01.08.1954	18.06.1991
Age (Years)	64	27
Qualification	Post Graduate in Economics, Post Graduate in Law, and Post Graduate Certificate in Criminal Justice and Police Management from the University of Leicester, U.K	Graduated in Mechanical Engineering

<b>Name of the Director</b>	<b>Sri J.V. Ramudu</b>	<b>Sri A.Venkata Sanjeev</b>
Experience (including expertise in specific functional area) / Brief Resume	He retired as Director General of Police of Andhra Pradesh in July, 2016. He was the First DGP of newly formed State of Andhra Pradesh. He held various senior positions in the Government. He was Vice-Chairman & Managing Director, A.P. Police Housing Corporation from 2010 to 2012. He was awarded (i) Indian Police Medal in 1997, (ii) Antrik Suraksha Seva Pathak in 2004 and (iii) President Police Medal in 2007. He worked as an IRS officer in Income Tax Department for 2 years before he was selected for IPS. He also had a stint in Orissa PHC to pull it out of red, as Director Specially appointed by Orissa Governor. He is a Philanthropist. He is running a school for around 600 students in his native village Narsimpally in Anantapur District. He developed his village as a Model Village by providing Drinking Water Facilities, Primary Health Care Centre, Roads, Temples, Grameena Bank, Rural Skilled Development etc. He is vigorously working for getting Irrigation Canals to the neighbouring villages. He has very rich and varied experience in Community Services.	Sri A Venkata Sanjeev worked, as Manager-Operations, in the Company for about 5 years. His major achievements during his tenure are- (i) Setting up new shrimp feed manufacturing facility at Bandapuram and subsequent further expansion in a record time. (ii) Modernisation of shrimp feed Plant at Kovvur. (iii) Ensuring production of shrimp feed with consistent quality maintenance in all the feed Plants.
Terms and Conditions of appointment	As per terms and conditions mentioned in appointment letter.	As set out in the Resolution at Item No.6 of this Notice.
Remuneration proposed to be paid	Sitting fees as disclosed in report on Corporate Governance forming part of the Annual Report for the FY 2018-19.	
Date of first appointment on the Board	10.11.2018	Appointed as an Additional Director by the Board on 07.06.2019. The Board also appointed him as Whole-time Director designated as Executive Director for a period of 5 years w.e.f. 09.08.2019, subject to approval of shareholders.
Shareholding in the Company as on 31 <sup>st</sup> March 2019	Nil	7,10,100 equity shares of ₹1/- each.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel	Son of Sri A Indra Kumar, Chairman & Managing Director
Number of meetings of the Board attended during the financial year 2018-19	1	Not applicable.
Directorships of other Boards as on 31 <sup>st</sup> March 2019	Endiya Trustee Private Limited	Srinivasa Cystine Private Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March 2019	NIL	NIL

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

Place: Hyderabad  
Date : 07.06.2019

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

## AVANTI FEEDS LIMITED

CIN: L16001AP1993PLC095778

Regd. Office: Flat No.103, Ground Floor,"R"Square, Pandurangapuram,

Visakhapatnam-530003, Andhra Pradesh

Email: avantiho@avantifeeds.com.

Website: www.avantifeeds.com

### ATTENDANCE SLIP

#### ANNUAL GENERAL MEETING

DATE: 9<sup>th</sup> August 2019

DP ID - Client ID No. / Folio No : \_\_\_\_\_

No. of shares held : \_\_\_\_\_

Name of the Member / Proxy : \_\_\_\_\_

Address of the Member : \_\_\_\_\_

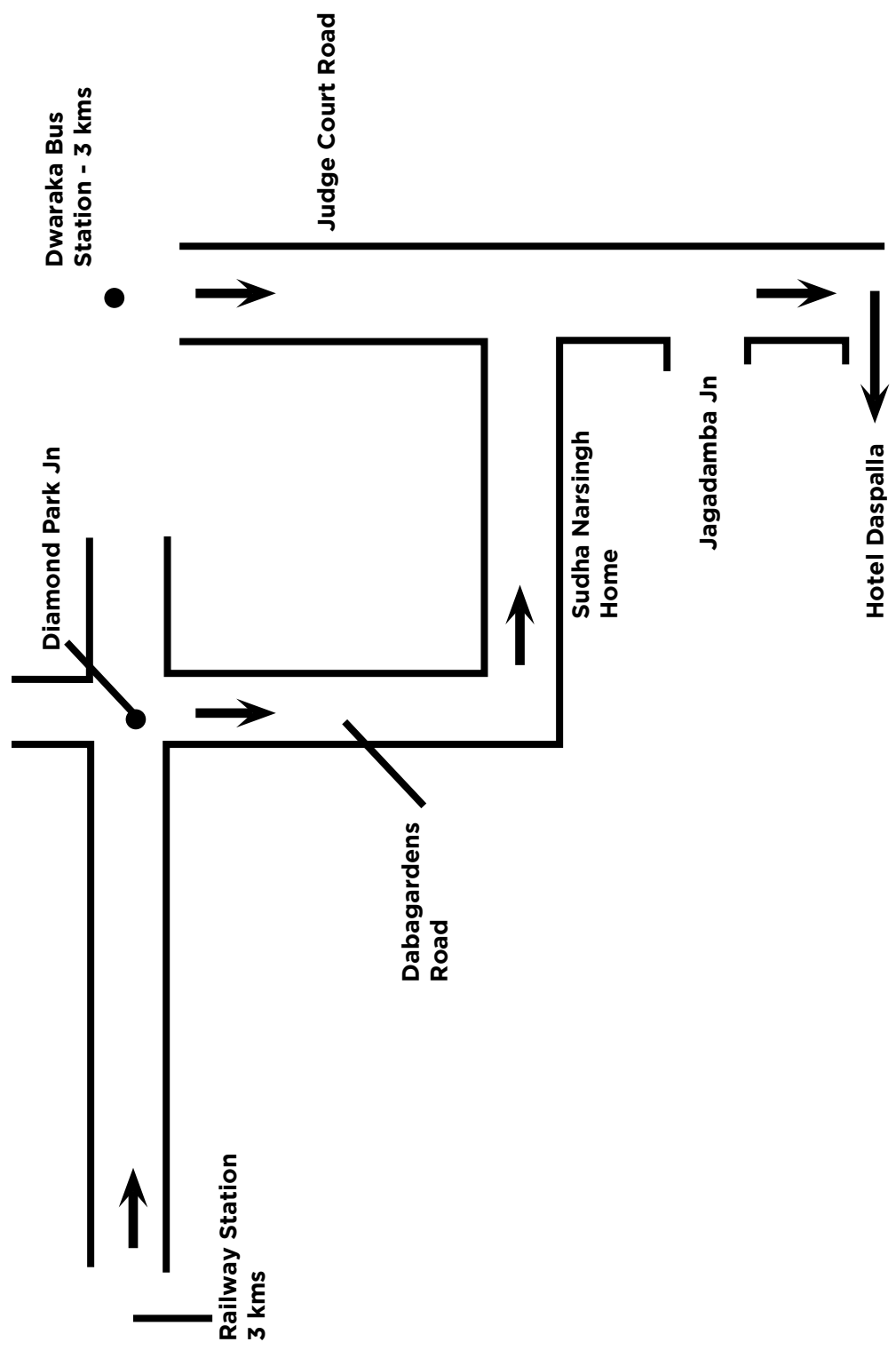
I/We, hereby record my/our presence at the 26<sup>th</sup> Annual General Meeting of Avanti Feeds Limited on Friday, the **9<sup>th</sup> August 2019 at 11.00 A.M., at Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhatpnatam.**

Signature of Member/Proxy

Note:

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are informed that no duplicate slips will be issued at the venue of the meeting and are requested to bring this slip.

**Route Map for venue of the Annual General Meeting  
Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhapatnam**





## PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Company Identification Number : L16001AP1993PLC095778  
 Name of the entity : Avanti Feeds Limited  
 Registered Office : Flat No.103, Ground Floor, "R" Square,  
 Pandurangapuram, Visakhapatnam-530003  
 Andhra Pradesh.  
 Name of the member(s) :  
 Registered Address :  
 Email Id :  
 Folio No./DPId/Client ID No :

I/We, being the member(s) holding \_\_\_\_\_ equity shares of ₹1/- each of the above named Company, hereby appoint-

1. Name: \_\_\_\_\_ Address \_\_\_\_\_  
 Email ID. \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
2. Name: \_\_\_\_\_ Address \_\_\_\_\_  
 Email ID. \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
3. Name: \_\_\_\_\_ Address \_\_\_\_\_  
 Email ID. \_\_\_\_\_ Signature \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on 9<sup>th</sup> August 2019 at 11.00 A.M., at Vedika Hall, Hotel Daspalla, Jagadamba Junction, Visakhapatnam-530020 and at any adjournment thereof in respect of the Resolutions as indicated below:

SI No	Resolutions	Type of Resolution	Vote (Optional see Note 2) (Please mention number of shares)	
			For	Against
<b>Ordinary Business:</b>				
1	To receive, consider and adopt : a. the audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2019, the Board's Report and the Report of the Auditors thereon. b. the audited Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2019 and the Report of the Auditors thereon.	Ordinary		
2	To declare dividend of ₹4/- per equity share of ₹1/- each fully paid, for the Financial Year 2018-19.	Ordinary		

SI No	Resolutions	Type of Resolution	Vote (Optional see Note 2) (Please mention number of shares)	
			For	Against
3	To appoint a Director in place of Sri N. Ram Prasad (DIN: 00145558), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
4	To appoint a Director in place of Mr. Wai Yat Paco Lee (DIN: 02931372) who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
<b>Special Business:</b>				
5	Appointment of Sri A. Venkata Sanjeev (DIN: 07717691) as Director.	Ordinary		
6	Appointment of Sri A. Venkata Sanjeev (DIN: 07717691) as Whole-time Director designated as Executive Director.	Special		
7	Payment of remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.	Special		
8	Re-appointment of Sri A.V. Achar (DIN:00325886) as Independent Director.	Special		
9	Re-appointment of Sri B.V. Kumar (DIN:00521139) as Independent Director.	Special		
10	Re-appointment of Sri M.S.P. Rao (DIN:00482071) as Independent Director.	Special		
11	Re-appointment of Sri K. Ramamohana Rao (DIN: 02384687) as Independent Director.	Special		
12	Re-appointment of Sri N.V.D.S. Raju (DIN: 05183133) as Independent Director.	Special		
13	Re-appointment of Smt. K. Kiranmayee (DIN: 07117423) as Independent Director.	Special		
14	Appointment of Sri J.V.Ramudu (DIN: 03055480) as Independent Director.	Ordinary		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix Revenue Stamp
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\_\_\_\_\_  
Signature of Proxy Shareholder

\_\_\_\_\_  
Signature of Shareholder

Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. Proxy may vote either For or Against each resolution indicated in the Notice for the AGM. It is optional to the shareholder to indicate his preference. If you leave the "For" or "Against" column blank against any or all of the Resolutions your Proxy will be entitled to vote in the manner as he/she may deem appropriate.











**Registered Office**

Flot.No.103, Ground Floor,  
"R" Square, Pandurangapuram,  
Visakhapatnam - 530003,  
Andhra Pradesh, India

**Corporate Office**

G-2, Concorde Apartments,  
6-3-658, Somajiguda,  
Hyderabad - 500082, Telangana,  
India Ph: 040-23310260, 23310261  
Fax: 040-23311604  
Email: [avantih@avantifeeds.com](mailto:avantih@avantifeeds.com)