

## NOTICE

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

### ORDINARY BUSINESS:

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

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

### SPECIAL BUSINESS:

6. Appointment of Sri A. Indra Kumar, as Chairman & Managing Director for a further period of 5 years:  
To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :  
**"RESOLVED that** pursuant to Sec. 196, 197, 198, 203 and other applicable provisions and relevant Rules, if any, of the Companies Act 2013 and subject to necessary approvals of financial institutions/ authorities if any, consent of the Company be and is hereby accorded for appointment of Sri A. Indra Kumar, as Chairman & Managing Director of the Company for a further period of 5 years with effect from 01.07.2016 and for payment of Remuneration (i) partly by way of Salary, Allowances, and perquisites per month and ex-gratia per annum and (ii) partly by way of Commission on net profits of the Company as detailed below. Sri A. Indra Kumar is also Chairman & Managing Director of Avanti Frozen Foods Pvt. Ltd. (wholly owned subsidiary of Avanti Feeds Limited).

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

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

Category A:

A) Housing:

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

Category B:

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

II. Ex-gratia:

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

III Commission:

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

IV Minimum Remuneration:

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

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

By Order of the Board  
for Avanti Feeds Limited

A. Indra Kumar  
DIN: 00190168  
Chairman & Managing Director

Place: Hyderabad  
Date : 21.05.2016

## NOTES

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

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

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

Procedure for remote e-voting :

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

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

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

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

Place : Hyderabad  
Date : 21.05.2016

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

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

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

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

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

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

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

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

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

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

**1. General Information :**

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

(Rs. In Lakhs)

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

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

II. Information about the appointee:

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

- (2) Past Remuneration :

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

- (3) Recognition or Awards:

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

- (4) Job Profile and suitability:

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

- (5) Remuneration Proposed:

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

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

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

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

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



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

III. OTHER INFORMATION:

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

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

(2) Reasons of loss or inadequate profits :

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

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

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

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

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

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

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

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

Place: Hyderabad  
Date : 21.05.2016