



*Aiding Sustainability
&
Reliability to Aquaculture*

AVANTI FEEDS LIMITED

**24th Annual Report
2016-2017**



Inauguration of new shrimp feed plant at Bandapuram by Sri. Alluri Indra Kumar.



New shrimp feed plant at Bandapuram.

BOARD OF DIRECTORS

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra Rao

Joint Managing Director, Company Secretary & CFO

A.V. Achar

N. Ram Prasad

K. Ramamohana Rao

B.V. Kumar

M.S.P. Rao

N.V.D.S. Raju

Smt. K. Kiranmayee

Bunluesak Sorajjakit

Wai Yat Paco Lee

Kartikeya Misra, IAS, Nominee-APIDC

AUDITORS

Karvy & Co

Chartered Accountants

Bhooma Plaza, Street No.4, Avenue 7,
Banjara Hills, Hyderabad - 500 034.

BANKERS

State Bank of India

Rabo Bank International

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032

REGISTERED OFFICE

Plot No.37, H. No.37, Baymount,
Rushikonda, Visakhapatnam-530 045.
Andhra Pradesh. India

CORPORATE OFFICE

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

Website : www.avantifeeds.com

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NOTICE

Notice is hereby given that the Twenty Fourth (24th) Annual General Meeting of the members of Avanti Feeds Limited (CIN: L16001AP1993PLC095778) will be held on Saturday, the 12th August, 2017 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 year ended 31st March, 2017, the Report of the Board of Directors and the Report of the Auditors thereon.
 - b. The audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and the Report of the Auditors thereon.
2. To declare dividend of Rs.9/- per equity share of Rs.2/- each fully paid-up for the year 2016-17.
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.
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 amended from time to time, Tukaram & Company Chartered Accountants, Hyderabad (ICAI Registration No. 004436S) be and is hereby appointed as Independent Auditors of the Company for a period of five years to hold office from the conclusion of this meeting until the conclusion of Twenty Ninth (29th) AGM of the Company 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 C. Ramachandra Rao as Joint Managing Director, Company Secretary and CFO 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 C. Ramachandra Rao as Joint Managing Director, Company Secretary & CFO for a further period of 5 years with effect from 01.08.2017 and for payment of Remuneration partly by way of (i) Salary, Allowances, and perquisites per month and ex-gratia per annum and (ii) Commission on Net Profits of the Company, as detailed below. Sri C. Ramachandra Rao is also Managing Director of Srivatsa Power Projects Private Limited, an associate Company of Avanti Feeds Limited.

- I. Salary: Rs.6,75,000 per month in the scale of Rs 6,75,000-75,000-9,75,000.

Perquisites :

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

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 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 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 C. Ramachandra Rao Joint Managing Director, Company Secretary & CFO shall be entitled to Commission at the rate of 3% 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 of 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.1,56,95,000/-, 1,73,00,000/-, Rs.1,89,20,000, Rs.2,05,40,000/- and Rs.2,21,60,000/- 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 interests of the Company".

By Order of the Board
for Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168

Chairman & Managing Director

Place: Hyderabad
Date : 13.05.2017

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company.
2. The instrument of Proxy in order to be effective must be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
3. A person can act as a Proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. A member holding more than 10% (ten percent) of the share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or share holder.
4. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting forms part of this Notice.
5. 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 Directors seeking appointment at this Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) regulations 2015, forms part of the report on Corporate Governance at Point No.3.
7. Register of Members and Share Transfer Books of the Company shall remain closed from 07.08.2017 to 12.08.2017(both days inclusive) for annual closing and determining the entitlement of the shareholders for the dividend for the year 2016-17, if declared, at the Annual General Meeting.
8. The dividend on equity shares, if declared at the Annual General Meeting, will be credited / dispatched on or before 31.08.2017 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 06.08.2017 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 06.08.2017.
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 Registrars & Transfer Agents (RTA) of the Company i.e. Karvy Computershare Private Limited, Hyderabad, on or before 06.08.2017.
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 30th June, 2017.
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. 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 the financial year 2007-08 has been transferred to Investor Education and Protection Fund during the year financial year 2015-16. For the financial year 2008-09 and 2009-10 no dividend was declared by the Company. For the financial year 2010-11, unclaimed dividend will be transferred to the Investor Education and Protection Fund, upon expiry of 7 years period. As such, members who have not en-cashed their dividend warrant(s) for the financial year ended 31.03.2011 and / or subsequent years are requested to submit their claims to the Registrars and Transfer Agents of the Company without any delay.
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. Procedure for Voting:
 - (a) In compliance with the provisions of Sec. 108 of the Companies Act 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015 the members are provided with the following alternatives by which they may cast their votes:
 - (1) By Electronic means through the remote e-voting platform provided by Karvy Computershare Private Ltd., (Karvy) the agency engaged by the Company to provide e-voting facility. The process of remote e-voting by electronic means is indicated separately in this Notice.

The remote e-voting period will commence on 08.08.2017 at 9.00 AM (IST) and will end on 11.08.2017 at 5.00PM (IST). During this period, members holding shares either in physical or electronic form as on the cut off date i.e., 05.08.2017, may cast their vote by remote e-voting by electronic means. The remote

e-voting will not be allowed beyond the aforesaid date and time and e-voting module will be disabled by Karvy for e-voting thereafter.

- (2) In order to enable members who do not have access to voting by electronic means, a Ballot Form is sent to the members separately, to send their assent or dissent in respect of the Resolutions set-forth in this Notice.

Members who do not have access to e-voting by electronic means and intend to vote through Ballot Form, may send duly completed Ballot Form to Scrutinizer: Sri V Bhaskara Rao, Practicing Company Secretary C/o Karvy Computershare Private Ltd., Unit: Avanti Feeds Ltd., Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Gachhibowli, Nanakramguda, Serilingampally, Hyderabad-500008 so as to reach him on or before 11.08.2017 by 5.00 PM. Ballot Forms received after 5.00 PM on 11.08.2017 will be treated as invalid.

A member can opt only one mode of remote e-voting i.e., either through electronic means or by Ballot Form. If a member cast votes by both the modes, the voting done through electronic means is treated as valid and the voting through Ballot Form will be treated as invalid.

- (3) The facility of voting through Polling Paper shall also be made available at the AGM venue for the members who have not cast their votes earlier.

Members who have cast their votes by e-voting by electronic means or by Ballot Form prior to the AGM may attend meeting but they shall not be entitled to cast their votes again.

18. The Voting rights of members shall be in proportion to their shares of paid-up equity share capital of the Company as on the cut-off date i.e., 05.08.2017.
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, Practicing Company Secretary, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting and remote e-voting process by electronic means and through Ballot Form and through polling paper at the AGM in a fair and transparent manner.
21. 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 (BSE Ltd) and National Stock Exchange.
22. A route map giving directions to reach the venue of the 24th Annual General Meeting is given at the end of this Notice.
23. 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., 12.08.2017.

Procedure for remote e-voting by electronic means:

- 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 and 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 Register of Members and share transfer books are closed may approach Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means.
- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+ Folio No. or DP ID Client ID to 9212993399
Example for NSDL : MYEPWD <SPACE> 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 for further information on e-voting.
- d. Member may send an e-mail request to evoting@karvy.com, for further information on e-voting.

By Order of the Board
for Avanti Feeds Limited

Place: Hyderabad
Date : 13.05.2017

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. 5:

Appointment of Tukaram & Co., as Auditors for a period of 5 years:

This Explanatory Statement in respect of Item No.5 is provided though strictly not required as per Sec. 102 of the Companies Act 2013.

Karvy & Company, Chartered Accountants, Hyderabad (ICAI Firm Registration No.001757S) were appointed as Auditors of the Company, at the Annual General Meeting held on 02nd August, 2014, for a period of three years i.e., 2014-15, 2015-16 and 2016-17. Karvy & Company have been the Auditors of the Company since the Financial Year 1992 – 93.

As per the provisions of Sec. 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, Karvy & Company can continue as auditors of the Company only up to the conclusion of this Annual General Meeting having completed their term as per the provisions of Sec. 139 of the Act.

The Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on 13.05.2017 proposed appointment of Tukaram & Company (ICAI Firm Registration No. 004436S) Hyderabad as Auditors of the Company for a period of 5 years, to hold the office from the conclusion of this Annual General Meeting till the conclusion of 29th Annual General Meeting to be held in the year 2022 (subject to ratification of their appointment at every Annual General Meeting, if so required under the Act).

Tukaram & Company have consented to their appointment as Independent Auditors and have confirmed that if appointed, their appointment will be in accordance with Sec. 139 read with Sec. 141 of the Act.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution at Item No.5 of the Notice.

Item No. 6:

Appointment of Sri C. Ramachandra Rao, as Joint Managing Director, Company Secretary and CFO for a further period of 5 years:

Sri C Ramachandra Rao was re-appointed as Joint Managing Director and Company Secretary for a period of five years with effect from 01.08.2012 at the 19th Annual General Meeting of the Company held on 18.08.2012. The Board of Directors of the Company at its meeting 08.11.2014 appointed him as Chief Financial Officer (CFO) of the Company in addition to his position as Joint Managing Director and Company Secretary without any change in remuneration in pursuance of the Companies Act, 2013. His tenure of appointment will be completed on 31.07.2017.

It is now proposed to re-appoint Sri C Ramachandra Rao as Joint Managing Director and Company Secretary & CFO for a further period of 5 years with effect from 01.08.2017 with the managerial remuneration, as set out in the Resolution at Item No.6 of the Notice.

The Audit Committee at its meeting held on 29.04.2017 and Nomination & Remuneration Committee at its meeting held on 13.05.2017 recommended the re-appointment of Sri C Ramachandra Rao as Joint

Managing Director, Company Secretary & CFO on the remuneration set out in the resolution at item No. 6 of the Notice.

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	2014-2015	2015-2016	2016-2017
Turnover	1,78,065.68	2,01,828.87	2,65,419.02
Net Profit as computed under section 197 of Companies Act, 2013	19,653.95	25,661.43	32,046.10
Net profit as per Statement of Profit and Loss.	17,984.68	23,257.63	29,368.05
Amount of dividend paid	2,497.84	3179.06	–
Rate of dividend declared	275%	350%	–

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

II. Information about the appointee:

- (1) Background details:

Sri C Ramachandra Rao is a qualified Chartered Accountant, Company Secretary and Law Graduate with rich experience in Government and Public Sector undertakings. He was instrumental for the present growth of the Company since inception and held positions of Manager Finance and Company Secretary, Executive Director, and presently as Joint Managing Director since August, 2006.

Past Remuneration:

Year	Amount (Rs. In Lakhs)
2013-14	447.02
2014-15	714.07
2015-16	912.95
2016-17	1113.16

- (2) Recognition or Awards:

Sri C Ramachandra Rao Joined the organisation at its inception as Manager Finance and Company Secretary in 1995. In recognition of his services, he was promoted to Executive Director and given the responsibility of Joint Managing Director in August, 2006.

(3) Job Profile and suitability:

Providing strategic inputs at the Board level for decision making for expansion, diversification and other activities and on day to day operational level responsibility of Finance, Accounts, direct and indirect taxes, secretarial and corporate governance, legal matters, imports and Human Relation functions and leads a team of professionals and senior executives for day to day operations of the Company. Because of his qualifications and experience over 42 years in various Government, Public Sector and Private Sector organisations and his eventful long association with the Company, steering it to become the largest shrimp feed manufacturer, he is most suitable to the position of Joint Managing Director, Company Secretary & CFO.

(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. C Ramachandra Rao and the responsibilities shouldered by him, the aforesaid remuneration package commensurates 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 C Ramachandra Rao does not have any pecuniary relationship directly or indirectly with the company. He does not have any relationship with any managerial person in the company.

III. OTHER INFORMATION:

(1) Managing Director in Srivathsa Power Projects Private Limited.

Sri. C. Ramachandra Rao, was appointed as Managing Director on the Board of Srivathsa Power Projects Private Limited (an associate company of Avanti Feeds Limited) for a period of 2 years w.e.f. 01.12.2016 on a remuneration of Rs.75,000 per month.

(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 diseases.
2. Extend technical support to the farmers during culture period rendering timely advice 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 :
- On account of increase in demand for shrimp feed and increase in market share of the company in shrimp feed, the profits are likely to increase by 10%. Further, there are plans to set up a 400 Mn. Capacity of 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 of the Notice for approval of the members, as Special Resolution.

None of the Directors other than Sri C. Ramachandra Rao, and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the Resolution at Item No.6 of the Notice.

Place: Hyderabad
Date :13.05.2017

By Order of the Board
for Avanti Feeds Limited

A. INDRA KUMAR
DIN: 00190168
Chairman & Managing Director

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 24th Annual Report together with the Audited Financial Statements of your Company and its subsidiaries for the year ended 31st March, 2017.

1. Financial summary or highlights:

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

(Rs. in Lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Total Revenue	2,65,419.02	201,828.87	273,266.04	201,828.87
Profit/(loss) Before Interest, Depreciation & Tax (PBITD)	30,753.25	24,375.84	35,158.31	25,024.95
Finance Charges	233.32	182.74	271.23	183.94
Depreciation	1,151.89	935.47	1,368.95	1,022.67
Provision for Income Tax (including for earlier years)	9,834.58	7,731.40	10,843.43	7,920.04
Net Profit/(Loss) After Tax	19,533.46	15,526.23	22,674.70	15,898.30
Profit/(Loss) brought forward from previous year	32,973.27	22,053.37	33,456.69	22,313.02
Profit/(Loss) carried to Balance Sheet	46,680.47	32,973.27	48,174.04	33,456.69

Summary of Operations & State of Company's affairs:

The Profit for the year under consideration i.e. 2016-17, before depreciation, finance charges and tax is Rs.30,753.25 lakhs as compared to a profit of Rs. 24,375.84 lakhs in the previous financial year. The Profit for the year after tax is Rs.19,533.46 lakhs as against a Profit of Rs. 15,526.23 lakhs during the previous financial year.

After remaining stagnant during 2015-16, the industry bounced back in the year 2016-17 and reported a growth of 15-20% due to consistently favorable shrimp prices coupled with copious rain fall in most of the shrimp culture areas. Your Company reported 3,41,660 MT sales of shrimp feed during 2016-17 as compared to 2,52,590 MT shrimp feed sales in the immediate preceding financial year 2015-16, an increase of 35% in volume. For the 5th consecutive year your Company posted higher growth than the industry which reflects your Company's un-compromising commitment to product quality and technical support to farmers making it farmer's first choice.

The shrimp processing and export sales during 2016-17 recorded export of 5155 MT as against 4377 MT in the previous year representing an increase of 18% in quantitative terms.

During the year 2015-16 your Company divested its Shrimp Processing & Export Division to its

subsidiary Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to build global brand image for Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. However, transfer of statutory licenses from AFL to AFFPL was received in June'16 and transfer of name from USDOC was received on 22.11.2016. From 01.04.2016 to 30.06.2016 AFL operated the Processing & Export business on behalf of AFFPL and from 01.07.2016 till 22.11.2016, AFFPL did the processing and AFL exported as a merchant exporter. With effect from 23.11.2016, AFFPL is carrying on the processed shrimp operations in its own name.

The revenue and related expenditures for the period from 01.04.2016 to 22.11.2016 are included in Statement of Profit & Loss of AFL. However, the profit from operation for the period starting from 01.04.2016 to 22.11.2016 amounting to Rs. 1864.80 lakhs is transferred to AFFPL which is reflected in the standalone results of your Company as Extra Ordinary Expense. A detailed statement of the operations of Shrimp Processing & Export Division for the 7 months period from 01.04.2016 to 22.11.2016 is given in Note No.31 of financial statements.

The four windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 31.44 lakh units as against 49.94 lakh units in the previous year. The power generated during the year was sold to Karnataka Power Transmission Corporation Limited under Power Purchase Agreement. During the high wind season between May'16 to October'16 two of the four wind mills did not operate due to technical fault and inordinate delay in rectifying the machines by O & M service provider.

We have renewed O & M Agreement with Wind World India Limited with the understanding that O & M charges will be released to them in installments upon satisfactory maintenance of the wind mills.

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.

Dividend:

Your Directors have recommended a dividend of Rs.9.00 per equity share of Rs.2/- each fully paid up, for the Financial Year 2016-17. The dividend if declared by the Members at the 24th Annual General Meeting to be held on 12th August, 2017 will be paid on or before 31st August, 2017.

Reserves:

The Company proposes to transfer Rs.2000 lakhs to the General Reserve out of the Profits available for appropriation.

Composition of the Board and details of Board meetings:

SI No	Name	Designation
1	Sri A. Indra Kumar	Chairman & Managing Director
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & Chief Financial Officer
3	Sri N. Ram Prasad	Director
4	Sri A.V. Achar	Independent Director
5	Sri B.V. Kumar	Independent Director
6	Sri M.S.P. Rao	Independent Director
7	Sri K. Ramamohana Rao	Independent Director
8	Sri N.V. D.S. Raju	Independent Director
9	Smt. K. Kiranmayee	Independent Woman Director
10	Sri Bunluesak Sorajjakit	Director
11	Sri Wai Yat Paco Lee	Director
12	Sri Shamsher Singh Rawat, IAS (up to 26.05,2016)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)
13	Sri B Sreedhar, IAS (from 27.05.2016 to 19.09.2016)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)
14	Sri Kartikeya Misra (from 20.09.2016)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)

6.1 Number of Board Meetings:

During the year 2016-17, 4(Four) Board meetings were held. The details are as under:

Sl.No.	Date of Board Meeting	No of Directors Attended
1	21.05.2016	9
2	12.08.2016	11
3	28.10.2016	9
4	27.01.2017	10

6.2 Committees of the Board:

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

6.3 Meeting of Independent Directors:

The details of the separate meeting of the Independent Directors held during the year under review, reported in the Report on Corporate Governance which forms part of the Board's Report.

6.4 Familiarization Programme for Independent Directors:

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

7. Changes in Directors and Key Managerial Personnel:

During the year under review, Andhra Pradesh Industrial Development Corporation Limited has withdrawn the nomination of Sri Shamsheer Singh Rawat, IAS, and appointed Sri B Sreedhar, IAS on 27.05.2016 as Nominee Director and it withdrew nomination of Sri B Sreedhar, IAS and appointed Sri. Kartikeya Misra, IAS on 20.09.2016 as a Director.

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, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The resolutions to that effect are placed for consideration and approval by the members at the AGM to be held on 12.08.2017.

8. Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is enclosed at Annexure-1.

9. Directors' Responsibility Statement:

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

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

10. Internal financial controls:

The internal financial controls with reference to the Financial Statements for the year ended 31st March, 2017 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.

11. Declaration by Independent Directors:

Sri A.V. Achar, Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju and Smt. K. Kiranmayee are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in section 149(6) of the Act and the Rules made there under about their status as Independent Directors of the Company.

12. Policy on Directors' appointments and Remuneration including Criteria for determining qualifications, positive attributes etc. :

The details of Policy on Directors appointment and Remuneration (i.e. Nomination and Remuneration Policy), criteria for determining qualifications, positive attributes, independence of directors are disseminated on the website of the Company i.e. www.avantifeeds.com

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 at Annexure - 1.

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

At the 21st Annual General Meeting of the Company held on 2nd August, 2014, Karvy & Company, Chartered Accountants Hyderabad have been appointed as Statutory Auditors of the Company for a period of three years i.e. (2014-15, 2015-16 and 2016-17). Their appointment for the years 2015-16 and 2016-17 was ratified by the members at the Annual General meeting held on 08.08.2015 and 13.08.2016 respectively.

As per the provisions of Sec.139 of the Act, no listed Company can not appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, Karvy & Company can continue as auditors of the Company only up to the conclusion of this Annual General Meeting having completed their term as per the provisions of Sec.139 of the Act.

Tukaram & Company have consented to their appointment as Independent Auditors and have confirmed that if appointed, their appointment will be in accordance with Sec.139 read with Sec.141 of the Act.

The Board of Directors recommended appointment of Tukaram & Company (ICAI Firm Registration No.004436S) Hyderabad as Auditors of the Company for a period of 5 years, to hold the office from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held in the year 2022 (subject to ratification of their appointment at every Annual General Meeting if so required under the Act).

14. Secretarial audit:

In terms of Section 204 of the Companies Act 2013 and the Rules made there under, V. Bhaskara Rao & Co., Hyderabad, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company for the year 2016-17, on a remuneration of Rs.1,00,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The report of the Secretarial Auditors is annexed to this Report.

15. 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 for the year 2016-17. The Internal Auditor directly reports to the Audit Committee.

16. Explanations on qualifications made by the Auditors:

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

17. Particulars of Loans, Guarantees or Investments:

The details of the Loans, Guarantees and Investments as on 31.03.2017 are as under :

a) Guarantees	:	Rs. 7,590.00 lakhs
b) Investments	:	Rs. 11,209.54 lakhs
		Rs. <u>18,799.54</u> lakhs

18. Particulars of contracts or arrangements with Related Parties:

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

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

19. 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	Gate control system introduced in all conveyor belts so that motors stop running during idle time. Atomization done at crumbling section so that machines stop during idle time. Lights in all the manufacturing units changed to LED from CFL.
(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	—

(b) Technology absorption: Not applicable.**(c) Foreign Exchange Earnings and Outgo:** During the year under review, the total Foreign Exchange out go was Rs. 9780.47 lakhs and Foreign Exchanged earned was Rs.23,117.97 lakhs.**20. 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. Audit Committee and the Board review the same periodically. The details of the Policy are available on Company's website: www.avantifeeds.com.

22. Corporate Social Responsibility Committee:

Composition:

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

Terms of Reference:

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

CSR Policy

The Company's CSR Policy is disseminated at www.avantifeeds.com

During the year 2016-17 one meeting of the Corporate Social Responsibility Committee was held on 25.06.2016.

CSR Expenditure during the year 2016-17:

As per the Sec.135(5) of Companies Act 2013, an amount of 2 percent of the average Net Profits of the Company made during the three immediately preceding financial years towards CSR activities, which works out to Rs. 378.45 lakhs, is to be spent towards Corporate Social Responsibility Activities. The Company has spent Rs. 555.11 lakhs towards the CSR activities in the financial year 2016-17, which is more than mandatory requirement by Rs.176.66 lakhs. The detailed Report on the CSR Activities is annexed to Board's Report at Annexure - 3.

23. Manner in which annual evaluation has been made by the Board of its own performance and that of its Committees and Individual Directors:

Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out 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.

24. Subsidiaries and Associate Companies:

24.1 Report on the performance of Subsidiaries and associates:

The report on the business of the Subsidiaries and Associate companies as on 31.03.2017 is as follows:

24.2 Subsidiaries:

- (a) Avanti Frozen Foods Pvt. Ltd. (AFFPL)

During the year under review Avanti Frozen Foods Pvt. Limited (AFFPL) issued 40,06,667 shares to Thai Union Group PCL (TUG) of Thailand. After allotment of shares to TUG, your company holds 60% of the equity in AFFPL and AFFPL is subsidiary of your Company.

During the year 2015-16 your Company divested its Shrimp Processing & Export Division to its subsidiary Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to build global brand image for Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. However, transfer of statutory licenses from AFL to AFFPL was received in June'16 and transfer of name from USDOC was received on 22.11.2016. From 01.04.2016 to 30.06.2016 AFL operated the Processing & Export Business on behalf of AFFPL and from 01.07.2016 till 22.11.2016, AFFPL did the processing and AFL exported as a merchant exporter. With effect from 23.11.2016, AFFPL is carrying on operations in its own name.

The revenue and related expenditures for the period from 01.04.2016 to 22.11.2016 are included in Statement of Profit & Loss of AFL. However, the profit from operation for the period starting from 01.04.2016 to 22.11.2016 amounting to Rs.1864.80 lakhs is transferred to AFFPL which is reflected in the standalone results of your Company as Extra Ordinary Expense. A detailed statement of the operations of Shrimp Processing & Export Division for the 7 months period from 01.04.2016 to 22.11.2016 is given in Note No.31 of financial statements.

During the year AFFPL reported turnover of Rs.23835.73 lakhs and profit before tax is Rs.4299.10 lakhs. The Profit after tax reported by AFFPL is Rs.3290.24 lakhs for the year 2016-17.

Further, AFFPL is in the final stage of implementation of a 15000 MTA capacity shrimp processing Plant at Yerravaram in East Godavari District of Andhra Pradesh. The estimated capital expenditure is Rs.100 crores and the commercial production is scheduled to commence in May 2017.

- (b) SVIMSAN Imports and Exports Private Limited : (Wholly owned subsidiary of the Company)
No business activity.

The consolidated financial statements of the Company and its subsidiaries prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and Companies (Amendment) Rules, 2016, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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

The Company has adopted a Policy for determining Material subsidiaries in terms of Regulation 16(1)(c) of the Securities and Exchange Board of India (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

24.3 Joint Ventures:

During the year under review there were no Joint Ventures.

24.4 Associate Companies:

1. Srivathsa Power Projects Private Limited:

Srivathsa Power Projects Pvt Ltd, is a 17.2 MW gas based independent power project situated in Andhra Pradesh in which Company holds 49.99% of equity shares. The unit was not in operation

from 06th July, 2014 to 26th January, 2016 as gas supply was stopped by Gas Authority of India Limited (GAIL) due to blast in their gas supply pipeline.

Now the plant is operational. During the year 2016-17, the gas supply was drastically reduced by GAIL to 31,343 SCMD as against the nominated quota of 65,000 SCMD. As a result, the power generation was limited to 439.68 lakhs units as against capacity of 911.04 lakhs units. During the year 2016-17, the Company reported a turnover of Rs.1534.00 lakhs and a loss of Rs.113.54 lakhs after charging interest and depreciation as per un-audited financials.

2. Patikari Power Private Limited:

The Company holds 25.88% equity shares of Patikari Power Private Limited which has a 16 MW Hydel Power Project in Himachal Pradesh. During the year 2016-17 as per un-audited financials the Company generated 424.40 lakhs saleable energy units, yielding a gross sales income of Rs.954.99 lakhs and resulted in a net loss of Rs.236.77 lakhs after charging interest and depreciation.

Poor in flow of water is the major reason for low generation of power and consequent loss.

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

During the year under review, Avanti Frozen Foods Private Limited, became a 60% subsidiary of the Company, the details are indicated at Point No.24.2 of this Report. There were no other companies which have become or ceased to be Subsidiaries, Joint Ventures or associate companies.

24.6 Statement containing subsidiaries, salient features of financial statements of subsidiaries:

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statements of Company's subsidiary and associate companies is enclosed at Annexure-4 of Board's Report.

25. 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.

25.1 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.

26. 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.

27. 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.

28. Management Discussion & Analysis:

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

29. Business Responsibility Report:

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

30. 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.

30.1 Disclosures under Reg.34(3) and Schedule V of SEBI (LODR) Regulations, 2015 :

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

NAME	NATURE & TENURE OF CONTRACT	AMOUNT OUTSTANDING AT THE YEAR END 31.03.2017	MAXIMUM AMOUNT OF LOAN OUTSTANDING DURING THE YEAR 2016-17
Avanti Frozen Foods (P) Limited (AFFPL)	Loan given to AFFPL, a subsidiary of AFL, for the purpose of implementing 15000 MTA capacity processing and export plant at Yerravaram, East Godavari District of Andhra Pradesh.	NIL	Rs. 5885.99 Lakhs

There were no investments made by Loanee (Avanti Frozen Foods (P) Limited) in the shares of Company or in any other subsidiary of the Company.

31. Whistle Blower Policy:

The Company established Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The practice of 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

32. Remuneration of Directors:

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

(Rs. In Lakhs)

Details	Sri A Indra Kumar CMD	Sri C Ramachandra Rao JMD, CS & CFO
Pay	215.88	124.80
Exgratia	26.99	15.60
Perks	2.38	—
Super Annuation	17.42	11.38
Commission on Profits	1281.84	961.38
Total :	1544.51	1113.16

33. 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.

34. Particulars of Employees:

The statement containing particulars of employees as required under section 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 Rs. 120 Lakhs or more are enclosed forming part of Annexure-5.

35. 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 31.03.2017 the Company has not received any complaints pertaining to sexual harassment of employees.

Acknowledgments:

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

By Order of the Board
for Avanti Feeds Limited

A. INDRA KUMAR
DIN: 00190168
Chairman & Managing Director

Place: Hyderabad
Date : 13.05.2017

Annexure -1**Form No. MGT-9****(Extract of Annual Return as on the Financial year ended on 31st March, 2017)****I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L16001AP1993PLC095778
- ii. Registration Date : 06.01.1993
- iii. Name of the Company : Avanti Feeds Limited
- iv. Category/Sub-Category of the Company : Public Limited Company
- v. Address and Contact Details
- a. Registered Office : H.No.37, Plot No.37 Baymount, Rushi Konda
Visakhapatnam-530 045, Andhra Pradesh
- b. Corporate Office : G-2 Concorde Apartments, Somajiguda
Hyderabad.500 082, Telangana State
- Phone Nos : 040-23310260/61 Fax: 040-23311604
- Email Id : avantiho@avantifeeds.com
- Website : www. avantifeeds.com
- vi. Whether Listed Company : Yes
- vii. Name, Address and Contact details of Registrars & Transfer Agents : Karvy Computershare Private Limited
Karvy Selenium Tower-B, Plot No.31 & 32,
Financial District, Gachibowli, Nanakramguda,
Serilingampally, Hyderabad.500 008
Telangana State, India.
Phone No: 040-6716222 Fax 040-23001153
E mail Id: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl.No.	Name an description of main Products/Services	NIC Code of the % of total turnover	Product/Service of the Company
1	Shrim Feed	15339	88.39%
2	Processed Shrimp	15127	11.54%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.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	Sec.2(87)(ii)
2	Svimsan Exports & Imports Ltd	U24239TG1998PTC030063	Subsidiary	100	Sec.2(87)(ii)
3	Srivathsa Power Projects Ltd	U40109TG1995PLC020411	Associate	49.99	Sec.2(6)
4	Patikari Power Private Limited	U40103HP2000PTC024074	Associate	25.89	Sec.2(6)

SHARE HOLDING PATTERN BETWEEN 31/03/2016 AND 31/03/2017

(i) Category-wise Shareholding

Category Code	Category of Shareholder	No. of Shares Held at the beginning of the Year 31/03/2016			No. of Shares Held at the end of the Year 31/03/2017			% 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)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN	6407050	37500	6444550	14.19	6407050	37500	6444550	14.19	0.00
(a)	Individual /HUF									
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	13511460	0	13511460	29.75	13511460	0	13511460	29.75	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	19918510	37500	19956010	43.94	19918510	37500	19956010	43.94	0.00
(2)	FOREIGN									
(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
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	19918510	37500	19958010	43.94	19918510	37500	19956010	43.94	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS	18090	20500	38590	0.08	639500	20500	660000	1.45	-1.37
(a)	Mutual Funds /UTI	14560	4500	19060	0.04	13812	4500	18312	0.04	0.00
(b)	Financial Institutions /Banks									
(c)	Central Government / State Government(s)	1236515	0	1236515	2.72	1236515	0	1236515	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	1862697	500	1863197	4.10	1905180	500	1905680	4.20	0.09
(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	0.00
(I)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	3131862	25500	3157362	6.95	3795007	25500	3820507	8.41	-1.28

SHARE HOLDING PATTERN BETWEEN 31/03/2016 AND 31/03/2017
(i) Category-wise Shareholding

Category Code	Category of Shareholder	No. of Shares Held at the beginning of the Year 31/03/2016				No. of Shares Held at the end of the Year 31/03/2017				% 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)	PUBLIC SHAREHOLDING									
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1281184	69000	1350184	2.97	1096991	39500	1136491	2.50	-0.47
(b)	Individuals									
(i)	Individuals holding nominal share capital up to Rs.2 lakh	6738217	966075	7704292	16.96	6337818	857075	7194893	15.84	-1.12
(ii)	Individuals holding nominal share capital in excess of Rs.2 lakh	1251875	0	1251875	2.76	1222226	0	1222226	2.69	-0.07
(c)	Others									
	CLEARING MEMBERS	29032	0	29032	0.06	21221	0	21221	0.05	-0.02
	FOREIGN BODIES	11410210	0	11410210	25.12	11410210	0	11410210	25.12	0.00
	NON RESIDENT INDIANS	446125	108000	554125	1.22	408103	104000	512103	1.13	-0.09
	NRI NON-REPATRIATION	0	0	0	0.00	128794	0	128794	0.28	0.28
	TRUSTS	2120	0	2120	0.00	12755	0	12755	0.03	0.02
	NBFC	0	0	0	0.00	0	0	0	0.00	0.00
	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Sub-Total B(2) :	21158763	1143075	22301838	49.11	20638118	1000575	21638693	47.65	-1.46
	Total B=B(1)+B(2) :	24290625	1188575	25459200	56.06	24433125	1026075	25459200	56.06	0.00
	Total (A+B) :	44209135	1206075	45415210	100.00	44351635	1063575	45415210	100	0.00
(C)	Shares held by custodians against which Depository Receipts have been issued – NIL									
(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
	GRAND TOTAL (A+B+C) :	44209135	1206075	45415210	100.00	44351635	1063575	45415210	100.00	

SHARE HOLDING PATTERN BETWEEN 31/03/2016 AND 31/03/2017
(ii) Shareholding of Promoters

Sl. No.	Change in Promoters Shareholding	Shareholding at the beginning of the year (i.e. 01-04-2016)				Shareholding at the end of the year (i.e. 31-03-2017)				% change in shareholding during the year
		No. of Shares (equity shares of Rs.10/- each)	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares		No. of Shares (equity shares of Rs.2/- each)	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		
1	Sri Indra Kumar Alluri	2776900	6.11	0		2776900	6.11	0		0.00
2	Sri Alluri Indra Kumar - HUF	2729750	6.01	0		2729750	6.01	0		0.00
3	Srinivasa Cystine Private Limited	12099705	26.64	0		12099705	26.64	0		0.00
4	Sanjeeva Agro-Vet Pvt. Ltd	1411755	3.11	0		1411755	3.11	0		0.00
5	Sri N. Ram Prasad	103000	0.23	0		103000	0.23	0		0.00
6	Sri Venkata Sanjeev Alluri	236900	0.52	0		236900	0.52	0		0.00
7	Sri Alluri Nikhilesh Chowdary	230550	0.51	0		230550	0.51	0		0.00
8	Smt N Naga Ratna	100000	0.22	0		100000	0.22	0		0.00
9	Sri G Venkatesh	172400	0.37	0		172400	0.37	0		0.00
10	Sri Bommidala Srimannarayana	5000	0.01	0		5000	0.01	0		0.00
11	Smt Geda Sai Padmini	14550	0.03	0		14550	0.03	0		0.00
12	Smt Ratna Manikyamba Katneni	12500	0.03	0		12500	0.03	0		0.00
13	Sri Katneni Jagan Mohan Rao	12500	0.03	0		12500	0.03	0		0.00
14	Smt Sudha Vadlamudi	12500	0.03	0		12500	0.03	0		0.00
15	Smt Raveena Chitturi	12500	0.03	0		12500	0.03	0		0.00
16	Sri Amar Kumar Chukkapailli	12500	0.03	0		12500	0.03	0		0.00
17	Sri Pitchaiah Chukkapailli	12500	0.03	0		12500	0.03	0		0.00
18	Smt Gayathri Putchala	500	0.00	0		500	0.00	0		0.00
	Total:	19956010	43.94	0		19956010	43.94	0		0.00

(iii) Change in Promoters' Shareholding:

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e.1.4.2016)		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares of Rs.2/- each	% of total Shares of the company			No. of shares of Rs.2/- each	% of total shares of the company	No. of Shares	% of total shares of the company
There is no change in the Promoter Group Shareholding from 01.04.2016 to 31.03.2017									

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e. 1.4.2016)		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares of Rs.2/- each	% of total Shares of the company			No. of shares of Rs.2/- each	% of total shares of the company	No. of Shares	% of total shares of the company
1	Thai Union Frozen Products plc.	11410210	25.12	No changes 31.03.2017	during the year At the end of the year			11410210	25.12
2	Malbar India Fund	1416260	3.12	11/11/2016 11/18/2016 11/25/2016 03/24/2017 03/31/2017	Transfer Transfer Transfer Transfer At the end of the year	12948 33052 54000 -30501	0.03 0.07 0.12 -0.07	1416260 1429208 1462260 1516260 1485759 1485759	3.12 3.15 3.22 3.34 3.27 3.27
2	Andhra Pradesh Industrial Development Corpn. Ltd	1236515	2.72	03/31/2017	At the end of the year			1236515 1236515	2.72 2.72
3	Girish Gulati- HUF	326224	0.72	08/19/2016 11/04/2016 03/31/2017	Transfer Transfer At the end of the year	67440 10	0.15 0.00	326224 393664 393674 393674	0.72 0.87 0.87 0.87
4	Dolly Khanna	308365	0.68	05/13/2016 05/20/2016 05/27/2016 06/03/2016 06/10/2016 06/17/2016 07/01/2016 07/22/2016 07/29/2016 08/05/2016 08/12/2016 09/02/2016 09/09/2016	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	-5836 -1700 -2195 -1050 -1000 -7810 -1000 -1528 -2458 -4000 -3000 -5660 -1927	-0.01 0.00 -0.01 0.00 0.00 -0.02 0.00 0.00 -0.01 -0.01 -0.01 -0.01 0.00	308365 302529 300829 298634 297584 296584 288774 287774 286246 283788 279788 276788 271128 269201	0.68 0.67 0.66 0.66 0.65 0.64 0.63 0.63 0.62 0.62 0.61 0.60 0.59

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e.1.4.2016)		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares of Rs.2/- each	% of total Shares of the company			No. of shares of Rs.2/- each	% of total shares of the company	No. of Shares	% of the shares of the company
5	Ranga Prasad Nutakki	3574	0.01	09/16/2016	Transfer	-1800	0.00	267401	0.59
				09/23/2016	Transfer	-1465	0.00	265936	0.59
				09/30/2016	Transfer	-360	0.00	265576	0.58
				10/14/2016	Transfer	-897	0.00	264679	0.58
				10/28/2016	Transfer	-825	0.00	263854	0.58
				11/04/2016	Transfer	-4500	-0.01	259354	0.57
				11/11/2016	Transfer	-1000	0.00	258354	0.57
				11/18/2016	Transfer	-2000	0.00	256354	0.56
				12/02/2016	Transfer	-2000	0.00	254354	0.56
				12/09/2016	Transfer	-2000	0.00	252354	0.56
				01/06/2017	Transfer	-3000	-0.01	249354	0.55
				01/13/2017	Transfer	-1900	0.00	247454	0.54
				01/20/2017	Transfer	14515	0.03	261969	0.58
				02/03/2017	Transfer	4825	0.01	266794	0.59
				03/03/2017	Transfer	14355	0.03	281149	0.62
				03/10/2017	Transfer	700	0.00	281849	0.62
				03/17/2017	Transfer	6599	0.02	288448	0.64
				03/31/2017	Transfer	975	0.00	289423	0.64
				03/31/2017	At the end of the year			289423	0.64
6	IL and FS Trust Company Limited	220000	0.48	04/15/2016	Transfer	-2750	-0.01	3574	0.01
				04/22/2016	Transfer	-21	0.00	824	0.00
				05/06/2016	Transfer	-800	0.00	803	0.00
				01/06/2017	Transfer	-3	0.00	3	0.00
				03/31/2017	At the end of the year			0	0.00
								0	0.00
								220000	0.48

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e.1.4.2016)		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares of Rs.2/- each	% of total Shares of the company			No. of shares of Rs.2/- each	% of total shares of the company	No. of Shares	% of total shares of the company
7	Ranga Prasad N	707	0.00	04/08/2016	Transfer	-190	0.00	707	0.00
				04/15/2016	Transfer	-490	0.00	517	0.00
				12/02/2016	Transfer	-27	0.00	27	0.00
				06/03/2016	At the end of the year			0	0.00
9	Mohit Ramgopal Agrawal	176635	0.39	6/30/2016	Transfer	-16635	-0.04	176635	0.39
				07/08/2016	Transfer	-5000	-0.01	160000	0.35
				07/29/2016	Transfer	-3450	-0.01	155000	0.34
				08/12/2016	Transfer	-1550	0.00	151550	0.33
				03/17/2017	Transfer	-5000	-0.01	150000	0.33
				03/24/2017	Transfer	-10000	-0.02	145000	0.32
				03/31/2017	Transfer	-15591	-0.03	135000	0.30
				03/31/2017	At the end of the year			119409	0.26
10	Vivog Commercial Limited	207636	0.46	No Change	during the year			119409.00	0.26
				3/31/2017	At the end of the year			207636	0.46
11	L&T Mutual Fund Trustee Limited- - L&T Emerging Business	0	0.00	04/01/2017	Transfer	54000	0.12	0	0.00
				04/11/2016	Transfer	10000	0.02	54000	0.12
				25/11/2016	Transfer	6822	0.02	64000	0.14
				27/01/2017	Transfer	15221	0.03	70822	0.17
				03/02/2017	Transfer	5000	0.01	86043	0.20
				10/02/2017	Transfer	9000	0.02	91043	0.21
				24/02/2017	Transfer	28873	0.06	100043	0.22
				03/03/2017	Transfer	38559	0.09	128916	0.30
								167475	0.38

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e. 1.4.2016)		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares of Rs.2/- each	% of total Shares of the company			No. of shares of Rs.2/- each	% of total shares of the company	No. of Shares	% of total shares of the company
12	SBI Small and Midcap Fund	0	0.00	10/03/2017	Transfer	25	0.00	167500	0.38
				17/03/2017	Transfer	29000	0.06	196500	0.44
				31/03/2017	At the end of the year			196500	0.44
				06/05/2016	Transfer	2171	0.01	0	0.00
				13/05/2016	Transfer	21083	0.05	2171	0.00
				20/05/2016	Transfer	124	0.00	23254	0.05
				27/05/2016	Transfer	5696	0.01	23378	0.05
				24/06/2016	Transfer	724	0.00	29074	0.06
				30/06/2016	Transfer	30736	0.07	29798	0.07
				01/07/2016	Transfer	16625	0.04	60534	0.13
				11/11/2016	Transfer	30946	0.07	77159	0.17
				25/11/2016	Transfer	31430	0.07	108105	0.24
13	Lincoln P Coelho	285000	0.63	23/12/2016	Transfer	9106	0.02	139535	0.31
				30/12/2016	Transfer	4318	0.01	148641	0.33
				06/01/2017	Transfer	8838	0.02	152959	0.34
				31/03/2017	At the end of the year			161797	0.36
				No changes during the year	during the year	0	0	161797	0.36
14	DJE-AGRAR & ERNAEHRUNG	118000	0.26	3/31/2017	At the end of the year			285000	0.63
				16/09/2016	Transfer	1810	0.00	285000	0.63
				23/09/2016	Transfer	9530	0.02		
				30/09/2016	Transfer	11767	0.03	119810	0.26
				07/10/2016	Transfer	1893	0.00	129340	0.28
				31/03/2017	At the end of the year			141107	0.31
								143000	0.31
								143000	0.31

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e. 1.4.2016)		Date	Reason	Increase/Decrease in Shareholding % of total		Cumulative shareholding during the year	
		No. of Shares of Rs.2/- each	% of total Shares of the company			No. of shares of Rs.2/- each	% of total shares of the company	No. of Shares	% of total shares of the company
1	Srii Indra Kumar Alluri Chairman & Managing Director	2776900	6.11	No changes 3/31/2017	during the year At the end of the year			2776900	6.11
2	Sri C. Ramachandra Rao Joint Managing Director, Company Secretary and Chief Financial Officer	1000	0.00	No changes 3/31/2017	during the year At the end of the year			1000	0.00
3	Sri N. Ram Prasad Director	103000	0.23	No changes 3/31/2017	during the year At the end of the year			103000	0.23
4	Sri A. V. Achar Director	1000	0.00	No changes 3/31/2017	during the year At the end of the year			103000	0.23
5	K. Ramamohana Rao Director	0	0.00	No changes 3/31/2017	during the year At the end of the year			1000	0.00
6	Sri B.V. Kumar Director	0	0.00	31.3.2017	At the end of the year			0	0.00
7	Sri M.S.P. Rao Director	863	0.00	31.3.2017	At the end of the year			0	0.00
8	Sri N.V. D.S. Raju Director	0	0.00	2/6/2017 2/15/2017 31.3.2017 31.3.2017	Transfer Transfer At the end of the year At the end of the year	-438 -425	-0.01 -0.01	863 425 0 0	0.00 0.00 0.00 0.00
9	Smt K. Kiranmayee Director	1850	0.00	31.3.2017	At the end of the year			1850	0.00
10	Mr Bunesak Sorajjakit Director	0	0	31.3.2017	At the end of the year			0	0.00
11	Mr Wai Yat Paco Lee Director	0	0	31.3.2017	At the end of the year			0	0.00
12	Sri Kartikaya Misra, IAS Director	0	0	31.3.2017	At the end of the year			0	0.00

(vi) INDEBTEDNESS:

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

(Rs.in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	712.32	323.45	-	1035.77
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	712.32	323.45	0	1035.77
Change in Indebtedness during the financial year				
- Addition	0	0	0	0.00
- Reduction	566.68	142.98	0	709.66
Net Increase /(Decrease)	566.68	142.98	0	709.66
Indebtedness at the end of the financial year				
i) Principal amount	145.64	180.47	0	326.11
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	145.64	180.47	0	326.11

Vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Joint Managing Director**

(Rs.in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/JMD		Total Amount
		A. Indra Kumar	C.R. Rao	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	260.29	151.78	412.07
	(b) Value of Prerequisite u/s 17(2) Income Tax Act, 1961	2.38	0	2.38
	(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	1281.84	961.38	2243.22
	others, specif	0	0	0
5	Others, please specify			
	Total (A)	1544.51	1113.16	2657.67
	Ceiling as per the ACT	1602.20	1602.20	3204.40

B. Remuneration to other directors:

(Rs.in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		A V Achar	BV Kumar	MSP Rao	KR Rao	NVDS Raju	K.Kiran mayee	
1	Independent directors							
	Fee for Attending Board/ Committee Meetings	1.65	1.8	1.05	1.65	0.75	0.9	7.8
	Commission	0	0	0	0	0	0	
	Others, please specify	0	0	0	0	0	0	
	Total (1)	1.65	1.8	1.05	1.65	0.75	0.9	7.8
2	Other Non-Executive Directors	N Ram Prasad	Bunlusak. S	Paco Lee	APIDC (Nominee)			
	Fee for Attending Board/ Committee Meetings	0.75	0.30	0.45				1.50
	Commission	0	0	0	0			
	others, specify...		0	0	0	0		
	Total (2)	0.75	0.30	0.45	0	0	0	1.50
	Total (B) = 1 + 2	2.4	2.1	1.5	1.65	0.75	0.9	9.3

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary	NIL	NIL	NIL	NIL
	(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 Option				
3.	Sweat Equity				
4.	Commission - as % of Profit - others, specify...				
5.	Others, please specify				
	Total				

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)
A. COMPANY					
Penalty Punishment Compounding		NIL			
B. DIRECTORS					
Penalty Punishment Compounding		NIL			
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding		NIL			

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 third proviso thereto :

1. During the year 2016-17 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	Relation-ship	Nature & Tenure of Contract	Justification for entering in to contracts	Salient Conditions	Date of approvals by Board
Shri A. Indra Kumar	Key Managerial Personnel	LEASE of Flat No: G2, Concorde Apartments for 5yrs ending 31st 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.	Rs.2.16 lakh per annum	12.08.2016
Srinivasa Cystine (P) Ltd	Associate Company	LEASE of Flat No.104, Concorde Apartments for 5yrs ending 31st March'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	Rs.2.16 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 ending on 31st March, 2021.	Company's Registered Office is situated at Visakhapatnam and w.e.f 1.4.2016 operating its office from this premises. rent of the premises is very reasonable and is at arm's length.	Rs.1.80 lakh per annum	16.03.2016
Shri A. Venkata Sanjeev	Son of Shri.A.Indra Kumar Chairman & Managing Director	Manager-Operations	Appointment and remuneration is commensurate with the qualification and experience of the Appointee.	Rs.13.92 lakh annual compensation	27.01.2017
Avanti Frozen Foods (P) Limited	Subsidiary	Purchase of processed shrimp to export it as a merchant	Pending transfer of Anti Dumping Duty rate by US Department of Commerce to AFFPL, Company purchased processed shrimp from	Purchases amounted to Rs.14,093.61 lakh	18.12.2015

Annexure -2

Form AOC - 2 (Contd...)

Name	Relation-ship	Nature & Tenure of Contract	Justification for entering in to contracts	Salient Conditions	Date of approvals by Board
		exporter during the period from 01.07.2016 to 22.11.2016	AFFPL and exported them as a Merchant Exporter in pursuance of BTA on no profit, no loss basis during the period from 1.7.2016 to 22.11.16.		
Avanti Frozen Foods (P) Limited	Subsidiary	Interest received for the loan advanced to AFFPL for construction of new processing plant at Yerravaram, WG Dist., AP during the period from 01.04.2016 to 03.08.2016	Loan was advanced to AFFPL for construction of 15000 MTA capacity processing plant at Yerravaram, WG Dist., AP and the interest rate was charged at 10.50% rate of interest which is charged by SBI on cash credit limits of the Company.	Interest received @10.50 % PA amounting to Rs.158.07 lakhs	04.07.2015 to 07.11.2015
Avanti Frozen Foods (P) Limited	Subsidiary	Sale of packing materials and Corfossil to AFFPL on no profit no loss basis.	Company purchased packing material and Corfossil while doing merchant export of the products processed by AFFPL. Some stock of these items remained when the merchant export activity was discontinued by AFL from 23.11.16 The remaining stock is sold to AFFPL on no profit no loss basis.	Rs.30.31 lakhs	27.01.2017

Annexure -2**Form AOC - 2 (Contd...)**

Name	Relation-ship	Nature & Tenure of Contract	Justification for entering in to contracts	Salient Conditions	Date of approvals by Board
Avanti Frozen Foods (P) Limited	Subsidiary	Two passenger cars and an Ozonator are sold to AFFPL by Company at book values.	<p>The passenger cars are being used for the purpose of new processing plant at Yerravaram. As such the Cars were sold at net book value to AFFPL.</p> <p>Ozonator at Company's feed plant was replaced with a higher capacity Arox machine. After removal from feed plant, the engineers decided to use it in the AFFPL's processing plant located at Gopalapuram and the same was installed there. The asset was transferred at net book value.</p>	Rs.34.56 lakhs	27.01.2017

Place: Hyderabad
Date :13.05.2017

By Order of the Board
for Avanti Feeds Limited

A. INDRA KUMAR
DIN: 00190168
Chairman & Managing Director

Annexure -3

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

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

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

3. Average Net Profit of the company for last 3 financial years : Rs.18,922.50 lakhs
4. Prescribed CSR expenditure (2% of amount) : Rs.378.45 lakhs
5. Details of CSR activities/projects undertaken during the year:
 - a) Total amount spent in the financial year: Rs.555.11 lakhs
 - b) Amount un-spent : Nil
 - c) Manner in which the amount spent during financial year is detailed below:



It's our endeavour to provide higher education to students from rural areas, Avanti is supporting a College which has graduation in Commerce, Science and post graduation courses in Science. The college is located at Kovvur and run by AVR Trust, named after Company's founder Chairman Late Sri. Alluri Venkateswara Rao. This college was set up in 1998 and presently has 1600 students. The college also imparts employable skills to its students by conducting regular classes and training them in its computer lab which is equipped with 150 computers. In last three years 220 students were recruited in campus selection by reputed corporates.

Avanti donated bus to college
safer commuting of the students



Avanti believes "Education is most powerful tool to change society". To make education available at the door step of the rural people, Avanti has taken up to improve infrastructure at schools run by Panchayats and State by providing tables, benches, constructing toilets, repairing and painting the schools. Sri. Alluri Indra Kumar along with village elders handing over the furniture to Zilla Parishat High School, Vadapalli Village, Kovvur Mandal, West Godavari Dist, Andhra Pradesh.

Government run Primary School at Hanuman Dungri, in Valsad District of Gujarat was painted creating a pleasant ambiance.



Ms. Rutima Kokpon, Marketing Manager (EU & AUS) of Thai Union Group PCL visiting Zilla Parishat High School at Vadapalli Village, Kovvur Mandal, West Godavari Dist, Andhra Pradesh.

Farmer using the Sludge removal pump given by Avanti



Sr. No	CSR project/	Sector in which the Project is covered	Projects/Programmes with place where spent	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme	Cumulative spend upto the reporting period	Direct/ through implementing agency*
1	2	3	4	5	6	7	8
1	Promoting education among children from economically backward families in rural areas	Promoting Education among Children	JastiVenkataiah Memorial Rural Development Trust runs a residential school from pre-schooling to Class-10th in Anantapur District in AP at free of cost for children from economically backward families.	25.00	25.00		JastiVenkataiah Memorial Rural Development
2	Promoting education among students from economically backward families in rural areas	Promoting Education	Scholarships given to students from economically backward families in graduation and post graduation	0.50	0.50		Direct
3	Promoting sports among rural people	Promoting sports	Construction of Badminton indoor court at Kovvur	15.00	15.62		In association with local body
4	Promoting sports among rural people	Promoting sports	Organising volleyball summer coaching camp for children from rural areas and conducting tournament.	5.00	6.49		Gowtami Sports and Cultural Association
5	RO Plants in Villages	Safe Drinking Water	RO water plants installed in Kannapuram and Gauripatnam Villages of West Godavari districts of AP. Water cooler was installed at Primary health Centre in Village Pardi, Dist. Valsad, Gujarat.	3.00	2.59		Direct
6	Improving School infrastructure	Promoting Education among Children	Spetic tank construction in Balda Village School, fencing and painting of Hanuman Dugri Village School in District Valsad, Gujarat.	1.00	1.11		Direct

Sr. No	CSR project/	Sector in which the Project is covered	Projects/Programmes with place where spent	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme	Cumulative spend upto the reporting period	Direct/ through implementing agency*
1	2	3	4	5	6	7	8
7	Improving School infrastructure	Promoting Education among Children	Provided tables and benches for class rooms in Vadapalli, West Godavari Dist., AP	2.00	1.78		Direct
8	Distribution of uniform to school children	Promoting Education among Children	Uniforms provided to Students of Sukhesh School, Balda School, Dist.Valsad, Gujarat	0.50	0.52		Direct
9	Plantation with tree guards	Environmental sustainability	Tree plantation with tree guards in West Godavari District, AP	3.00	5.28		Direct
10	Blood Donation Camp & free treatment to economically backward people	Health	Organised Blood donation camp in Kovvur, West Godavari District, AP. Free treatment of economically backward patients at Karamsad in Gujarat.	1.50	1.21		Direct
11	Care of aged	Old Age Home	Contribution to Old Age Home and Repairs to it in West Godavari Dist. AP	5.00	5.28		Direct
12	DG set to Community hall	Community Welfare	Installed DG set in village community hall at Kothapeta, East Godavari, AP	7.00	7.00		Direct
13	Improving College infrastructure	Promoting Education	For providing transportation to students of ABN PRR College, Kovvur from their villages.	10.00	10.00		AVR Trust
14	Improving Cleanliness	Swachh Bharat	Provided dustbins to Gudiwda Panchayat in Visakhapatnam District and spreading awareness to masses during Maha Sivaratri at Kovvur in West Godavari District of Andhra Pradesh.	1.00	0.53		Direct
15	Equipments and training to Aqua Farmers	Agricultural Extension Project	Areators, Sludge pumps and water parameters checking equipments given to shrimp farmers in Andhra Pradesh, Gujarat, Odisha, Tamilnadu and Paschim Banga. Farmers were taken on an educational tour to Thailand for practically experiencing the best practices adopted there.	450.00	472.20		Direct
	Total Amount spent (A)			529.50	555.11		

6. Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules, 2014, Mr. Alluri Indra Kumar, Chairman & Managing Director & Chairman of CSR Committee and Mr. C. Ramachandra Rao, Joint Managing Director, do confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the Company.

By Order of the Board
for Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168

Chairman & Managing Director & Chairman of CSR Committee

Place: Hyderabad
Date : 13.05.2017

Annexure -4

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

Part "A": Subsidiaries

Name of the subsidiary	Avanti Frozen Foods Private Limited	Svimsan Exports and Imports Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-Not applicable-	-Not applicable-
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-Not applicable -	-Not applicable-
3. Share capital	Rs.1001.67lakhs	Rs.100.00 lakhs
4. Reserves & surplus	Rs.24,046.21 lakhs	Rs.(191.25) lakhs
5. Total assets	Rs.28,340.59lakhs	Rs.0.01 lakhs
6. Total Liabilities	Rs.3,292.71 lakhs	Rs.91.26 lakhs
7. Investments	NIL	NIL
8. Turnover	Rs 23,835.73 Lakhs	NIL
9. Profit before taxation	Rs.4,299.10lakhs	Rs.(0.42) lakhs
10. Provision for taxation	Rs.1,008.86lakhs	NIL
11. Profit after taxation	Rs.3,290.24lakhs	Rs.(0.42) 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 Private Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016
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	Rs.1670.54 lakhs	Rs.1064.52 lakhs
Extent of Holding %	49.99%	25.88%
Description of how there is significant influence	Two directors nominated	Two directors nominated
3. Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable
4. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.2286.72 lakhs	Rs.1003.76 lakhs
7. Profit / Loss for the year		
i. Considered in Consolidation	Rs.(56.76) lakhs	Rs.(61.30) lakhs
ii. Not Considered in Consolidation	NIL	NIL

Annexure- 5

RATIO OF REMUNERATION TO EACH DIRECTOR:

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	A. Indra Kumar : 630 : 1 C. Ramachandra Rao : 455 : 1		
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A. Indra Kumar : 23% C. Ramachandra Rao : 21%		
(iii) the percentage increase in the median remuneration of employees in the financial year;	10%		
(iv) the number of permanent employees on the rolls of Company;	815 employees		
(v) the explanation on the relationship between average increase in remuneration and Company performance;	Normal yearly increments to staff.		
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	1. Turnover increased by 31.51% from Rs.2018.29 crs in 2015-16 to Rs. 2654.19 crs in 2016-17. 2. PBT increased by 26% from Rs.232.58 crs in 2015-16 to Rs.293.68 crs in 2016-17.		
(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		As on 31.03.2017	As on 31.03.2016
	Market Capitalisation	Rs.3367 crs	1809 crs
	PE Ratio	16.47	11.38
	Company had came out with IPO in 1994, An amount of Rs.1000/- invested in IPO in 1994 would be worth Rs.3,70,500/- indicating compounded annual growth rate of 29%. This is excluding the dividend accrued there on in all these years.		

Annexure- 5**RATIO OF REMUNERATION TO EACH DIRECTOR:**

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration:

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	70.74%
(b) its comparison with the percentile increase in the managerial remuneration	20.21%
(c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Managerial Remuneration increased by 23.92% because: (i) a part of managerial remuneration is based on Profits of the Company (ii) The PBT of the Company increased by 26% as compared to previous year.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Increase in Remuneration : A. Indra Kumar : 23% C. Ramachandra Rao : 21% Performance of the Company : 1. Turnover increased by 31.51% from Rs.2018.29 crs in 2015-16 to Rs. 2654.19 crs in 2016-17. 2. PBT increased by 26% from Rs.232.58 crs in 2015-16 to Rs.293.10crs in 2016-17.
(x) the key parameters for any variable component of remuneration availed by the directors;	A. IndraKumar: 4% of PBT is paid as variable component in the form of commission. C. RamachandraRao: 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

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 sea food market has grown steadily at CAGR of 4.1% during the period from 2014 to 2016. The trade volumes are reported at \$216 billion in the calendar year 2016.

Global sea food consumption has been increasing at 1% per annum. The per capita consumption was 17.6 kgs in 2006 which is increased to 20.5 kg in 2016. As per FAO estimates the global per capita sea food consumption will increase to 21.8 kg by 2025. The report further identified that the sea food consumption in China, Middle East, East and South East Asia is increasing at a steady pace because of income growth and expansion of middle class.

India is well positioned to take advantage of increase in global sea food consumption because of our long coast line, availability of raw materials and idle land available for taking up aqua culture in large scale.

Total exports of sea food from India was 11.35 lakh MT in 2016-17 as compared to 9.46 lakh MT in 2015-16 reporting an increase of 20% in volume terms. In value terms the exports were Rs. 37,871 crores in 2016-17 as against Rs. 30,420 crores in 2015-16 an increase of 24% in value terms.

Shrimp continues to be back bone of Indian sea food exports and accounted for 38% in volume terms of total sea food exports from the country as against 40% in the previous year.

The total shrimp exports were around 4,34,000 MT in the year 2016-17 as compared to 3,73,868 MT in 2015-16 in volume terms. In value terms the shrimp exports were Rs.24,415 crores as against Rs.20,045 crores in 2015-16.

The major export market has been USA followed by Europe, Japan and South East Asia during 2016-17 for shrimp exports like in previous year.

For six consecutive years from 2010-11 to 2014-15 the shrimp culture industry registered CAGR of 25% on an average and have grown three fold from 151,465 MT in 2010-11 to 4,34,000 MT in 2016-17.

Because of good monsoon in 2016 the water availability is good and in the current year i.e. 2017-18 the culture has started in all the areas and progressing on the expected lines.

We expect the shrimp culture to grow around 10% in 2017-18 over previous year 2016-17.

STRENGTHS, WEAKNESS, OPPORTUNITIES AND THREATS:

STRENGTHS:

The Company has been in the field of aqua culture industry engaged in manufacturing high quality feed for shrimps, operating Vannamei hatchery and processing & export of shrimps. The Company has also well trained technical team to provide technical support to the farmers and assisting farmers with information and knowledge of global standard aquaculture practices and also updating developments in culture methods and processes. Presence of strong dealership network, farmer base and committed work force stands in good stead for sustained growth of company's business. Added to this, the company has strong technical and marketing tie up with THAI UNION Group of Thailand to strengthen company's capabilities in the field of aqua culture. The global shrimp consumption is also expected to increase in future, assuring consistent market.

The Company is operating a Vannamei hatchery on a leasehold hatchery producing Vannamei seed to supply good quality Vannamei seed to the farmers.

The new feed plant at Bandapuram, West Godavari District, Andhra Pradesh with a capacity of 1,25,000 Mts per annum has commenced production from August'16. In order to cater to the increasing demand a 4th line is being added to this plant with a capacity of 50,000 Mts. This will commence production from May'17.

Divestment of Shrimp Processing and Export Division: As you all are aware that in order to secure global recognition for shrimp processing and export business, the Company during the year 2015-16 transferred this division to its own new subsidiary 'Avanti Frozen Foods Private Limited' (AFFPL). Thai Union Group joined this Company with a 40% stake in July'16 to extend support in this business. The subsidiary Company (AFFPL), which is continuing the operation of existing plant took up implementation of a new state of art shrimp processing facility at Yerravaram in East Godavari District of Andhra Pradesh in December'15. The project work of this factory is complete and it is waiting for statutory and regulatory approvals to commence operations and we expect that all the approvals will be received and it will commence commercial operations shortly.

WEAKNESS:

Although shrimp production has tripled in the past 6 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 evading government's approval in order to avail some of the benefits available to agriculture sector like insurance.

OPPORTUNITIES:

The sea food consumption is increasing all over the world as compared to other forms of meat. 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 Species shrimp culture needs to be replicated for other species of exportable fishes like Seabas, Krouper, red tilapia, Halibut and crab for broad basing the export basket.

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:

Feed Market:

First crop of Shrimp culture in current year i.e., 2017-18 is progressing well. Reports indicate there is 10% growth because of increase in the area of culture in East and West Godavari Districts in Andhra Pradesh, Odisha and West Bengal.

The international shrimp prices are also reasonably stable and remunerative enough for the farmers to undertake shrimp culture.

Processing & Export of Shrimp:

During the year 2015-16 your Company divested its Shrimp Processing & Export Division to its subsidiary M/s. Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy, develop Brand image and to bring global recognition to Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. However, approvals for transfer of licenses from AFL to AFFPL were received by 30.06.2016 except from USDOC, which was received on 23.11.2016. As such from 01.04.2016 to 30.06.2016, processing and exports was done by AFL on behalf of AFFPL and from 01.07.2017 to 22.11.2016 processing was done by AFFPL but exports were made by AFL as merchant exporter. With effect from 23.11.2016, AFFPL is carrying on both processing and exports in its own name.

In the beginning of the current year 2017-18 the international prices are stable as in 2016-17 and there is steady demand from importers for shrimps of all sizes. We expect 2017-18 will be a good year for material availability and exports.

The new Shrimp Processing plant is scheduled to commence commercial operations from May'17. Plans have been drawn up to produce value added products with the support of THAI UNION providing technology as well as training.

POWER:

The Company has investment in the following power projects :

- (a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State is operational and has generated 49.97 lakhs units during the year.
- (b) Srivathsa Power Projects Pvt Ltd, is a 17.2 MW gas based independent power project in which Company holds 49.99% of equity shares. The unit was not in operation from 06th July, 2014 to 26th January, 2016 as gas supply was stopped by Gas Authority of India Limited (GAIL) due to blast in their gas supply pipeline.

Now the plant is operational. During the year 2016-17, the gas supply was drastically reduced by GAIL to 31,343 SCMD as against the nominated quota of 65,000 SCMD. As a result, the power generation was limited to 439.68 lakhs units as against capacity of 911.04 lakhs units. During the year 2016-17, the Company reported a turnover of Rs.1534.00 lakhs and a loss of Rs.113.54 lakhs after charging interest and depreciation.

- (c) Patikari Power Private Limited, the 16 MW Hydel Power Project in Himachal Pradesh with Company's investment of 25.88% in equity shares, was commissioned in February'08. During the year 2016-17, the Company generated 424.40 lakhs saleable energy units, yielding a gross sales income of Rs.954.99 lakhs and resulted in a net loss of Rs.236.77 lakhs after charging interest and depreciation.

Poor inflow of water is the major reason for low generation of power and consequent loss.

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 18 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:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. In the year under consideration, your company reported profit of Rs.29,368.04 lakhs before tax adjustments as compared to profit of Rs.23,257.63 lakhs in the previous year.

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L16001AP1993PLC095778
2. Name of the Company: Avanti Feeds Limited
3. Registered address: H. No. 37, Plot No : 37, Baymount, Rushikonda, Visakhapatnam, Andhra Pradesh – 530045.
Corporate Office Address: G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad-82.
4. Website: www.avantifeeds.com
5. E-mail id : avantiho@avantifeeds.com
6. Financial Year reported: 2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
 - (a) 2309.90.31 Shrimp Feed
 - (b) 0306.17.90 Processed Shrimp
 - (c) 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) Processed Shrimp
 - (c) Power from Wind mills

During the year 2015-16 your Company divested its Shrimp Processing & Export Division to its subsidiary M/s. Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. Consequently AFL has to transfer the statutory and regulatory licenses within India and in USA to AFFPL so as to carry on the business in AFFPL's name. The process of obtaining the approvals from all departments was a lengthy process. Once the inland approvals are obtained, AFL approached US Department of Commerce for 'Changed Circumstances Review' to permit transfer of name from AFL to AFFPL in their records. This was necessary for AFFPL to export to US at current Anti Dumping Duty (ADD) of 2.96% which was applicable to AFL. In the absence of this transfer, all exports to USA by AFFPL were to attract 10.17% ADD.

In order to maintain the continuity of the business during this changeover process, your Company continued the Shrimp processing & Export business in its own name on behalf of AFFPL till 30.06.2016. After obtaining all the inland statutory and regulatory approvals AFFPL started operating the processing plant in its own name from 01.07.2016. However, as the US DOC approval for ADD of 2.96% to AFFPL is not received, AFL exported shrimps processed by AFFPL as a merchant exporter during the period from 01.07.2016 to 22.11.2016. On receipt of US DOC approval for ADD, AFFPL is independently processing and exporting shrimps from 23.11.2016 onwards.

9. Total number of locations where business activity is undertaken by the Company

i. Number of International Locations (Provide details of major 5) : NIL

ii. Number of National Locations:

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

10. Markets served by the Company – Local/State/National/International: Company's Shrimp feed is marketed in the states of Andhra Pradesh, Tamilnadu, Gujarat, West Bengal, Odisha, Maharashtra, Karnataka and Goa through its extensive dealer network.

The processed shrimps are exported to USA, Europe, Middle East and South East Asia.

Section B: Financial Details of the Company

1. Paid up Capital (INR) : 908.30 lakhs

2. Total Turnover (INR) : 265,419.02 lakhs

3. Total profit after taxes (INR) : 19,533.46 lakhs

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

Company has spent Rs. 555.11 lakhs on CSR in the year 2016-17 and this is 2.84% of profit after tax.

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

- Promoting education by improving infrastructure in schools in rural areas
- Installing RO plants in villages for dispensing safe drinking water
- Promoting healthy living by promoting sports
- Imparting vocational education to youth
- Promoting safe and sustainable aqua culture by training and distributing equipments to farmers under agriculture extension project.

Section C: Other Details

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

Yes. Company has two subsidiaries. 1) M/s. SVIMSAN Imports & Exports (P) Ltd., 2) Avanti Frozen Foods (P) Ltd.,

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No. M/s. Svimsan Imports & Exports (P) Ltd., has discontinued business operations since 2002. The other subsidiary M/s. Avanti Frozen Foods Private Ltd., commenced business during the year 2015-16. This year 2016-17 being 2nd year of its operations, CSR rules of Companies Act, 2013 are not applicable to it.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

A large number of 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, but they support them. 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.

The suppliers of shrimps to Company's Processing & Export Division are shrimp farmers and are not part of BR initiatives. The customers of Shrimp Processing & Export Division are overseas customers are not part of BR initiatives.

Company is in the process of initiating formal study to ascertain the percentage of BR initiatives of the entities with whom company does business. As and when such a study is undertaken, the Company would assess the percentage of such entities.

Section D: BR Information

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number : 00190168
Name : Sri. A Indra Kumar
Designation : Chairman & Managing Director.

- b) Details of the BR head

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

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

a. Details of Compliance:

Sl. No.	Questions	P	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	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	Policy conforms 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? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.avantifeeds.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	N

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

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

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: - Yearly once.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? : No.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company's Code of Conduct for Directors and Senior Managers covers the policy and it includes all individuals working with it and its subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

As specified in Corporate Governance Report, 176 investor complaints received during the FY 2016-17. No complaint was outstanding as on 31st March, 2017.

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) Shrimp Processing & Export: After harvest of the shrimps by the farmers, the same is purchased by our Processing and Export Division. The shrimps are processed by removing head, tail and shell to make them exportable. The head and shell waste is collected by some agencies and supply that to plants making chitin. The whole process does not involve use of any chemicals and does not cause any harm to environment.
 - iii) 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 or processing and export of shrimps 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? Also, provide details thereof, in about 50 words or so.

The major raw material for production of shrimp feed is Soya DOC, Wheat Flour and 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 for obtaining various support services in its offices and plants.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

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

Principle 3

1. Please indicate the Total number of employees.: 815 employees.
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis : 294 employees.
3. Please indicate the Number of permanent women employees : 27 employees.
4. Please indicate the Number of permanent employees with disabilities : 2 employees.
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 | : 42% |
| b) Permanent Women Employees | : 30% |
| c) Casual/Temporary/Contractual Employees | : 33% |
| d) Employees with Disabilities | : 100% |

Principle 4

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

The Company mapped its internal and external stakeholders as follows:

Employees
Customers
Dealers
Suppliers
Shareholders
Regulatory Authorities
Members of the Society

Stakeholders play an important role in the growth of the Company. Thus Company strives to be transparent in its communications and continual improvement. 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 stake holder remains informed.

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

The Company is in the process of identifying disadvantaged, vulnerable and marginalised 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 disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Company undertakes various social initiatives in the villages in the vicinity of factories. These activities vary from time to time and are often implemented in consultation with the local community elders. Broad details of such activities are stated in Corporate Social Responsibility in the Director's Report.

Principle 5

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

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

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

There are no complaints regarding human rights violation from any quarter during the financial year 2016-17.

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 webpage 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 is 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? Y/N

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. If yes, please give hyperlink for web page etc.

To conserve energy, Gate Control system introduced in all conveyor belts in shrimp feed plants so that motors stop running during idle time. Also, automisation of crumbling section was carried out to auto stop the machines during idle time.

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

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

All the factories of the Company comply with the prescribed emission norms of State Pollution Control Boards and during the financial year 2016-17 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 2016-17.

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? If yes details thereof.

Yes.

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 analysed informally for their impact on the target beneficiary.

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

- a. Company has installed RO plants in the villages near by factory for providing safe drinking water.
- b. Company provided bus to ABN & PRR College of Science, Kovvur for transportation of students from rural areas to college.
- c. Tables and benches provided to class rooms of panchayat run schools.
- d. Made contributions to Jasti Memorial Rural Development Trust which imparts pre-schooling to 10th Class to economically back ward children free of cost in Anantapur district of Andhra Pradesh.
- e. Aquaculture equipments given to farmers for automation and checking water parameters under agricultural extension scheme.

- f. Constructed indoor badminton court at Kovvur and sponsored volleyball summer coaching camp for children from rural and economically backward families.
- g. Tree plantation with tree guards has been taken up at regular intervals
- h. Supporting old age home at Kannapuram in West Godavari District.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The above stated community activities are taken after discussion with the village elders and residents and are 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 176 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. If so, provide details thereof, in about 50 words or so.
There are no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as at end of financial year 2016-17.
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 situation, performance, ownership and governance of the Company is an important part of Corporate Governance. The Company's Board extends its fiduciary responsibilities in the widest sense of the term and also endeavors to enhance long term shareholder value by serving and protecting the interests of all the stakeholders.

2. Board of Directors:

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

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

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

2.01 The details of the composition and Category of Directors of the Board as on 31.03.2017 is as under:

Sl No	Name of Director/ Director Identification Number (DIN)	Executive Director (ED) Non Executive Director (NED), Non-Executive Woman Director (NEWD) Independent Director (ID), Nominee Director (ND)	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 13 th August, 2016
1	Sri A. Indra Kumar DIN:00190168	Chairman & Managing Director -Promoter	4	4	Yes
2	Sri C. Ramachandra Rao DIN:00026010	Joint Managing Director, Company Secretary & Chief Financial Officer	4	3	Yes
3	Sri N. Ram Prasad DIN:00145558	NED	4	4	Yes
4	Sri A. V. Achar DIN:00325886	NED/ID	4	3	Yes
5	Sri K. Ramamohana Rao DIN:02384687	NED/ID	4	4	Yes

Sl No	Name of Director/ Director Identification Number (DIN)	Executive Director (ED) Non Executive Director (NED), Non-Executive Woman Director (NEWD) Independent Director (ID), Nominee Director (ND)	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 13th August, 2016
6	Sri Shamsheer Singh Rawat, IAS DIN:06927486 (upto 26.05.2016) Nominee of APIDC – represented as Equity Investor	ND	1	0	No
7	Sri B Sreedhar, IAS DIN:2591298 (from 27.05.2016 to 19.09.2016) Nominee of A.P.I.D.C – represented as Equity Investor	ND	1	0	No
8	Sri Kartikeya Misra, IAS DIN:6440653 (from 20.09.2016) Nominee of APIDC – represented as Equity Investor	ND	2	0	No
9	Sri B V Kumar DIN:00521139	NED/ID	4	4	Yes
10	Sri M S P Rao DIN:00482071	NED/ID	4	4	Yes
11	Mr. Bunluesak Sorajjakit DIN:02822828	NED	4	2	Yes
12	Mr. Wai Yat Paco Lee DIN:02931372	NED	4	3	Yes
13	Sri N.V.D.S. Raju DIN:05183133	NED/ID	4	4	Yes
14	Smt. K. Kiranmayee DIN:07117423	NEWD/ID	4	4	Yes

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors are members of more than ten committees or Chairman of more than five committees in public limited companies in which they are Directors.

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

Sl. No.	Name of the Director(s)	No. of other Companies in	No. of Committees (excluding Avanti Feeds Limited)	
		which Director	Membership	Chairmanship
1	Sri A. Indra Kumar	11		1
2	Sri C. Ramachandra Rao	9	2	-
3	Sri N. Ram Prasad	4	1	-
4	Sri A.V. Achar	1	-	-
5	Sri K. Ramamohana Rao	4	-	-
6	Sri Shamsheer Singh Rawat, IAS (upto 26.05.2016)	9	-	-
7	Sri B Sreedhar, IAS (from 27.05.2016 to 19.09.2016)	20	-	-
8	Sri Kartikeya Misra, IAS (from 20.09.2016)	11		
9	Sri B V Kumar	-	-	-
10	Sri M S P Rao	7	-	-
11	Mr. Bunluesak Sorajjakit	6	-	-
12	Mr. Wai Yat Paco Lee	3	-	-
13	Sri N.V. D.S. Raju	1	-	-
14	Smt. K. Kiranmayee	-	-	-

2.03 The details of Meetings of Board of Directors held during the financial year 2016-17:

Four (4) Meetings of Board of Directors were held during the year 2016-17. 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 2016-17 are as follows:

Sl.No.	Date of Board Meeting
1	21.05.2016
2	12.08.2016
3	28.10.2016
4	27.01.2017

2.04 Disclosure of relationship between Directors inter-se:

Sri N. Ram Prasad, Director is spouse of Sri A. Indra Kumar's sister. None of the other Directors are related to any other Director on the Board.

2.05 Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2017.

The details of the equity shares held by the Non-Executive Directors as on 31.3.2017 are as under:

Name of the Non-Executive Director S/Sri	Number of equity shares of Rs.2/- each held (as on 31.03.2017)
N. Ram Prasad	1,03,000
A. V. Achar	1,000
B.V. Kumar	NIL
M.S.P. Rao	NIL
K. Ramamohana Rao	NIL
N.V.D.S. Raju	NIL
K. Kiranmayee	1,850
Bunluesak Sorajjakit	NIL
Wai Yat Paco Lee	NIL
Kartikeya Misra, IAS, Nominee of APIDC	NIL

2.06 The following are the Independent Directors of the Company:

Sl No	Name S/Sri.	Designation
1	B.V. Kumar	Non-Executive Independent Director
2	A.V. Achar	Non-Executive Independent Director
3	M.S.P. Rao	Non-Executive Independent Director
4	K. Ramamohana Rao	Non-Executive Independent Director
5	N.V. D.S. Raju	Non-Executive Independent Director
6	K. Kiranmayee	Non-Executive Woman Independent Director

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

2.07 Criteria of Independence of Independent Directors:

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

2.08 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 25.03.2017 is disseminated on the website of the Company at www.avantifeeds.com.

3. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are under:

Name of the Director	Mr. N. Ram Prasad	Mr. Wai Yat Paco Lee	Mr. C Ramachandra Rao*
Director Identification No.	00145558	2931372	00026010
Date of Birth	02.03.1956	17.01.1966	15.07.1952
Date of appointment	07.04.1993	14.07.2012	01.08.2006
Brief resume of the Director including nature of expertise in specific functional areas	He is MS (Chem.) from United States of America with vast industrial and management experience.	He is General Manager, Investor Relations and Corporate Investment, Thai Union Frozen Products PCL. Bank of Thailand. He has more than 19 years experience in the fields of Finance, Investment and Investor Relations	He is a qualified Chartered Accountant and Company Secretary and a Law graduate with experience in Government and Public Sector undertakings. He was instrumental for the present growth of the company since inception and held positions of Manager Finance and Company Secretary, Executive Director and presently as Joint Managing Director since August, 2006
No. of shares held in the Company	1,03,000 Equity Shares of Rs.2/- each	NIL	1,000 Equity Shares of Rs.2/- each
Names of entities in which the person also holds the Directorship and membership of the Committees of the Board	<ol style="list-style-type: none"> 1. S E Gases Pvt. Ltd. - Managing Director 2. Srinivasa Cystine Pvt. Ltd.-Director. 3. Southern Electrodes Ltd. - Director 4. Pumps India Pvt. Ltd. - Director <p>Committee positions in other companies:</p> <ol style="list-style-type: none"> i). Srinivasa Cystine Pvt. Ltd. - Member, CSR Committee 	<ol style="list-style-type: none"> 1. Pak food PCL, Bangkok - Non-Executive Director. 2. D & G Technology holdings Ltd., Hong Kong -Independent Non - Executive Director. <p>Committee positions in other companies:</p> <ol style="list-style-type: none"> i). D & G Technologies Holdings Co. Ltd., Hong Kong - Member Audit Committee and Nomination Committee. 	<ol style="list-style-type: none"> 1. Avanti Frozen Foods Pvt. Ltd. - Director 2. Srinivasa Cystine Pvt. Ltd. - Director 3. SCL Trading Pvt. Ltd.- Director 4. SVIMSAN Exports & Imports Pvt. Ltd. - Director 5. Sanjeev Agro-Vet. Pvt. Ltd. - Director 6. Srivathsa Power Projects Limited - Managing Director 7. Sri Sai Srinivasa Agro Farms and Developers Pvt. Ltd. - Director 8. Patikari Power Pvt.Ltd.- Director 9. Avanti Thai Frozen Foods Pvt.Ltd. - Director <p>Committee positions in other companies:</p> <ol style="list-style-type: none"> i). Srinivasa Cystine Pvt. Ltd. -Member, CSR Committee ii). Patikari Power Pvt. Ltd. -Member, Audit Committee
Inter-se relationship between Directors	He is the spouse of Sri A. Indra Kumar's sister	Nil	Nil

* Re appointment as Joint Managing Director, Company Secretary & CFO.

4. SUBSIDIARY COMPANIES:

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

In terms of Reg.24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri K. Ramamohana Rao, Independent Director of the Company was appointed as Director on the Board of Avanti Frozen Foods Private Limited 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 2016-17 are placed before the meetings of the Audit Committee once in a quarter. The Company has formulated a Policy for determining the Material subsidiary and the Policy is disseminated on the website of the Company at www.avantifeeds.com.

5. AUDIT COMMITTEE:

5.01 Brief description and terms of reference:

In addition to the matters provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177 of Companies Act, 2013, the Audit Committee reviews reports of the Internal Auditor, meets Statutory Auditors i.e. Karvy & Company, 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.

5.02 Composition & Attendance at the Meeting:

The composition of the Audit Committee and details of meetings attended by the Members of the Audit Committee during the financial year ended 31st March 2017 are as under:

Sl. No.	Name	Category	Designation	Meetings held during the year	Meetings attended during the tenure
1.	Sri A V Achar	Non-Executive Independent Director	Chairman	4	4
2.	Sri. B.V. Kumar	Non-Executive Independent Director	Member	4	4
3.	Sri M S P Rao	Non-Executive Independent Director	Member	4	3
4.	Sri K Ramamohana Rao	Non-Executive Independent Director	Member	4	4
5.	Sri. C. Ramachandra Rao	JMD, CS and CFO	Compliance Officer	4	4

5.03 Details of the Audit Committee Meetings held during the financial year 2016-17:

Four (4) Meetings of the Audit Committee were held during the year 2016-17. The dates on which the said Committee Meetings were held during 2016-17 are as follows:

Sl.No.	Date of Meeting
01	07.05.2016
02	30.07.2016
03	23.10.2016
04	21.01.2017

5.04 General:

The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note. The Audit Committee considered and reviewed the accounts for the year 2016-17, before it was placed in the Board. The Committee periodically interacts with the independent auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

The Internal Auditor reports directly to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 13th August 2016.

6. Nomination & Remuneration Committee:

6.01 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.

6.02 Composition & Attendance at the Meeting:

The composition of the Nomination and Remuneration Committee and details of the Committee Meetings held on 07.05.2016, 27.01.2017 and 25.03.2017 are given below:

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

6.03 Performance Evaluation Criteria for Directors:

The Nomination and Remuneration Committee at its meeting held on 25.3.2017 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.

7. Evaluation:

7.01 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 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.

Sri B Sreedhar, IAS, Sri Shamsher Singh Rawat, IAS, and Sri Kartikeya Misra, IAS Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri B Sreedhar, IAS and Sri Shamsher Singh Rawat, IAS could not attend the Board Meetings held during their tenure as Directors and (ii) Sri Kartikeya Misra, IAS could not attend the Board Meetings held after his appointment on 20.09.2016.

7.02 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 29.04.2017. 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 non-Independent Directors, Chairman and the Board.

Sri B Sreedhar, IAS, Sri Shamsher Singh Rawat, IAS, and Sri Kartikeya Misra, IAS Nominee Directors of Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri B Sreedhar, IAS and Sri Shamsher Singh Rawat, IAS could not attend the Board Meetings held during their tenure as Directors and (ii) Sri Kartikeya Misra, IAS could not attend the Board Meetings held after his appointment on 20.09.2016.

7.03 Evaluation by Board:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the Director being evaluated) as well as the evaluation of the working of its Committees. The evaluation was made on the basis of structured questionnaire taking into account the indicative criteria prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge and competency, ability to function as a team, availability and attendance etc.

Sri B Sreedhar, IAS, Sri Shamsher Singh Rawat, IAS, and Sri Kartikeya Misra, IAS Nominee Directors of

Andhra Pradesh Industrial Development Corporation Limited, were excluded from the process of evaluation, since (i) Sri B Sreedhar, IAS and Sri Shamsher Singh Rawat, IAS could not attend the Board Meetings held during their tenure as Directors and (ii) Sri Kartikeya Misra, IAS could not attend the Board Meetings held after his appointment on 20.09.2016.

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

8. REMUNERATION OF DIRECTORS:

8.01 Criteria for making payments to Non-Executive Directors:

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

8.02 Non Executive Directors' Compensation & disclosures:

The Non-Executive Directors are entitled for (i) a sitting fee of Rs.15,000/- (Rupees fifteen thousand only) and (ii) reimbursement of travel and hotel accommodation and other expenses incurred by them, for attending Board/Committee Meetings. Pursuant to Reg.34(3) and Sch.V of the SEBI (LODR) Regulations, 2015 the details of the remuneration paid to Chairman & Managing Director, Joint Managing Director, Company Secretary & CFO and Non-Executive Directors (including Independent Directors) are indicated in the Extract of MGT-9 enclosed to the Board's Report.

8.03 Nomination & Remuneration Policy & Policy on Board Diversity:

The Remuneration policy of the Company is performance driven and is structured to motivate employees, 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. The Policy on Board diversity of the Company was reviewed by the Nomination and Remuneration Committee and disseminated on the website of the Company at www.avantifeeds.com.

8.04 The remuneration paid/payable to the Managing Director, Joint Managing Director, Company Secretary & CFO of the Company for the year ended 31st March, 2017 is as under :-

(Rs. in lakhs)

Name and Designation S/Sri	All elements of remuneration package i.e., salary, benefits, pension, Commission on profits etc.	Fixed Component and performance linked incentives along with the performance criteria	Service Contract Notice Period and Severance Fees	Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable
A. Indra Kumar Chairman & Managing Director	1544.51	—	—	—
C. Ramachandra Rao Joint Managing Director, Company Secretary and CFO	1113.16	—	—	—

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

9.01 Composition :

S.No.	Name	Designation	Chairman/ Members
1	Sri A. Indra Kumar	Chairman & Managing Director	Chairman
2	Sri N. Ram Prasad	Non-Executive Non-Independent Director	Member
3	Sri A.V. Achar	Independent Director	Member
4	Sri B.V. Kumar	Independent Director	Member
5.	Smt. K Kiranmayee (from 21.05.2016)	Independent Woman Director	Member
6	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer

9.01 Terms of Reference:

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

9.03 CSR Policy:

The Company's CSR Policy is disseminated at www.avantifeeds.com

During the year 2016-17, one (1) meeting of the Corporate Social Responsibility Committee was held on 25.06.2016.

As per Sec.135(5) of Companies Act 2013, an amount of 2 percent of the average Net Profits of the Company made during the three immediately preceding financial years, which works out to Rs.378.45 lacs, is to be spent towards Corporate Social Responsibility Activities. The Company has spent Rs.555.11 lacs towards the CSR activities in the financial year 2016-17, which is more than mandatory requirement by Rs.176.96 lacs. The detailed Report on the CSR Activities is annexed to Board's Report.

10. STAKEHOLDERS RELATIONSHIP COMMITTEE:

10.01 Composition :

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

10.02 Terms of Reference:

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

10.03 Details of shareholders' requests/complaints received and resolved during the year ended 31.3.2017 are as under:

a. No. of requests/complaints Received	: 176
b. No. of requests/complaints Resolved	: 176
c. No. of requests/complaints not solved to the satisfaction of the Shareholders.	: NIL
d. No. of pending requests/complaints	: NIL

11. General Body Meetings:

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

Year	Location	Date	Time
2015-16	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam – 530 020. Andhra Pradesh	13.08.2016	11.00 A.M.
2014-15	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam – 530 020. Andhra Pradesh	08.08.2015	11.00 A.M.
2013-14	K.L.N. Prasad Auditorium, FAPCCI Building FAPCCI Marg, Red Hills, Hyderabad	02.08.2014	11.00 A.M.
2012-13	Surana Udyog Hall, FAPCCI Building FAPCCI Marg, Red Hills, Hyderabad	27.07.2013	11.00 A.M.

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

SI No	Date of AGM	Details of Special Resolutions passed
1	13.08.2016	(1) Appointment of Sri A Indra Kumar as Chairman & Managing Director for a further period of 5 years.
2	08.08.2015	(a) Appointment of Sri NVDS Raju as Independent Director (b) Appointment of Smt. K. Kiranmayee as Independent Director.
3	02.08.2014	(a) Appointment of Sri B.V. Kumar as Independent Director (b) Appointment of Sri A.V. Achar as Independent Director (c) Appointment of Sri M.S.P. Rao as Independent Director (d) Appointment of Sri K. Ramamohana Rao as Independent Director (e) Appointment of Sri A. Indra Kumar, Managing Director as Chairman & Managing Director and approval to increase the Remuneration.

12. Postal Ballot Resolutions:

12.01 Details of Postal Ballot Resolutions passed during the year 2016-17.

There were no Postal Ballot Resolutions passed during the year 2016-17

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

12.03 Procedure for Postal Ballot – Not Applicable.

13. Means of Communication:

SI No	Description	Remarks
1	Quarterly results	The quarterly and half-yearly unaudited/audited financial results are informed to Bombay Stock Exchange (BSE Ltd) and National Stock Exchange as prescribed under SEBI (LODR) Regulations.
2	News papers wherein results are normally published	Financial Express (in English) and Andhra Prabha (in Telugu).
4	Any website where displayed	www. avantifeeds.com
5	Whether it also display official news releases	Yes.
6	Presentations made to institutional investors or to analysts or transcript of conference calls with investors.	The transcript of audio conference calls made periodically with investors are disseminated on the website at www.avantifeeds.com

14. General Shareholders' Information:

Sl. No.	Item	Details
(i)	Annual General Meeting Date, Time and Venue	Saturday 12th August, 2017 at 11.00 A.M.. at Vedika Hall, Hotel Daspalla, Visakhapatnam.
(ii)	Financial Year	2017-18
(iii)	Dividend payment date:	Board of Directors has recommended a dividend of Rs.9.00 Per Equity share of Rs.2/- each fully paid for the financial year 2016-17. On approval of the shareholders, the dividend warrants will be dispatched on or before 31.08.2017
(iv)	Dates of book closure	07/08/2017 to 12/08/2017 (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.	<p>The Company's Shares are listed on Bombay Stock Exchange and National Stock Exchanges. The Address of these Exchanges is as under:</p> <ol style="list-style-type: none"> 1. Bombay Stock Exchange Limited, (BSE Ltd.) 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 <p>The Company has paid the Listing fees for the year 2017-18 to BSE Limited (Bombay Stock Exchange) and National Stock Exchange where the shares of the Company are Listed.</p>
(vi)	Stock Code:	<p>BSE : 512573 NSE : AVANTIFEED NSDL/CSDL ISIN No. : INE871C01020</p>
(vii)	Whether the securities are suspended from trading during the year 2016-17	The equity shares of the Company were not suspended at any point of time during the year 2016-17 and 2017-18 (till the date of the Report).
(viii)	Financial Calendar for the year 2017-18 (tentative)	<ul style="list-style-type: none"> • First Quarter Results – By 15th August, 2017. • Second Quarter / Half Year Results – By 15th November, 2017 • Third Quarter / Nine Months Results – By 15th February, 2018 • Fourth Quarter / Year end Results – By 30th May, 2018

15. Market Price Data

- (a) The Market price details month wise of equity shares of Rs.2/- each fully paid at Bombay Stock Exchange are as under:

Rs.

Month& Year	Open Price	High Price	Low Price	Close Price
Apr-16	396	484	391	441
May-16	439	483	436	464
Jun-16	467	550	442	526
Jul-16	526	632	515	610
Aug-16	615	629	523	549
Sep-16	550	586	476	524
Oct-16	527	627	519	535
Nov-16	535	551	411	512
Dec-16	509	511	441	491
Jan-17	491	605	488	561
Feb-17	565	709	560	675
Mar-17	679	751	660	741

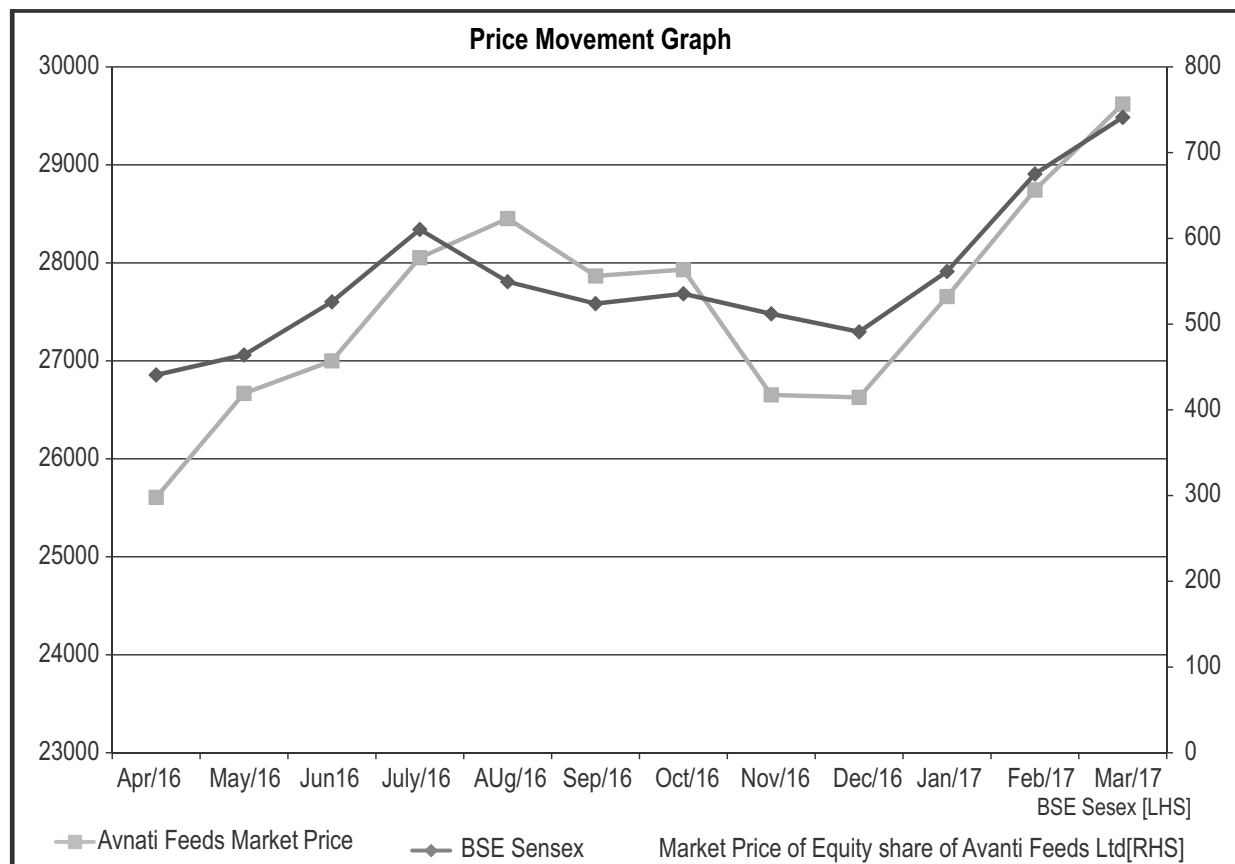
Source: BSE

Performance comparison to BSE Sensex.

Rs.

Sl. No	Name of the month and year	BSE Sensex	Avanti Feeds Market Price-Closing
1	Apr-16	25607	441
2	May-16	26668	464
3	Jun-16	27000	526
4	Jul-16	28052	610
5	Aug-16	28452	549
6	Sep-16	27866	524
7	Oct-16	27930	535
8	Nov-16	26653	512
9	Dec-16	26626	491
10	Jan-17	27656	561
11	Feb-17	28743	675
12	Mar-17	29621	741

Source: BSE



- (b) The Market Price details movement wise of equity shares of Rs.2/- each fully paid at National Stock Exchange are as under

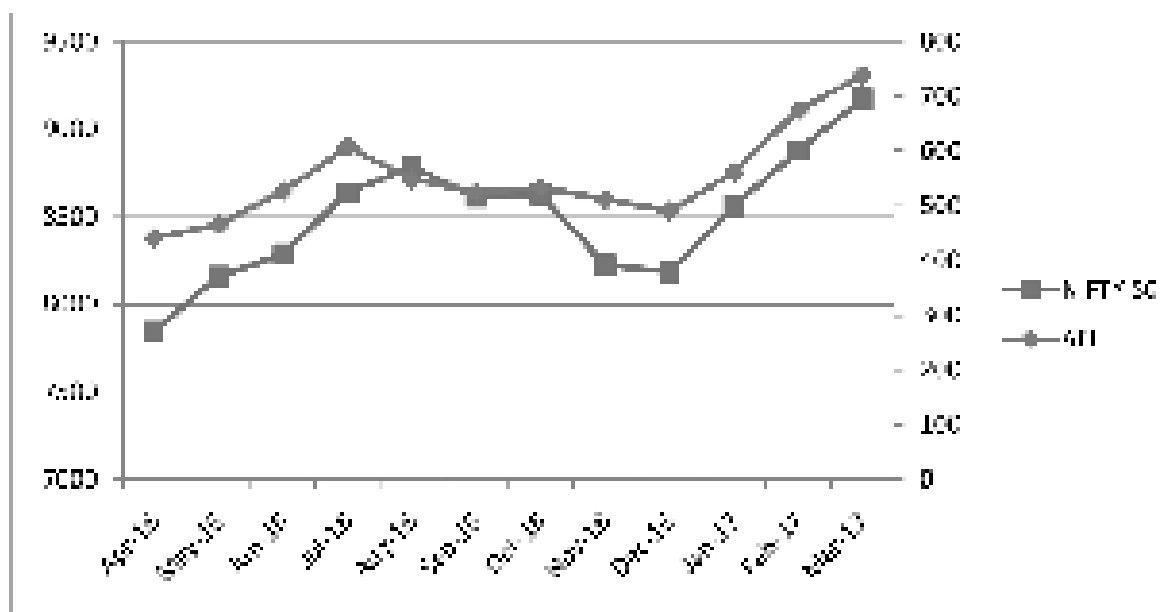
Month & Year	Open Price	High Price	Low Price	Close Price
Apr-16	442	449	433	441
May-16	471	475	463	466
Jun-16	536	550	524	527
Jul-16	611	615	605	607
Aug-16	550	559	540	549
Sep-16	530	535	520	524
Oct-16	545	557	515	533
Nov-16	510	515	506	512
Dec-16	490	495	485	490
Jan-17	583	583	541	561
Feb-17	696	703	675	675
Mar-17	716	741	713	738

Source: NSE

Performance Comparison to NSE NIFTY 50

Sl.No.	Name of the month and year	NSE NIFTY 50	AFL Market price (closing) at NSE
1	Apr-16	7850	441
2	May-16	8160	466
3	Jun-16	8288	527
4	Jul-16	8639	607
5	Aug-16	8786	549
6	Sep-16	8611	524
7	Oct-16	8626	533
8	Nov-16	8225	512
9	Dec-16	8186	490
10	Jan-17	8561	561
11	Feb-17	8880	675
12	Mar-17	9174	738

Source: NSE



16. Registrars and Transfer Agents:

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

17. Share Transfer System:

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

18. SCORES:

SEBI vide Circular No.CIR/OIAE/2/2011 dt.3.6.2011 informed the Company that they had commenced processing of investor complaints in a web based complaints, redressal system, "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the Companies are required to view the complaints pending against them and submit Action Taken 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 Computershare Private Limited, Gachibowli, Hyderabad. For any clarification/complaint, shareholders may contact :

Name : Sri Rajeev Kumar
 Designation : Manager, Karvy Computershare Private Limited
 Email id : scores@karvy.com
 Tele. No. : 040-44655000
 Fax No. : 040-23420814

19. DISTRIBUTION SCHEDULE AS ON 31/03/2017

S.No	Category	Cases	% of Cases	Amount (Rs.)	% Amount
1	upto 1 - 5000	17127	96.71	7881302	8.68
2	5001 - 10000	286	1.61	2101586	2.31
3	10001 - 20000	134	0.76	1969248	2.17
4	20001 - 30000	59	0.33	1462256	1.61
5	30001 - 40000	22	0.12	758682	0.84
6	40001 - 50000	19	0.11	875760	0.96
7	50001 - 100000	27	0.15	1885476	2.08
8	100001 & ABOVE	36	0.20	73896110	81.36
Total:		17710	100.00	90830420	100.00

20. **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The details of dematerialisation of shares as on 31.3.2017 is as under:

S.No	Description	No of Holders	Equity Shares of Rs.2/- each	% To Equity
1	PHYSICAL	1063	1063575	2.34
2	NSDL	11132	41328670	91.00
3	CDSL	5515	3022965	6.66
	Total	17710	45415210	100

The Company has entered into a tripartite agreements with NSDL and CDSL to establish electronic connectivity through Company's Electronic Registrar i.e. Karvy Computershare Private Limited, Hyderabad and facilitate scrip less trading. Trading in the equity shares of the Company is compulsory in 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 is INE871C01020.

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

There were no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments during the year 2016-17.

22. **Reconciliation of Share Capital and Dematerialization of Shares:**

A quarterly audit was conducted by Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by Investors in physical form and in the depositories and the said certificates were submitted to the Stock Exchanges within the prescribed time limit. As on 31.3.2017, there was no differences 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. 4,43,51,635 equity shares of Rs.2/- (Rupees two only) representing 97.66% (Previous year 4,42,09,135 equity shares of Rs.2/- each representing 97.34%) of the paid up equity capital of the Company have been dematerialized as on 31st March, 2017. Pursuant to Reg.40(a) of SEBI (LODR) Regulations, 2015, certificates have been issued on a half yearly basis by Sri V. Bhaskara Rao, Practicing Company Secretary certifying due compliance of share transfer formalities by the Company and the Certificate was also filed with the Bombay Stock Exchange (BSE Ltd) and National Stock Exchange.

23. **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.

24. Plant locations:

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

Shrimp Feed Plant – I

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

Shrimp Feed Plant – II

Vemuluru, Kovvur – 534 350.
West Godavari District, Andhra Pradesh.

Shrimp Feed Plant – III

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

Shrimp Feed Plant – IV

Bandapuram Village, Devarapally Mandal
West Godavari District. Andhra Pradesh.

Shrimp Feed Plant - V

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

Wheat Flour Plant

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

Wind Mill:

Lakkihalli Village, Hiriyur Taluk
Chitradurga District. Karnataka State. India.

25. Registered Office and Corporate Office:

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

Registered Office:

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

25.01 Corporate Office & address for correspondence:

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

26. OTHER DISCLOSURES

S.No.	Details	Remarks
1	Disclosure on materially significant Related Party Transactions.	NIL
2	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed by Stock Exchange(s) or the Board or any Statutory Authority on any matter related to Capital markets during last 3 years.	NIL.
3	Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation.	The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. 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 www.avantifeeds.com .
4	Interse relationships between Directors and Key Managerial personnel of the Company.	Mr. N. Ram Prasad, Director is the spouse of Sri A. Indra Kumar's (Chairman & Managing Director) Sister.
5	Compliance of SEBI (LODR) Regulations, 2015.	(a) Mandatory Requirements. It is confirmed that the Company has complied with the requirements under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations. (b) Non-Mandatory Requirements: The Company has adopted the following non-mandatory (i.e. Discretionary) Requirements of Part-E of Schedule-II of SEBI (LODR) Regulations: 1. Audit Qualifications: The Company is in the regime of unqualified financial statements. 2. Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.
6	Web- link where details of familiarization programme imported to Independent Directors is disclosed.	http://www.avantifeeds.com/Policies/Avanti_Feeds_Ltd-Familiarizatn_Programme_for_Independent_Directors.pdf
7	Web- link where policy determining the material subsidiaries is disclosed.	http://www.avantifeeds.com/Policies/Policy%20on%20Material%20subsidiaries.pdf

26. OTHER DISCLOSURES (Contd...)

S.No.	Details	Remarks
8	Web-link where policy on dealing with Related Party Transactions is disclosed.	http://www.avantifeeds.com/Policies/Policy%20on%20Related%20Party%20Transactions.pdf
9	Disclosure of commodity price risk and commodity hedging activities.	Nil
10.	Web link where the dividend distribution policy of the Company is disseminated.	http://www.avantifeeds.com/Policies/Avanti_Feeds_Ltd-Dividend_Distribution_Policy.pdf

27. Disclosure in respect of demat suspense account/unclaimed suspense account As on 31.03.2017.

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

28. Transfer of Unpaid/unclaimed dividend to IEPF:

Pursuant to the provisions of section 205A and 205C of the Companies Act, as amended, read with Investor education and Protection fund (awareness and Protection of Investors) rules, 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders / Investors who have not en-cashed their dividend warrant(s) within 7 years from the date of the dividend warrant, are requested to make their claim to the Registrars & Transfer Agents i.e., Karvy Computershare Private Limited, Hyderabad or to the Company.

29. Risk Management :

In terms of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has developed and implemented a Risk Management Policy and the same is disseminated at the website of the Company www.avantifeeds.com.

30. Policy for prohibition of Insider Trading:

The Company has adopted a policy for Prevention of Insider Trading in the Shares pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

31. Disclosure of Accounting Treatment :

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

32. Management Discussion and Analysis Report:

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

33. Business Responsibility Report:

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

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

34.01 Minimum four Board Meetings are held in each year, which are pre-scheduled after the end of each financial quarter. Apart from the pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

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

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

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

36. Compliance Certificate from the Independent Auditors:

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

37. DECLARATION ON CODE OF CONDUCT:

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company which has been disseminated on the web site of the Company at www.avantifeeds.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2017, as envisaged in Reg.26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Place: Hyderabad
Date : 13.05.2017

A. INDRA KUMAR
Chairman & Managing Director

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
Chairman & Managing Director

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

Place: Hyderabad

Date : 13.05.2017

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Members of
AVANTI FEEDS LIMITED**

1. We, M/s. KARVY& Co., Chartered Accountants, the Statutory Auditors of AVANTI FEEDS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

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

Auditors' Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
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 KARVY & CO.,

Chartered Accountants

ICAI Firm Registration No: 001757S

(Ajaykumar Kosaraju)

Partner

Membership No. 021989

Place: Hyderabad

Date: 13/05/2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avanti Feeds Limited(hereinaftercalled 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 31.03.2017 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 31.03.2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 ;
 - 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, 2009; Not Applicable
 - 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 trans boundary Movement) Rules, 2008
 - (aa) Food Safety and Standards Act, 2006
 - (bb) Biological Diversity Act, 2002

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings, 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 status of the wholly owned subsidiary of the company i.e M/s. Avanti Frozen Foods Private Limited, has been changed to Subsidiary with the reduced stake of 60% shares, this was happen due to further allotment of shares made by the M/s. Avanti Frozen Foods Private Limited to the other parties on private Placement basis in pursuance of provisions of the Companies Act, 2013.

V. Bhaskara Rao and Co
Company Secretaries

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

Place : Hyderabad
Date : 13.05.2017

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying standalone financial statements of Avanti Feeds Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting standards) amendment Rules, 2016.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its **PROFIT** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our 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 and the Cash Flow Statement 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 and the Companies (Accounting Standards) Amendment Rules, 2016.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 34 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.
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company- Refer Note 42 to the standalone financial statements. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For KARVY & CO.

Chartered Accountants

ICAI Firm Registration No: 001757S

(Ajaykumar Kosaraju)

Partner

Membership No. 021989

Place: Hyderabad

Date: 13.05.2017

Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements section of our report of even date

Re: Avanti Feeds Limited ('the Company')

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
 - (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. The Company has granted unsecured loans to its wholly owned subsidiaries covered in the register maintained under section 189 of the Act.
 - (a) The outstanding loan to one of its subsidiary (Svimsan Exports and Imports Private Limited), aggregating to Rs. 90.98 Lakhs which was considered doubtful of recovery had been provided for in the books of accounts.
 - (b) In respect of the loan to other subsidiary (Avanti Frozen Foods Private Limited), the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular.
 - (c) In respect of the aforesaid loans, there is no amount overdue for more than 90 days other than the loan of Rs. 90.98 Lakhs, considered doubtful of recovery and provided for as referred to in para (iii) (a) above. In our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest in respect of other loans.
- 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, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company. 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 dues outstanding of income-tax, sales-tax, service tax, customs duty, value added tax and cess on account of dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending
Central excise Act, 1944 and Customs Act, 1962	Customs duty & Central Excise	2,999.18	1999-2002	CESTAT, Hyderabad
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Income tax Act, 1961	Income-tax	5.13	2011-2012	Commissioner (Appeals)
Electricity Act, 2003	Electricity duty	4.37	2011-2012 to 2014-2015	Supreme Court
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai

- 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 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 financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the year.

- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations 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 KARVY & CO.

Chartered Accountants

ICAI Firm Registration No: 001757S

(Ajaykumar Kosaraju)

Partner

Membership No. 021989

Place: Hyderabad

Date: 13.05.2017

Annexure - B to the Our Report of even date on the Standalone 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")

We have audited the internal financial controls over financial reporting of Avanti Feeds Limited ("the Company") as of 31 March 2017 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 KARVY & CO.

Chartered Accountants

ICAI Firm Registration No: 001757S

(Ajaykumar Kosaraju)

Partner

Membership No. 021989

Place: Hyderabad

Date: 13.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2017

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

	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	3	908.30	908.30
b) Reserves and surplus	4	56,329.94	40,622.74
Non-current liabilities			
a) Long term borrowings	5	-	194.95
b) Deferred tax liability (net)	6	1,000.53	463.57
c) Other long term liabilities	7	374.50	374.50
d) Long term provisions	8	92.65	20.79
Current liabilities			
a) Short term borrowings	9	131.16	651.56
b) Trade payables	10	23,603.15	13,440.28
c) Other current liabilities	10	2,823.02	2,951.76
d) Short term provisions	8	650.37	979.25
Total		85,913.62	60,607.69
Assets			
Non-current assets			
a) Property, plant and equipment	11		
Tangible assets		13,369.39	7,910.46
Intangible assets		2.24	4.72
Capital work in progress		-	3,485.59
b) Non-current investments	12	11,209.54	11,209.54
c) Long - term loans and advances	13	460.52	982.02
d) Other non-current assets	14	16.58	76.51
Current Assets			
a) Current investments	15	25,686.30	-
b) Inventories	16	29,241.94	22,438.73
c) Trade receivables	17	1,195.74	1,533.26
d) Cash and bank balances	18	3,570.28	7,283.67
e) Short - term loans and advances	13	575.40	5,023.69
f) Other current assets	14	585.70	659.50
Total		85,913.62	60,607.69
Summary of Significant accounting policies	2.1		

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

for KARVY & CO

Chartered Accountants

Firm Registration No. 001757S

Ajaykumar Kosaraju

Partner

Membership No. 021989

Place : Hyderabad

Date : 13.05.2017

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra Rao

Jt. Managing Director,
Company Secretary & CFO

N. Ram Prasad

Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

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

	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
INCOME:			
Revenue from operations	19	265,419.02	201,828.87
Other income	20	1,764.20	1,802.55
Total revenue		267,183.22	203,631.42
Expenditure :			
Cost of materials consumed	21	186,894.97	154,296.61
Purchase of Traded Goods		14,122.59	-
(Increase)/ decrease in the inventories of finished goods and work in progress	22	3,194.76	(1,406.09)
Employee benefits expense	23	6,799.39	5,777.97
Depreciation and amortisation expense	24	1,151.89	935.47
Finance costs	25	233.32	182.74
Manufacturing expenses	26	6,780.27	6,026.56
Selling and Distribution expenses	27	14,504.61	11,944.97
Other expenses	28	2,274.33	2,164.88
Total expenses		235,956.13	179,923.11
Profit before exceptional item		31,227.09	23,708.31
Exceptional item (net)	29	(1,859.05)	(450.68)
Profit before tax		29,368.04	23,257.63
A. Profit from continuing operations		29,356.86	20,257.30
Tax expenses			
Current tax		9,293.88	6,868.20
Earlier Year Taxes		-	(0.94)
Deferred tax		536.96	(135.57)
Total tax expense		9,830.84	6,731.69
Profit/(Loss) from continuing operations after tax (A) :		19,526.02	13,525.61
B. Profit from discontinuing operations		11.19	3,000.33
Less : Tax Expense		3.75	999.71
Profit/(Loss) from discontinuing operations after tax (B) :		7.44	2,000.62
Profit for the year (A+B) :		19,533.46	15,526.23
"Earnings per equity share (face value Rs. 2/-) (refer note No. 30)"	30		
Basic & Diluted			
Computed on the basis of profit from continuing operations		42.99	29.78
Computed on the basis of total profit of the year		43.01	34.19
Summary of Significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for KARVY & CO

Chartered Accountants

Firm Registration No. 001757S

Ajaykumar Kosaraju

Partner

Membership No. 021989

Place : Hyderabad

Date : 13.05.2017

For and on behalf of the Board

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra RaoJt. Managing Director,
Company Secretary & CFO**N. Ram Prasad**

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. Cash flow from operating activities		
Profit before Tax	29,368.04	23,257.63
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation / amortization	1,151.89	935.47
Loss/ (Profit) on sale of fixed assets	6.63	(45.46)
Unrealised foreign exchange gain	(674.84)	(564.80)
Interest expenses	233.32	133.94
Interest income	(232.00)	(216.72)
Short Term capital gain on Mutual Fund	(135.41)	(243.13)
Provision for bad debts written back	-	(62.25)
Provision for doubtful advances	0.42	90.57
Provision for diminution in the value of assets	-	100.00
Dividend Received on Investments	(476.50)	(495.96)
Operating profit before working capital changes	29,241.57	22,889.29
Movements in working capital :		
Increase/ (decrease) in trade payables	10,162.87	4,322.57
Increase / (decrease) in long-term provisions	71.86	(31.69)
Increase / (decrease) in short-term provisions	(108.19)	59.02
Increase/ (decrease) in other current liabilities	(134.43)	756.52
Increase/ (decrease) in other long-term liabilities	-	-
Decrease / (increase) in trade receivables	337.52	1,885.99
Decrease / (increase) in inventories	(6,803.21)	(237.11)
Decrease / (increase) in long-term loans and advances	521.51	(722.12)
Decrease / (increase) in short-term loans and advances	4,421.39	(4,556.76)
Decrease / (increase) in other current assets	116.69	182.11
Decrease / (increase) in other non-current assets	155.68	20.83
Cash generated from operations	37,983.26	24,568.65
Direct taxes paid (net of refunds)	(9,518.30)	(7,121.65)
Net Cash flow from operating activities	28,464.96	17,447.00
B. Cash flow from investing activities		
Investment (Net)	(25,550.90)	7,889.05
Non Current Investment	-	(8,461.00)
Dividend Received on Investments	476.50	495.96
Interest Received	215.59	68.30
Purchase of Fixed Assets	(3,203.57)	(4,938.46)
Bank Balances not considered as cash and cash equivalents	(246.02)	(109.32)
Sale of Fixed Assets	74.27	1,604.29
Net cash flow used in investing activities	(28,234.10)	(3,451.19)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
C. Cash flow from financing activities		
Increase/ (decrease) in borrowings	(709.79)	(4,803.83)
Interest paid	(233.32)	(192.24)
Profit on exchange fluctuations & forward contracts	674.84	564.80
Dividends paid including tax on Dividend	(3,826.24)	(3,006.34)
Net cash used in financing activities	(4,094.51)	(7,437.61)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(3,863.65)	6,558.21
Cash and cash equivalents at the beginning of the year	6,986.69	428.48
Cash and cash equivalents at the end of the year	3,123.04	6,986.69
Components of cash and cash equivalents		
Cash on hand	26.73	11.55
With banks- on current account	3,096.31	6,975.14
Total cash and cash equivalents (note 18)	3,123.04	6,986.69
2.1 Summary of significant accounting policies		

As per our Report of even date

for KARVY & CO

Chartered Accountants

Firm Registration No. 001757S

Ajaykumar Kosaraju

Partner

Membership No. 021989

Place : Hyderabad

Date : 13.05.2017

For and on behalf of the Board

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra RaoJt. Managing Director,
Company Secretary & CFO**N. Ram Prasad**

Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(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 Prawn Feed.

During the financial year 2015-16 the company (AFL) has divested its Shrimp Processing & Export Division to its subsidiary M/s. Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. However, transfer of statutory licenses from AFL to AFFPL was received in June'16 and transfer of name from US DOC was received on 22.11.2016. From 01.04.2016 to 30.06.2016 AFL operated the Processing & Export unit on behalf of AFFPL and from 01.07.2016 till 22.11.2016, AFFPL did the processing and AFL exported as a merchant exporter. With effect from 23.11.2016, AFFPL is carrying on operations in its own name.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards specified under section 133 of the Company's act, 2013 read with rule 7 of the Company's (accounts) rules, 2014, and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Accounting for proposed Dividend

As per the requirement of pre-revised AS4, the Company used to create a liability for dividend proposed/declared after the balance sheet date if dividend related to period covered by the financial statements. Going forward, as per AS4 (Revised), the Company cannot create provision for dividend proposed/declared after the balance sheet date unless statute requires otherwise. Rather, Company will need to disclose the same in notes to the financial statement. Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its Surplus in the statement of profit and loss account would have been lower by Rs 4919.46 lacs and current provision would have been higher by Rs 4919.46 Lacs (including dividend distribution tax of Rs 832.09 lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

c) **Property, plant and equipment**

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

d) **Depreciation on Property, Plant and Equipment**

Depreciation on Property, Plant and Equipment is provided on the straight-line method over the useful lives of assets as prescribed in schedule II to the company's Act, 2013. Depreciation for assets purchased / sold during the period is proportionately charged.

e) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

f) **Amortization of intangible assets**

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

g) **Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction year is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto and represents the marginal increase in such expenditure as a result of the capital expansion. Other indirect expenditure (including borrowing costs) incurred during the construction year, which is not related to the construction activity nor is incidental thereto, are charged to the statement of profit and loss. Related income earned during construction period is adjusted against the total of the indirect expenditure.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

h) Leases

Company as a lessee

Operating Leases

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

i) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Impairment of tangible and intangible assets

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalue amount, in which case the reversal is treated as a revaluation increase.

k) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds

l) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

m) Inventories

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

Raw materials, components, stores and spares 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.

Work-in-progress, stock-in-transit and finished goods are valued at lower of cost and net realizable value. 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.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

n) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria is also met before revenue is recognized:

Sale of product

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are the invoiced value of goods supplied after deducting discount and allowances.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

o) Foreign currency translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

p) Retirement Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity is a defined benefit plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q) Income Taxes

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

r) **Segment reporting**

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

s) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

t) **Provisions**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

u) Contingent liabilities

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

v) Cash and cash equivalents

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

w) Derivatives instruments

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from transactions in respect of which firm commitments are made or which are highly probable forecast transactions. As per the ICAI Announcement, derivative contracts, other than those covered under Accounting Standard-11, are accounted on the basis of hedging principles to the extent that the same does not conflict with the existing mandatory Accounting Standards, other Authoritative pronouncements and other regulatory requirements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

3 Share capital

	As at 31st March, 2017	As at 31st March, 2016
Authorised shares (No.s) 7,92,50,000 equity shares of Rs. 2/- each (31st March, 2016: 7,92,50,000 equity shares of Rs. 2/- each)	1,585.00	1,585.00
Issued, subscribed and fully paid up shares (No.s) 4,54,15,210 equity shares of Rs. 2/- each (31st March, 2016: 4,54,15,210 equity shares of Rs. 2/- each)	908.30	908.30
Total issued, subscribed and fully paid up share capital	908.30	908.30

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31st March, 2017		As at 31st March, 2016	
	No.s	Amount	No.s	Amount
At the beginning of the year	4,54,15,210	908.30	90,83,042	908.30
Issued during the year	-	-	-	-
Conversion on account of share split *	-	-	3,63,32,168	-
Outstanding at the end of the year	4,54,15,210	908.30	4,54,15,210	908.30

3.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2/- per share (previous year Rs. 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 Board, in its meeting on 13th May 2017 has recommended final dividend Rs.9/- per Equity Share for the financial year ended 31.03.2017 (31.03.2016: Rs.7/-). The proposal is subject the approval of Shareholders in the ensuing Annual General Meeting and, if approved, would result in a cash outflow of approximately Rs 4919.46 Lacs (including dividend distribution tax of Rs 832.09 lacs).

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

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

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No.s	Amount	No.s	Amount
"Equity shares of Rs. 2/- each fully paid up (previous year Rs. 2/- each)"				
1. Srinivasa Cystine Private Limited	1,20,99,705	26.64%	1,20,99,705	26.64%
2. Thai Union Frozen Products PCL, Thailand	1,14,10,210	25.12%	1,14,10,210	25.12%
3. Alluri Indra Kumar	27,76,900	6.11%	27,76,900	6.11%
4. Alluri Indra Kumar (HUF)	27,29,750	6.01%	27,29,750	6.01%

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.

4. Reserves and surplus

	As at 31st March, 2017	As at 31st March, 2016
Capital reserve :		
Balance at the beginning of the year	405.78	405.78
Balance at the end of the year (a)	405.78	405.78
Securities premium account		
Balance at the beginning of the year	438.00	438.00
Balance at the end of the year (b)	438.00	438.00
General reserve :		
Balance at the beginning of the year	6,805.69	5,205.69
Add: amount transferred from surplus balance in the statement of profit and loss	2,000.00	1,600.00
Balance at the end of the year ©	8,805.69	6,805.69
Surplus in the statement of profit and loss :		
Balance at the beginning of the year	32,973.27	22,053.37
Profit for the year	19,533.46	15,526.23
	52,506.73	37,579.60
Less : Appropriations		
Final equity dividend declared	3,179.07	2,497.84
Tax on equity dividend declared	647.19	508.49
Transfer to general reserve	2,000.00	1,600.00
Total appropriations	5,826.26	4,606.33
Net surplus in the statement of profit and loss	46,680.47	32,973.27
Total reserves and surplus	56,329.94	40,622.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

5. Long-term borrowings

Particulars	Non - current		Current maturities	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Vehicle loans (secured) :				
b) I C I C I Bank Limited	-	-	-	16.46
c) HDFC Bank Limited	-	14.48	14.48	29.82
	-	14.48	14.48	46.28
Other loans and advances				
Deferred sales tax loan (unsecured)	-	180.47	180.47	142.98
	-	180.47	180.47	142.98
Total	-	194.95	194.95	189.26
The above amount includes				
Secured borrowings	-	14.48	14.48	46.28
Unsecured borrowings	-	180.47	180.47	142.98

- 5.1 Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 36 months.
- 5.2 Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers from 2001-02 to 2004-05 was converted in to interest free loan for period of 14 years in the final installment of loan Rs. 180.47 lakhs is due for payment in March 2018.

6. Deferred tax liability (net)

	As at 31st March, 2017	As at 31st March, 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,000.53	463.57
Gross deferred tax liability	1,000.53	463.57
Deferred tax asset	-	-
Net deferred tax liability	1,000.53	463.57

7. Other long term liabilities

	As at 31st March, 2017	As at 31st March, 2016
Others		
Security Deposits received from Dealers	374.50	374.50
Total	374.50	374.50

- 7.1. Security Deposits taken from dealers for supplying them shrimp feed on credit terms. Interest is paid on these deposits @ 9% per annum (31st March, 2016: 9% p.a.).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

8. Provisions

	Long-term		Short-term	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Provision for employee benefits (refer note 32)				
Provision for gratuity	16.83	8.88	19.67	13.75
Provision for leave encashment	75.82	11.91	-	114.11
	92.65	20.79	19.67	127.86
Other provisions				
Provision for income tax (net of advance tax)	-	-	630.70	851.39
	-	-	630.70	851.39
Total	92.65	20.79	650.37	979.25

9. Short-term borrowings

	As at 31st March, 2017	As at 31st March, 2016
Working capital loan from State Bank of India (secured)	131.16	651.56
Total	131.16	651.56

- 9.1** Working Capital loans of Rs.131.16 lacs was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the company and personal guarantee of Mr. A. Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @ 10.70% p.a.

10. Trade payables and Other current liabilities

	As at 31st March, 2017	As at 31st March, 2016
Trade payables (including acceptances) (refer note 36 for details of dues to micro and small enterprises)	23603.15	13440.28
Other current liabilities		
Current maturities of long term borrowings (note 5)	194.95	189.26
Creditors for capital goods	18.76	257.44
Interest accrued but not due	-	-
Advance from customers	2,352.31	2,298.63
Unpaid Dividends	96.62	67.76
Others		
Tax deducted at source payable	115.59	96.07
VAT payable	0.33	0.11
Service Tax payable	0.40	11.83
Professional Tax payable	0.78	0.70
Employee state insurance payable	3.04	2.38
Provident fund payable	26.52	18.86
R and D Cess payable	13.73	8.72
	2,823.02	2,951.76
Total	26,426.17	16,392.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
(All amounts in lakhs in Indian Rupees, unless otherwise stated)

11. Property, Plant and Equipment

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Intangible assets	Total fixed assets	Capital work-in-progress	Grand Total
As at 31st March, 2015	681.58	2,535.11	169.17	6,046.89	1,378.88	1,418.63	184.79	110.07	75.38	142.18	884.60	13,627.28	25.92	13,653.20	-	13,653.20
Additions	741.24	-	-	385.93	-	75.02	91.52	27.44	26.56	19.74	85.04	1,452.48	0.40	1,452.87	3,485.59	4,938.46
D- Merger	125.86	432.61	10.06	1,325.46	-	326.70	19.80	20.65	11.64	19.53	364.14	2,656.45	-	2,656.45	-	2,656.45
Disposals	-	2.50	-	6.71	-	15.01	2.18	1.42	9.67	0.08	12.55	50.12	-	50.12	-	50.12
As at 31st Mar 2016	1,296.96	2,100.00	159.11	5,100.64	1,378.88	1,151.94	254.33	115.45	80.62	142.30	592.95	12,373.18	26.32	12,399.50	3,485.59	15,885.09
Additions	41.17	1,614.28	102.77	3,924.38	-	593.43	80.31	38.48	15.82	11.94	266.60	6,689.16	-	6,689.16	4,451.00	11,140.16
Disposals	-	-	-	205.82	-	-	52.28	1.94	4.76	1.49	107.58	373.88	-	373.88	7,936.59	8,310.46
As at 31st Mar 2017	1,338.12	3,714.28	261.88	8,819.20	1,378.88	1,745.37	282.36	151.98	91.68	152.75	751.97	18,688.47	26.32	18,714.78	-	18,714.79
Depreciation																
Upto 31st March, 2015	-	473.47	33.58	2,548.99	675.45	528.41	79.26	53.38	44.88	24.00	217.81	4,679.23	17.36	4,696.60	-	4,696.60
Charge for the year	-	70.89	17.18	528.76	54.11	105.25	16.50	20.13	17.93	19.20	81.28	931.23	4.24	935.47	-	935.47
Disposals	-	2.50	-	3.66	-	6.82	2.18	1.19	9.57	0.08	5.15	31.15	-	31.15	-	31.15
D- Merger	-	133.73	10.06	608.58	-	189.11	6.79	11.61	8.33	5.20	143.17	1,116.59	-	1,116.59	-	1,116.59
Upto 31st Mar , 2016	-	408.13	40.69	2,465.51	729.56	437.73	86.79	60.71	44.92	37.92	150.76	4,462.72	21.60	4,484.33	-	4,484.33
Charge for the year	-	80.06	17.44	705.92	54.12	133.61	23.23	21.47	21.31	15.18	77.07	1,149.41	2.48	1,151.89	-	1,151.89
Disposals	-	-	-	199.45	-	-	46.23	1.00	4.58	1.49	40.30	293.06	-	293.06	-	293.06
Upto 31st Mar , 2017	-	488.19	58.13	2,971.99	783.68	571.34	63.78	81.17	61.64	51.60	187.54	5,319.07	24.08	5,343.16	-	5,343.16
Net block																
As at 31st March, 2016	1,296.96	1,691.87	118.41	2,635.13	649.32	714.21	167.54	54.74	35.71	104.39	442.19	7,910.46	4.72	7,915.17	3,485.59	11,400.76
As at 31st Mar , 2017	1,338.12	3,226.09	203.74	5,847.21	595.20	1,174.03	218.57	70.81	30.04	101.15	564.43	13,369.39	2.24	13,371.63	-	13,371.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

12. Non-current investments

	As at 31st March, 2017	As at 31st March, 2016
A) Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiary		
Svimsan Exports & Imports Private Limited 10,00,000 (31st Mar, 2016: 10,00,000) equity shares of Rs.10/- each fully paid up Less: Provision for diminution in the value of investment (refer note 29.3)	100.00	100.00
	100.00	100.00
	-	-
Avanti Frozen Foods Private Limited 60,10,000 (31st March 2016 : 60,10,000) equity shares of Rs. 10/- each fully paid up	8,461.00	8,461.00
Investment in associates		
Srivathsa Power Projects Limited 1,66,93,630 (31st Mar, 2016: 1,66,93,630) equity shares of Rs.10/- each fully paid up	1,670.54	1,670.54
Patikari Power Private Limited *		
1,06,45,200 (31st Mar, 2016: 1,06,45,200) equity shares of Rs.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.		
Total (A)	11,196.06	11,196.06
B) Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
IDBI Bank Limited 2,880 (31st Mar, 2016: 2,880) equity shares of Rs.10/- each fully paid up	0.54	0.54
UCO Bank Limited 7,800 (31st Mar, 2016: 7,800) equity shares of Rs.10/- each fully paid up	0.94	0.94
Investment in equity instruments (unquoted)		
Bhimavaram Hospitals Limited		
1,20,000 (31st Mar, 2016: 1,20,000) equity shares of Rs.10/- each fully paid up	12.00	12.00
Total (B)	13.48	13.48
Total (A+B)	11,209.54	11,209.54
Aggregate amount of quoted investments		
Book Value	1.48	1.48
Market Value	4.97	5.03
Aggregate amount of unquoted investments		
Book Value	11,208.06	11,208.06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

13. Loans and advances

	Non - current		Current	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Capital advances				
Unsecured, considered good	-	658.94	-	-
	-	658.94	-	-
Security deposits				
Unsecured, considered good	313.02	279.74		
	313.02	279.74	-	-
Loans and advances to related parties				
Unsecured, considered good				
Loans to subsidiary	-	-	-	4,377.21
	-	-	-	4,377.21
Unsecured, considered doubtful				
Loans to wholly owned subsidiary			90.98	90.56
Provision for doubtful advance (refer note 29.3)			(90.98)	(90.56)
Other loans and advances				
Loans to employees	26.48	43.34	54.51	68.32
Advance for purchases	-	-	309.52	243.90
Other advances	121.01	-	211.37	334.26
	147.49	43.34	575.40	620.00
Total	460.52	982.02	575.40	5,023.69

14. Other assets

	Non - current		Current	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 18)	16.58	15.02	-	-
Unamortized expenditure				
Pre operative expenses	-	61.49	-	-
	-	61.49	-	-
Others				
Export incentives receivable	-	-	17.15	-
MEIS licences on hand	-	-	419.85	489.57
Interest accrued on fixed deposits	-	-	45.09	28.67
Unrealised gain/(Loss)			103.61	-
Accrued Interest from AFFPL			-	141.26
	-	-	585.70	659.50
Total	16.58	76.51	585.70	659.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

15. Current investments

Current investments (valued at lower of cost and fair value, unless stated otherwise)

	As at 31st March, 2017	As at 31st March, 2016
Investment in unquoted mutual funds		
SBI - Premier Liquid Fund - 691383.175 units of Rs. 1003.25 each (31st Mar, 2016 NIL)	6,936.30	-
HDFC Short Term Opportunities Fund - Growth Regular Plan - 7075858.868 units of Rs. 17.67 each (31 st March 2016 ; NIL)	1,250.00	-
HDFC Floating Rate Income Fund - STP - Wholesale Growth - 10818608.01 units of Rs. 27.73 each (31 st March 2016 ; NIL)	3,000.00	-
ICICI - Pru - Flexible Income Plan Growth - 1311958.038 units of Rs. 305.15 each (31st March 2016 : NIL)	4,000.00	-
IDFC Super Saver Income Fund Short Term Plan - Growth - 3802119.453 units of Rs. 32.876 each (31st March 2016 - NIL)	1,250.00	-
Kotak Low duration Fund Standard Growth (Regular Plan) - 257840.784 units of Rs. 1939.1812 each (31st March, 2016 ; NIL)	5,000.00	-
Birla Sunlife Short Term Fund - Growth Regular Plan 2034438.983 units of Rs. 61.4420 each (31st Mar,2016: NIL)	1,250.00	-
Birla Sunlife Savings Fund - Growth Regular Plan - 959619.837 units of Rs. 312.6238 each (31st March, 2016: NIL)	3,000.00	-
	25,686.30	-
Aggregate amount of unquoted investments		
Book Value	25,686.30	-

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

	As at 31st March, 2017	As at 31st March, 2016
Raw materials (refer note 21)		
In godowns	22,257.81	19,200.55
In transit	269.18	396.40
Packing materials (refer note 21)	602.25	367.21
Work-in-progress (refer note 22)	280.80	313.09
Finished goods (refer note 22)	4,147.19	1,450.55
Stores and spares	1,684.71	710.93
Total	29,241.94	22,438.73

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

17. Trade receivables

	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they are due for payment (secured, unsecured & doubtful)		
Other receivables		
Secured, considered good	674.59	1,031.27
Unsecured, considered good	521.15	501.99
Doubtful	-	-
	1,195.74	1,533.26
Provision for doubtful receivables	-	-
Total	1,195.74	1,533.26

18. Cash and bank balances

	Non- Current		Current	
	As at 31st March,		As at 31st March	
	2017	2016	2017	2016
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	496.31	473.78
- Deposits with original maturity of less than three months			2,600.00	6,501.36
- On unpaid dividend accounts	-	-	96.62	67.76
Cash on hand	-	-	26.73	11.55
	-	-	3,219.66	7,054.45
Other bank balances				
- Deposits with original maturity for more than three months but less than 12 months	-	-	-	-
- Deposit with original maturity for more than 12 months	0.72	0.66	-	-
- Margin money accounts *	15.86	14.36	350.62	229.22
	16.58	15.02	350.62	229.22
Amount disclosed under non-current assets (note 14)	(16.58)	(15.02)	-	-
Total	-	-	3,570.28	7,283.67

18.1 Margin money deposits given as security

Margin Money deposits with bank of a carrying amount of Rs. 366.48 lakhs (31st Mar, 2016: 243.57 lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

19. Revenue from operations

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of products		
Finished goods	248,984.47	199,530.37
Trading Goods	13,973.08	-
Other operating revenue		
Export incentives	2,461.47	2,253.96
Income from sale of certified emission reductions	-	44.54
Revenue from operations	265,419.02	201,828.87
Details of products sold		
Finished goods sold		
Domestic Sales;		
i) Shrimp feed	234,602.69	172,944.31
ii) Shrimp seed	46.04	37.00
iii) Wheat bran	2.13	27.79
v) Electricity sales (from Wind mills)	106.77	169.66
	234,757.63	173,178.76
Export sales;		
i) Processed shrimp	14,226.84	26,351.61
ii) Shrimp feed	-	-
	14,226.84	26,351.61
Traded goods sold		
Domestic sales		
Packing material	4.70	-
Stores & Spares	25.61	-
	30.31	-
Export sales		
Processed shrimp	13,942.77	-
	13,942.77	-
	262,957.55	199,530.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

20. Other income

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest income on		
Bank deposits	31.92	37.11
Others	200.09	179.61
Dividend income from		
Current investments	476.50	495.78
Non-current investments	-	0.18
Short Term Capital Gain on Mutual Fund	135.41	243.13
Exchange differences (net)	674.84	564.80
Profit on sale of fixed assets	1.16	-
Other non-operating income	244.29	219.69
Provision for doubtful debts written back	-	62.25
	1,764.20	1,802.55

(Rs. in Lakhs)

21. Cost of materials consumed

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventory at the beginning of the year	20,051.57	15,104.59
Add: Purchases	189,972.64	159,243.59
	210,024.21	174,348.18
Less: Inventory at the end of the year	23,129.24	20,051.57
Cost of materials consumed	186,894.97	154,296.61

Details of materials consumed

	For the year ended As at 31st March, 2017		For the year ended As at 31st March, 2016	
	Qty in MT	Value	Qty in MT	Value
Fish meal	78,055.12	73,613.50	52,667.97	55,475.32
Wheat & Wheat flour	106,682.08	23,018.75	82,207.55	15,687.98
Soya DOC	133,909.13	50,825.79	98,533.84	39,168.10
Other materials	29,098.47	28,020.87	21,140.62	18,141.46
Shrimp	1,812.95	6,677.26	6,375.08	22,177.70
Packing material	-	4,738.81	-	3,646.05
	349,557.76	186,894.97	260,925.05	154,296.61

Details of Inventory

	As at 31st March, 2017	As at 31st March, 2016
Fish meal	15,382.91	14,117.69
Wheat & Wheat flour	560.72	300.45
Soya DOC	3,844.30	2,955.67
Other materials	2,739.06	2,223.14
Packing material	602.25	454.62
	23,129.24	20,051.57

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

22. (Increase)/ decrease in inventories of finished goods and work-in-progress

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the end of the year		
Finished goods	4,147.19	7,218.80
Work-in-progress	280.80	403.95
	4,427.99	7,622.75
Inventories at the beginning of the year		
Finished goods	7,218.80	5,782.66
Work-in-progress	403.95	434.00
	7,622.75	6,216.66
(Increase) / decrease	3,194.76	(1,406.09)

Details of purchase of traded goods:

	For the year ended As at 31st March, 2017		For the year ended As at 31st March, 2016	
	Qty in MT	Value	Qty in MT	Value
Processed shrimp	1,958.31	14,093.61	-	-
Packing material	-	4.98	-	-
Stores & Spares	-	24.00	-	-
	1,958.31	14,122.59	-	-

Details of inventory

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Work-in-progress		
i) Shrimp feed	262.97	299.87
ii) Wheat Flour	17.83	13.22
iii) Processed shrimp*	-	90.86
	280.80	403.95
Finished goods		
i) Shrimp feed	4,129.77	1,341.97
ii) Wheat Flour	17.42	108.58
iii) Processed shrimp*	-	5,768.25
	4,147.19	7,218.80

* During the previous year the Shrimp Processing & Export Division was transferred to Avanti Frozen Foods Pvt. Ltd (AFFPL) under a Business Transfer Agreement w.e.f 01.11.2015. As AFFPL was in the process of obtaining requisite statutory and regulatory approvals to carry on the processing and export business in its name, AFL was carrying on the business on behalf of AFFPL upto 30.06.2016. From 01.07.2016 AFFPL started purchase and processing of shrimps in its own name. The Finished Goods of Processed Shrimp amounting to Rs. 8167.13 lacs as at 30.06.2016 being asset of AFFPL transferred to the books of AFFPL on commencing shrimp processing operations in its own name. For the year ending 31.03.2016 the closing inventory of Shrimp processing & Export Division being assets of AFFPL, are not considered in the Balance Sheet of AFL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

23 Employee benefits expense

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries, wages and bonus	6,325.82	5,327.47
Contribution to provident and other funds	326.81	340.29
Gratuity expense	45.24	28.49
Staff welfare expenses	101.52	81.72
	6,799.39	5,777.97

24 Depreciation and amortization expense

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of tangible assets	1,149.41	931.23
Amortization of intangible assets	2.48	4.24
	1,151.89	935.47

25 Finance costs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest	143.28	98.61
Other borrowing costs	90.04	84.13
	233.32	182.74

26 Manufacturing expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Power & fuel	2,963.25	2,555.24
Repairs & maintenance		
- Buildings	376.59	230.60
- Plant & machinery	323.80	191.59
Consumable stores	1,678.49	1,475.52
Other manufacturing expenses	1,438.14	1,573.61
	6,780.27	6,026.56

27 Selling and distribution expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Advertisement charges	12.84	13.79
Carriage outward	336.36	451.76
Ocean Freight and Export expenses	755.81	1,133.05
Marketing expenses	701.03	1,313.71
Royalty	1,006.93	735.58
Cash discount	11,691.64	8,297.08
	14,504.61	11,944.97

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

28 Other expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Rent	144.72	196.61
Rates & taxes	229.21	179.03
Insurance	164.42	239.80
Electricity charges	7.79	7.98
Repairs & maintenance		
Buildings	2.22	15.65
Others	71.27	10.39
Vehicle maintenance	49.98	39.50
Travelling & conveyance	423.56	381.54
Communication costs	48.87	64.00
Printing & stationery	25.60	33.83
Directors' sitting fees	9.30	14.25
Auditors Remuneration		
As Auditors	18.40	18.32
Tax Matters	4.60	4.58
Other Services	8.92	6.74
Reimbursement of expenses	3.29	3.28
Professional charges	97.43	142.82
Corporate Social Responsibility	82.92	43.81
Agricultural extension projects	484.37	337.40
Donations	15.93	59.15
Loss on sale of fixed assets	7.80	0.05
Bank charges	148.68	153.53
Assets written off	10.10	-
General expenses	214.95	212.62
	2,274.33	2,164.88

29 Exceptional items

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income :		
CVD Refund (refer note no.29.1)	6.17	493.68
Profit on slump sale (refer note no.29.2 & 31)	-	45.51
	6.17	539.19
Less : Expenditure		
Stamp duty on slump sale (refer note no.29.2 & 31)	-	102.57
Provision for doubtful advance (refer note no.29.3)	0.42	90.57
Provision for diminution in the value of assets (refer note No.29.3)	-	100.00
Profit of Shrimp Processing division transferred to AFFPL (refer note no. 31)	1,864.80	696.73
	1,865.22	989.87
	(1,859.05)	(450.68)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

- 29.1** Exceptional income of Rs. 6.17 lacs for the year ending 31.03.2017 (PY Rs. 493.68) is Countervailing Duty (CVD) paid to U.S. Customs department in the year 2013-2014, now refunded by U.S. Customs.
- 29.2** An amount of Rs. 45.51 lacs exceptional income arised in the year 2015-16 on account of Slump Sale of Processing & Export Division to company's subsidiary Avanti Frozen Foods Private Limited and an amount of Rs. 102.57 lacs expenditure incurred towards slump sale stamp duty expenditure.
- 29.3** During the year 31.03.2017 the company made 100% provision for the advance of Rs.0.42 lakhs given to its wholly owned subsidiary Svimsan Exports & Imports Private Limited (SEIPL), whereas for the year ending 31.03.2016 company provided diminution of Rs. 100.00 lacs in the value of investment and also 100% provision for the advance of Rs. 90.56 lacs given to it. SEIPL was incorporated in the year 1998 and it incurred losses which resulted in erosion of its network and there are no operations in SEIPL from financial year 2002-2003. The net worth of the subsidiary company is negative and there is no scope for future operations in the Company.

30 Earnings per share

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Continuing operations for the year :		
Net profit for calculation of basic and diluted EPS	19,526.02	13,525.62
Weighted average number of equity shares in calculating basic and diluted EPS (Nos.)	4,54,15,210	4,54,15,210
Basic and diluted earnings per share - Face Value of Rs.2/- each (in Rs.)	42.99	29.78
Total operations for the year :		
Net profit for calculation of basic and diluted EPS	19,533.47	15,526.23
Weighted average number of equity shares in calculating basic and diluted EPS (Nos.)	4,54,15,210	4,54,15,210
Basic and diluted earnings per share - Face Value of Rs.2/- each (in Rs.)	43.01	34.19

31. Discontinuing operations :

During the financial year 2015-16 the company (AFL) has divested its Shrimp Processing & Export Division to its subsidiary M/s. Avanti Frozen Foods Private Limited (AFFPL) by way of slump sale, under Business Transfer Agreement. This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. The effective date of transfer of the Shrimp Processing & Export Division to AFFPL was 01.11.2015. However, transfer of statutory licenses from AFL to AFFPL was received in June'16 and transfer of name from US DOC was received on 22.11.2016. From 01.04.2016 to 30.06.2016 AFL operated the Processing & Export unit on behalf of AFFPL and from 01.07.2016 till 22.11.2016, AFFPL did the processing and AFL exported as a merchant exporter. With effect from 23.11.2016, AFFPL is carrying on operations in its own name.

The revenue and related expenditures for the period from 01.04.2016 to 22.11.2016 reflecting processing and export of shrimps made on behalf of AFFPL and as a merchant exporter of shrimps processed by AFFPL are included in statement of profit & loss of AFL. However, the profit from operation for the period starting from 01.04.2016 to 22.11.2016 amounting to Rs. 1864.80 lakhs is

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

31. Discontinuing operations (Contd.....):

transferred to AFFPL which is reflected in the standalone results of the Company as Extra Ordinary Expense. A detailed statement of the operations of Shrimp Processing & Export Division for the period from 01.04.2016 to 22.11.2016 is given here under.

(Rs.in Lakhs)

Particulars	Continuing Operations		Discontinued operations		Total	
Profit / (Loss) from ordinary activities	For the year ended 31 March, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016*	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Revenue from operations	234,787.93	173,223.30	30,631.09	28,605.57	265,419.02	201,828.87
Other income	1,125.13	1,049.64	639.07	752.91	1,764.20	1,802.55
Total revenue (A)	235,913.06	174,272.94	31,270.16	29,358.48	267,183.22	203,631.42
Cost of materials consumed	179,729.21	131,520.46	7,165.76	22,776.15	186,894.97	154,296.61
Purchases of stock-in-trade	28.98	-	14,093.61	-	14,122.59	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,664.35)	226.83	5,859.11	(1,632.92)	3,194.76	(1,406.09)
Employee benefits expense	6,620.19	4,946.53	179.20	831.44	6,799.39	5,777.97
Depreciation and amortisation expense	1,151.89	804.73	-	130.74	1,151.89	935.47
Finance costs	228.83	125.02	4.49	8.92	233.32	133.94
Manufacturing expenses	6,222.92	4,525.30	557.35	1,501.26	6,780.27	6,026.56
Selling and Distribution expenses	13,084.75	9,885.48	1,419.86	2,059.49	14,504.61	11,944.97
Other expenses	2,159.53	1,759.44	114.79	454.24	2,274.32	2,213.68
Total expenses (B)	206,561.96	153,793.78	29,394.17	26,129.32	235,956.13	179,923.11
Profit /(Loss) before tax and exceptional item (A-B)	29,351.10	20,479.15	1,875.99	3,229.16	31,227.09	23,708.31
Exceptional Item						
(Profit transferred to AFFPL)	(0.00)	-	(1,864.80)	(696.73)	(1,864.80)	(696.73)
Exceptional Item (others)	5.75	(221.85)	-	467.90	5.75	246.05
Profit before tax	29,356.86	20,257.30	11.19	3,000.33	29,368.04	23,257.63
Tax expense	9,830.84	6,731.69	3.75	999.71	9,834.58	7,731.40
Profit / (Loss) after tax	19,526.02	13,525.61	7.44	2,000.62	19,533.46	15,526.23

* During the period from 23.11.2016 to 31.03.2017 no shrimp processing or exports or merchant exports are done by AFL.

32 Gratuity (post-employment benefit plan)

The company operates a defined plans, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Statement of profit and Loss

Net employee benefit expense recognised in employee cost

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current service cost	22.96	18.60
Interest cost on benefit obligation	17.96	14.77
Expected return on plan assets	(18.61)	(18.33)
Net actuarial (gain) / loss recognized in the year	20.85	6.79
Net Benefit expense	43.16	21.83
Balance sheet		
Benefit asset/ liability		
Present value of defined benefit obligation	273.01	224.50
Fair value of plan assets	236.51	202.67
Plan liability	36.50	21.83
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	224.50	184.57
Current service cost	22.96	18.60
Interest cost	17.96	14.77
Benefits paid	(13.26)	(0.23)
Actuarial losses on obligation	20.85	6.79
Closing defined benefit obligation	273.01	224.50
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	202.67	150.38
Expected return	18.61	18.33
Contributions by employer	28.49	34.19
Benefits paid	(13.26)	(0.23)
Actuarial gains / (losses) plan Asset	-	-
Closing fair value of plan assets	236.51	202.67
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Gratuity		
Investments with insurer	100%	100%
The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:		
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.35%	8.35%
Increase in Compensation Cost	10.00%	10.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario

Amounts for the current and previous four periods are as follows:

Amounts for the current and previous four periods are as follows:

	For the year ended 31st March				
	2017	2016	2015	2014	2013
Gratuity					
Defined benefit obligation	273.01	224.50	230.31	190.14	122.13
Plan assets	236.51	202.67	196.11	82.84	69.25
Surplus / (deficit)	(36.50)	(21.83)	(34.20)	(107.30)	(52.88)
Experience adjustment on plan liabilities	20.85	6.79	(7.79)	29.59	16.16
Experience adjustment on plan assets	-	-	8.08	(4.77)	(0.29)

33. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (31st March,2016: Rs.1075.22 lakhs) which is net of capital advances of Rs. Nil (31st March,2016: Rs. 658.94 lakhs).

34. Contingent liabilities

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

(A)	Name of the Statute	Nature of the Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending
	Central Excise Act, 1944 and Customs Act, 1962	Customs Duty & Central Excise	2,999.18	1999 - 2002	CESTAT, Hyderabad
	Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
	Income Tax Act, 1961	Income-tax	5.13	2011-2012	Commissioner (Appeals), Hyderabad
	Electricity Act, 2003	Electricity duty	4.37	2011-2012 to 2014-2015	Supreme Court
	Customs Act, 1962	Customs duty	60.82	2009-2010 to 2011-2012	CESTAT, Chennai
	Total		3098.72		

- 34.1 The Customs and Central Excise Department raised demand for Rs.1494.59 lacs and levied penalty of Rs.1504.59 lacs for customs duty forgone on duty free imports of raw materials and non-fulfilment of export obligation for the period 1999-2000 to 2001-2002 when the Company was operating as a 100% EOU. Company had achieved Net Foreign Exchange Earning in 2003-04 and the Development Commissioner of Visakhapatnam Export Processing Zone allowed Company to de-bond upon being satisfied with the fulfilment of exports made by the Company and foreign exchange earning obligations. Further, Company had paid Rs.1655.03 lacs excise duty in lieu of the duty free import of raw materials and spares. However, the Customs and Central Excise Department raised the demand without considering the amounts paid. This demand and levy of penalty was contested by the Company before CESTAT, Bangalore and Hon'ble CESTAT remanded the case back to The Commissioner for fresh adjudication after considering all the aspects raised by the Company. The Commissioner gave his order confirming the demand and Company again approached CESTAT against this order. The matter is pending before CESTAT, Hyderabad.
- 34.2 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 Rs.29.22 lacs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
- 34.3 For the Assessment Year 2011-2012 Assessing officer disallowed an amount of Rs. 17.95 lacs U/s. 14A for the Investments made by the Company and raised demand for Rs. 5.13 lacs. Company is contesting the same before Commissioner Appeals.
- 34.4 Company approached Supreme Court against the order of High Court of Andhra Pradesh confirming the levy and collection of Electricity Duty on self generated power from DG sets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

- 34.5 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.

- B. The company has given guarantee of Rs. 7590.00 Lakhs to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad for loans facilities sanctioned to Avanti Frozen Foods Private Limited.

35. Derivative instruments and unhedged foreign currency exposures

Derivatives outstanding as at the reporting date

Particulars	Purpose
<u>Forward contract to sell US\$</u>	
US\$ 2,97,030 (US\$ 1,21,14,669 as at 31st March, 2016)	Hedge of export debtors and
Rs.205.14 lacs (Rs.8,188.40 lacs as at 31st March 2016))	for confirmed export orders
<u>Forward contract to buy US\$</u>	
US\$ 23,84,250 (US\$ 25,62,897 as at 31st March, 2016)	Hedge for import liabilities
Rs. 1590.39 lacs (Rs. 700.04 lacs as at 31st March, 2016))	

(a) Particulars of unhedged foreign currency exposure as at reporting date

		31st March, 2017		31st March, 2016	
		Foreign Currency	Amount (Rs. in lakhs)	Foreign Currency	Amount (Rs. in lakhs)
Trade payables	USD	2,816,391	1,826.11	2,051,285	1,360.68
Advances to suppliers	USD	305,678	198.20	290,313	192.57

Closing rate as at 31st March, 2017 - 1 USD = Rs 64.8386 (31st March, 2016: 1 USD = Rs 66.3329)

36. Details of dues to micro and small enterprises as defined under MSMED Act 2006.

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from the suppliers is still awaited. In view of this, the liability of interest cannot be reliably estimated nor the required disclosures could be made, Accounting in this regard will be carried out after the process is completed and reliable estimate made in this regard. However management is of the opinion that liability in any case will be insignificant having regard to the supplier's profile of the company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

37 Segmental Information

I. Primary Segment

The Company's business is organized into three main business segments mainly Shrimp Feed, Processing & Shrimp Exports (discontinued operations) and Wind Mills. Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organization structure, and the internal financial reporting system (refer note no. 37).

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

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

Segment Revenue and Results

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

Segment assets and liabilities

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

II. Secondary Segment:

Geographical Segment:

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

Name of the Country	Revenue		Location of assets		Additions to fixed assets	
	For the year ended 31 st March,		As at 31 st March,		During the year ended 31 st March,	
	2017	2016	2017	2016	2017	2016
India	237,346.29	174,705.35	85,820.29	60,607.68	3,203.57	4,938.46
USA	24,455.83	14,081.22	-	-	-	-
Rest of the world	3,616.90	13,042.30	93.33	-	-	-
Total	265,419.02	201,828.87	85,913.62	60,607.68	3,203.57	4,938.46

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

37.1 Information pursuant to AS - 17 issued by ICAI

	Shrimp Feed		Shrimp Processing		Wind Mills		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue										
External Sales	234,681.16	173,009.10	30,631.08	28,605.57	106.77	214.20	-	-	265,419.02	201,828.87
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	234,681.16	173,009.10	30,631.08	28,605.57	106.77	214.20	-	-	265,419.02	201,828.87
Segment Result										
Operating Profit	28,460.54	19,490.77	1,241.41	2,485.17	(5.74)	112.56	-	-	29,696.21	22,088.50
Other Income	268.91	132.46	639.07	727.13	47.80	-	808.42	942.95	1,764.20	1,802.55
Interest Expense	228.83	173.82	4.49	8.92	-	-	-	-	233.32	182.74
Exceptional Items	-	-	-	493.68	-	-	(1,859.05)	(944.36)	(1,859.05)	(450.68)
Income Tax	-	-	-	-	-	-	-	-	-	-
- Current Tax & PY Taxes	-	-	-	-	-	-	9,297.63	7,866.97	9,297.63	7,866.97
- Deferred Tax	-	-	-	-	-	-	536.96	(135.57)	536.96	(135.57)
Net Profit	28,500.61	19,449.42	1,875.99	3,697.06	42.05	112.56	(10,885.22)	(7,732.81)	19,533.46	15,526.23
Other Information										
Segment Assets	44,287.59	36,294.79	121.04	-	687.32	744.18	40,817.67	23,568.71	85,913.62	60,607.69
Segment Liabilities	26,679.69	17,496.20	144.51	-	11.02	49.09	1,840.16	1,531.36	28,675.38	19,076.65
Capital Employed	18,798.59	14,972.35	(23.47)	-	676.30	695.09	38,977.49	22,037.35	57,238.24	41,531.04
Capital Expenditure	-	3,485.59	-	-	-	-	-	-	-	3,485.59
Depreciation	1,054.20	709.28	-	130.74	57.34	57.32	40.36	37.47	1,151.89	934.81

Note: Since the Shrimp Processing division has been transferred to Avanti Frozen Foods Pvt. Ltd. under business transfer agreement w.e.f. 01.11.2016, the capital employed in the said segment as on 31.03.2016 is NIL refer Note No. 31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

38. Related party disclosures

38.1 Names of related parties and related party relationship:

Related parties where control exists

Subsidiary

Svimsan Exports & Imports Private Limited
Avanti Frozen Foods Private Limited

Related parties with whom transactions have taken place during the year

Key Managerial Personnel

Sri A. Indra Kumar, Chairman and Managing Director
Sri C. Ramachandra Rao, Joint Managing Director,
Company Secretary and CFO

Relatives of Key Managerial Personnel

Sri A. Venkata Sanjeev

Associate Companies

Srivathsa Power Projects Limited
Patikari Power Private Limited

Companies over which Significant Influence is exercised

Srinivasa Cystine Private Limited
SCL Trading Private Limited
Sanjeev Agro Vet Private Limited
Laxai-Avanti Life Sciences Private Limited
Sri Sai Srinivasa Agro Farms & Developers Private Limited

38.2 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 / their relatives		Companies over which significant influence is exercised		Subsidiary		Associate Companies	
	As at 31 st March,		As at 31 st March,		As at 31 st March,		As at 31 st March,	
	2017	2016	2017	2016	2017	2016	2017	2016
Rent paid	4.19	3.25	2.48	2.05	-	-	-	-
Rent Received	-	0.00	1.50	1.40	-	-	1.20	1.20
Dividend paid	402.05	302.87	1,744.52	1370.69	-	-	-	-
Loan given	-	-	-	-	0.42	4,377.46	-	-
Interest Received	-	-	-	-	158.07	156.96	-	-
Investments	-	-	-	-	-	8,461.00	-	-
Purchase of goods	-	-	-	-	14,093.61	-	-	-
Sale of Goods	-	-	-	-	30.31	-	-	-
Sale of Fixed Assets	-	-	-	-	34.56	-	-	-
Corporate guarantee given	-	-	-	-	7,590.00	6,225.00	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

38.3 Balance as on 31st March 2017

Particulars	Key management personnel		Associate companies		Subsidiary	
	As at 31 st March,		As at 31 st March,		As at 31 st March,	
	2017	2016	2017	2016	2017	2016
Investment	-	-	2,735.06	2,735.06	8,561.00	8,561.00
Rent payable	0.35	0.25	-	-	-	-
Trade Payable	-	-	-	-	63.91	-
Loans & Advances outstanding					0.42	4,468.02
Loan outstanding in relation to corporate guarantee given					1,489.53	-

39. Foreign currency inflow & outflow

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
i) Value of imports made by the Company during the financial year calculated on CIF basis in respect of		
Capital goods	668.12	1,493.59
Spares and consumables	976.91	854.74
Raw materials	6,087.32	5,213.18
ii) Earnings in foreign exchange		
Shrimp exports on FOB basis	23,111.80	25,214.95
CVD refund received	6.17	493.68
iii) Expenditure in foreign currency on account of		
Travelling	43.74	48.17
Royalty	877.72	735.58
Quality insurance premium	23.88	119.36
Dividend	799.20	627.56
Other expenditures	303.58	271.38

40. Imported and indigenous raw materials, Stores & Spare parts consumed and percentage thereof

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value	Percentage	Value	Percentage
Raw Materials :				
Imported	8,717.61	4.66%	6,565.14	4.25%
Indigenous	178,177.36	95.34%	147,731.47	95.75%
	186,894.97	100.00%	154,296.61	100.00%
Stores & Spare Parts :				
Imported	1,290.90	54.26%	789.49	41.60%
Indigenous	1,087.98	45.74%	1,108.23	58.40%
	2,378.88	100.00%	1,897.72	100.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

41. Net dividend remitted in foreign exchange

Year of Remittance	Period to which it relates	No. of Non-resident shareholders	Number of equity shares held on which dividend was due	Amount of dividend USD (In lakhs)	Amount of dividend remitted in INR (In lakhs)
2016-2017	2016-2017	2	11,410,210	11.92	798.71
2015-2016	2015-2016	2	2,282,042	9.43	627.56

42. Details of specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

	SBNs	Other denominations notes	Total
Closing cash in hand as on November 8, 2016	72.00	45.85	117.85
Add: Permitted receipts	-	67.90	67.90
Less: Permitted payments	-	93.01	93.01
Less: Amount deposited in banks	72.00	-	72.00
Closing cash in hand as on December 30, 2016	-	20.74	20.74

43. Previous year figures

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

44. STATEMENT UNDER SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES:

1	Name of the Subsidiary Company	Svimsan Exports and Imports Private Limited	Avanti Frozen Foods Private Limited
2	Financial year of the subsidiary ended on	31.03.2017	31.03.2017
3	Holding Company's Interest	100%	100%
4	The net aggregate amount of the subsidiary's profits after deducting losses or vice versa so far as it concern members of the holding company and is not dealt with in the Company's accounts: Profit/(Loss) for the current financial year and Profit/(Loss) for the previous financial years since it became the holding company's subsidiary	(0.42) (190.83)	3290.24 380.76
5	The net aggregate amount of the subsidiary profit after deducting losses or vice versa so far as those profits are dealt with in the company's accounts: for the current financial year and for the previous financial year since it became the holding company's subsidiary	NIL NIL	NIL NIL
6	Change in the interest of the Company between the end of last financial year and 31st March, 2017	NIL	NIL
7	Material changes between the end of the of last financial year and 31st March, 2017	NIL	NIL

Place: Hyderabad
Date : 13.05.2017

For and on behalf of the board

A. Indra Kumar
Chairman & Managing Director

INDEPENDENT AUDITORS` REPORT

To the Members of Avanti Feeds Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Avanti Feeds Limited ('the Holding Company'), and its subsidiary (the Holding Company and its subsidiary together referred to as the Group), and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2017, and their consolidated **PROFIT** and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements also include the Group's share of net loss of Rs. 118.06 lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of the two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
 - e) On the basis of written representations received from the directors of the Holding Company and its subsidiary as on 31st March, 2017, taken on record by the Board of Directors of the Holding Company and its subsidiary and the reports of the statutory auditors of its associate companies, none of the Group and its associates incorporated in India is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- * (Associate companies are not included in this report as the same are unaudited as on the date of this report.)
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated position of the Group and its associates - Refer Note 33 to the 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 Holding company, its subsidiary and associates incorporated in India.

- iv. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company- Refer Note 41 to the consolidated financial statements. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For KARVY & CO.

Chartered Accountants

ICAI Firm Registration No: 001757S

(Ajaykumar Kosaraju)

Partner

Membership No. 021989

Place: Hyderabad

Date: 13.05.2017

Annexure - A to the Our 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")

We have audited the internal financial controls over financial reporting of Avanti Feeds Limited ("the Holding Company"), its subsidiary companies and its associate companies, as of 31 March 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 KARVY & CO.

Chartered Accountants

ICAI Firm Registration No: 001757S

(Ajaykumar Kosaraju)

Partner

Membership No. 021989

Place: Hyderabad

Date: 13.05.2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

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

	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	3	908.30	908.30
b) Reserves and Surplus	4	63,138.40	41,371.30
Minority Interest		9,869.15	-
Non-current liabilities			
a) Long term borrowings	5	1,216.91	207.28
b) Deferred tax liability (net)	6	1,004.23	469.23
c) Other long term liabilities	7	374.50	374.50
d) Long term provisions	8	114.58	32.59
Current liabilities			
a) Short term borrowings	9	131.16	651.56
b) Trade payables	10	24,962.71	14,293.49
c) Other current liabilities	10	3,446.44	2,986.13
d) Short term provisions	8	480.20	965.39
Total Equity and Liabilities		105,646.58	62,259.77
Assets			
Non-current assets			
a) Property, plant and equipment	11		
Tangible assets		16,038.09	10,386.41
Intangible assets		8.47	12.26
Capital work in progress		7,846.84	4,162.29
b) Non-current investments	12	3,187.17	3,315.26
c) Long-term loans and advances	13	1,026.22	2,832.93
d) Other non-current assets	14	511.78	479.45
Current Assets			
a) Current investments	15	32,563.68	-
b) Inventories	16	35,569.77	28,554.93
c) Trade receivables	17	2,351.34	3,496.93
d) Cash and bank balances	18	4,511.75	7,256.94
e) Short-term loans and advances	13	732.95	745.16
f) Other current assets	14	1,298.52	1,017.21
Total Assets		105,646.58	62,259.77
Summary of significant accounting policies	2.1		

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

for KARVY & CO

Chartered Accountants

Firm Registration No. 001757S

Ajaykumar Kosaraju

Partner

Membership No. 021989

Place : Hyderabad

Date : 13.05.2017

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra Rao

Jt. Managing Director,
Company Secretary & CFO

N. Ram Prasad

Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

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

	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
INCOME			
Revenue from operations	19	273,266.04	201,828.87
Other income	20	2,181.26	1,655.23
Total revenue		275,447.30	203,484.10
Expenditure :			
Cost of materials consumed	21	210,054.06	154,296.63
(Increase)/ decrease in inventories	22	(2,937.54)	(1,406.09)
Employee benefits expense	23	7,335.10	5,807.92
Depreciation and amortisation expense	24	1,368.95	1,022.67
Finance costs	25	271.23	183.94
Manufacturing expenses	26	7,897.67	6,026.56
Selling and Distribution expenses	27	15,410.10	11,944.97
Other expenses	28	2,535.77	2,180.27
Total expenses		241,935.34	180,056.87
Profit before exceptional items		33,511.96	23,427.23
Exceptional items		6.17	391.11
Profit after exceptional items and before tax		33,518.13	23,818.34
Tax expenses			
Current tax		10,308.44	8,050.88
Earlier year taxes		-	(0.94)
Deferred tax		534.99	(129.90)
Total tax expense		10,843.43	7,920.04
Profit/(Loss) for the year before minority interest and share of results of associates		22,674.70	15,898.30
Add/(Less) Share of Minority Interest in Current Year profits of AFFPL		(1,111.99)	-
Add/(Less); share of net profit/(loss) of associates current year		(118.06)	(103.54)
Add/(Less); share of net profit/(loss) of associates previous year		(10.02)	(44.76)
Profit/(Loss) for the year		21,434.63	15,750.00
"Earnings per equity share (face value Rs. 2/-) (refer note No. 30)"			
Basic & Diluted	29	47.20	34.68
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for KARVY & CO

Chartered Accountants

Firm Registration No. 001757S

Ajaykumar Kosaraju

Partner

Membership No. 021989

Place : Hyderabad

Date : 13.05.2017

For and on behalf of the Board

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra RaoJt. Managing Director,
Company Secretary & CFO**N. Ram Prasad**

Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	33,390.05	23,670.04
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation / amortization	1,368.95	1,022.67
Loss on sale of fixed assets	6.97	0.05
Unrealised foreign exchange gain	(1,006.72)	(564.80)
Interest expenses	271.23	135.14
Interest income	(84.53)	(69.40)
Profit on sale of Current Investments	(135.41)	(243.13)
Provision for Bad debts written back	-	(62.26)
Dividend Received on Investments	(693.88)	(495.96)
Operating profit before working capital changes	33,116.66	23,392.35
Movements in working capital:		
Increase/ (decrease) in trade payables	10,669.22	5,175.65
Increase / (decrease) in long-term provisions	81.99	(19.89)
Increase / (decrease) in short-term provisions	(107.65)	62.05
Increase/ (decrease) in other current liabilities	63.53	790.83
Increase/ (decrease) in other long-term liabilities	-	-
Decrease / (increase) in trade receivables	1,145.59	(78.63)
Decrease / (increase) in inventories	(7,014.84)	(6,353.31)
Decrease / (increase) in long-term loans and advances	1,806.71	(2,573.03)
Decrease / (increase) in short-term loans and advances	12.21	(304.30)
Decrease / (increase) in other current assets	113.94	(285.46)
Decrease / (increase) in other non-current assets	(32.33)	(285.70)
Cash generated from operations	39,855.03	19,520.56
Direct taxes paid (net of refunds)	(10,685.98)	(7,320.56)
Net Cash flow from operating activities	29,169.05	12,200.00
B. Cash flow from investing activities		
Investment (Net)	(32,300.18)	8,037.35
Dividend Received on Investments	693.88	495.96
Interest Received	(310.72)	57.32
Purchase of Fixed Assets	(10,788.15)	(6,651.15)
Bank Balances not considered as cash and cash equivalents	(204.36)	(150.97)
Sale of Fixed Assets	79.79	24.17
Net cash flow used in investing activities	(42,829.75)	1,812.68

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
C. Cash flow from financing activities		
Increase/ (decrease) in long term borrowings	1,393.07	(384.47)
Increase/(decrease) in short term borrowings	(520.40)	(4,407.03)
Interest paid	(257.87)	(193.44)
Profit on exchange fluctuations & forward contracts	1,006.72	564.80
Dividends paid including tax on Dividend	(3,826.24)	(3,006.34)
Inflow on account of Minority Interest	8,400.75	
Increase in capital reserve	4,515.12	
Net cash used in financing activities	10,711.15	(7,426.48)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(2,949.55)	6,586.20
Cash and cash equivalents at the beginning of the year	7,014.73	428.53
Cash and cash equivalents at the end of the year	4,065.18	7,014.73
Components of cash and cash equivalents		
Cash on hand	32.33	17.64
With banks- on current account	4,032.85	6,997.09
Total cash and cash equivalents (note 18)	4,065.18	7,014.73
2.1 Summary of significant accounting policies		

As per our Report of even date

for KARVY & CO

Chartered Accountants

Firm Registration No. 001757S

Ajaykumar Kosaraju

Partner

Membership No. 021989

Place : Hyderabad

Date : 13.05.2017

For and on behalf of the Board

A. Indra Kumar

Chairman & Managing Director

C. Ramachandra RaoJt. Managing Director,
Company Secretary & CFO**N. Ram Prasad**

Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards specified Under Section 133 of the Companies Act, read with Rule 7 of Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. Summary of significant accounting policies

a) Principles of Consolidation

The consolidated financial statements relate to Avanti Feeds Limited and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i. The Financial statements of the company and its subsidiary are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions, except wherever otherwise stated in accordance with accounting standard (AS-21) "Consolidated Financial Statements" notified under the Companies (Accounts) Rules, 2014.
- ii. The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of the shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in consolidated balance sheet separately from liabilities and equity of company's shareholders.
- iv. Minority Interest in the assets of consolidated subsidiaries consists of: a) The amount of equity attributable to minority at the date on which investment in subsidiaries is made; and b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- v. Minority Interest's share of net profit for the year of consolidated subsidiaries is identified and against the profit after tax of the group. Investment in equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidation Financial Statements".
- vi. The company accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share, through its Profit and Loss Account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.
- vii. The difference between the costs of investments in the associates and the share of net assets at the time of acquisition of the shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- viii. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar and are presented in the same manner as the Company's separate financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

b) The subsidiary companies considered in the consolidated financial statements are:

Name of the subsidiary	Country of incorporation	Proportion of ownership interest
Svimsan Exports and Imports Pvt Ltd	India	100%
Avanti Frozen Foods Pvt Ltd	India	60%

c) Accounting for proposed Dividend

As per the requirement of pre-revised AS4, the Company used to create a liability for dividend proposed/declared after the balance sheet date if dividend related to period covered by the financial statements. Going forward, as per AS4 (Revised), the Company cannot create provision for dividend proposed/declared after the balance sheet date unless statute requires otherwise. Rather, Company will need to disclose the same in notes to the financial statement. Accordingly, the Company has disclosed dividend proposed by Board of Directors after the balance sheet date in the notes.

Had the Company continued with creation of provision for proposed dividend, its Surplus in the statement of profit and loss account would have been lower by Rs 4919.46 lacs and current provision would have been higher by Rs 4919.46 Lacs (including dividend distribution tax of Rs 832.09 lacs).

d) Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

e) Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

g) Amortization of intangible assets

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

h) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction year is capitalized as part of the indirect construction cost to the extent the expenditure is directly related to construction or is incidental thereto and represents the marginal increase in such expenditure as a result of the capital expansion. Other indirect expenditure (including borrowing costs) incurred during the construction year, which is not related to the construction activity nor is incidental thereto, are charged to the statement of profit and loss. Related income earned during construction period is adjusted against the total of the indirect expenditure.

i) Leases

Company as a lessee

Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

j) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

k) Impairment of tangible and intangible assets

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds

m) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

n) Inventories

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

Raw materials, components, stores and spares 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.

Work-in-progress, stock-in-transit and finished goods are valued at lower of cost and net realizable value. 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.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

o) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of product

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are the invoiced value of goods supplied after deducting discount and allowances.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

p) Foreign currency translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) **Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) **Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

q) Retirement Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity is a defined benefit plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

r) Income Taxes

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

s) Segment reporting

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

t) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

u) Provisions

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

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

v) Contingent liabilities

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

w) Cash and cash equivalents

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

x) Derivatives instruments

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from transactions in respect of which firm commitments are made or which are highly probable forecast transactions. As per the ICAI Announcement, derivative contracts, other than those covered under Accounting Standard-11, are accounted on the basis of hedging principles to the extent that the same does not conflict with the existing mandatory Accounting Standards, other Authoritative pronouncements and other regulatory requirements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

3 Share capital

	As at 31st March, 2017	As at 31st March, 2016
Authorised shares (No.s) 7,92,50,000 equity shares of Rs. 2/- each (31st March, 2016: 7,92,50,000 equity shares of Rs. 2/- each)	1,585.00	1,585.00
Issued, subscribed and fully paid up shares (No.s) 4,54,15,210 equity shares of Rs. 2/- each (31st March, 2016: 4,54,15,210 equity shares of Rs. 2/- each)	908.30	908.30
Total issued, subscribed and fully paid up share capital	908.30	908.30

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31st March, 2017		As at 31st March, 2016	
	No.s	Amount	No.s	Amount
Equity shares of Rs. 2/- each fully paid up (previous year Rs. 2/- each)	4,54,15,210	908.30	90,83,042	908.30
Issued during the year	-	-	-	-
Conversion on account of shares split *	-	-	3,63,32,168	-
Outstanding at the end of the year	4,54,15,210	908.30	4,54,15,210	908.30

3.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 2/- per share (previous year Rs. 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 Board, in its meeting on 13th May 2017 has recommended final dividend Rs.9/- per Equity Share for the financial year ended 31.03.2017 (31.03.2016: Rs. 7/-). The proposal is subject to the approval of Shareholders in the ensuing Annual General Meeting and, if approved, would result in a cash outflow of approximately Rs 4919.46 Lacs (including dividend distribution tax of Rs 832.09 lacs).

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.

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

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No.s	% holding	No.s	% holding
Equity shares of Rs. 2/- each fully paid up (previous year Rs. 10/- each)				
1. Srinivasa Cystine Private Limited	12,099,705	26.64%	12,099,705	26.64%
2. Thai Union Group PCL, Thailand	11,410,210	25.12%	11,410,210	25.12%
3. Alluri Indra Kumar	2,776,900	6.11%	2,776,900	6.11%
4. Alluri Indra Kumar (HUF)	2,729,750	6.01%	2,729,750	6.01%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

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.

4. Reserves and surplus

	As at 31st March, 2017	As at 31st March, 2016
Capital reserve :		
Balance at the beginning of the year	609.66	609.66
Add : APFPS subsidy	375.00	-
Balance at the end of the year (a)	984.66	609.66
Capital reserve on Consolidation :		
Balance at the beginning of the year	-	-
Add : Additions during the year	4,674.75	-
Balance at the end of the year (b)	4,674.75	-
Securities premium account		
Balance at the beginning of the year	456.85	456.85
Add : Additions during the year	-	-
Balance at the end of the year (b)	456.85	456.85
General reserve :		
Balance at the beginning of the year	6,848.10	5,248.10
Add: amount transferred from surplus balance in the statement of profit and loss	2,000.00	1,600.00
Balance at the end of the year (c)	8,848.10	6,848.10
Surplus in the statement of profit and loss:		
Balance at the beginning of the year	33,456.69	22,313.02
Profit for the year	21,434.63	15,750.00
Less: Profits Transferred to MI	(356.42)	-
Less: Profits Transferred to Capital Reserves	(534.62)	-
	54,000.28	38,063.02
Less : Appropriations		
Final equity dividend declared	3,179.06	2,497.83
Tax on equity dividend declared	647.18	508.50
Transfer to general reserve	2,000.00	1,600.00
Total appropriations	5,826.24	4,606.33
Net surplus in the statement of profit and loss	48,174.04	33,456.69
Total reserves and surplus	63,138.40	41,371.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
(All amounts in lakhs in Indian Rupees, unless otherwise stated)

5. Long term borrowings

	Non - current		Current maturities	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Term loans :				
Indian rupee loan from State Bank of India (secured)	1,143.53	-	346.00	-
	1,143.53	-	346.00	-
Vehicle loans (secured) :				
a) Volkswagen Finance Limited	-	-	-	-
b) I C I C I Bank Limited	46.31	-	21.35	25.11
c) HDFC Bank Limited	27.07	26.81	47.74	44.05
	73.38	26.81	69.09	69.16
Other loans and advances				
Deferred sales tax loan (unsecured)	-	180.47	180.47	142.98
	-	180.47	180.47	142.98
Total	1,216.91	207.28	595.56	212.14
The above amount includes				
Secured borrowings	1,216.91	26.81	415.09	69.16
Unsecured borrowings	-	180.47	180.47	142.98

- 5.1** The term loan of Rs.1489.53 lakhs (Previous Year Rs. Nil) was taken from State Bank of India, Industrial Finance Branch, Hyderabad for the implementation of shrimp processing project at yerravaram, East Godavari (Dt.) by M/s. Avanti Frozen Foods Pvt. Ltd. The loan is secured by first charge on fixed assets of the AFFPL and Corporate guarantee of M/s. Avanti Feeds Limited.
- 5.2** Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 6 months to 36 months.
- 5.3** Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers from 2001-02 to 2004-05 was converted in to interest free loan for period of 14 years in the yearly installments of loan Rs.180.47 lakhs is due for payment in March 2018.

6. Deferred tax liability (net)

	As at 31st March, 2017	As at 31st March, 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,004.23	469.23
Gross deferred tax liability	1,004.23	469.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

7. Other long term liabilities

	As at 31st March, 2017	As at 31st March, 2016
Security deposits received from dealers	374.50	374.50
Total	374.50	374.50

- 7.1** Security Deposits taken from dealers for supplying them shrimp feed on credit terms. Interest is paid on these deposits @ 9% per annum (31st March, 2016: 9% p.a.).

8. Provisions

	Long term		Short term	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Provision for employee benefits (Note 31)				
Provision for gratuity	29.00	12.51	23.24	16.78
Provision for leave encashment	85.58	20.08	-	114.11
	114.58	32.59	23.24	130.89
Other provisions				
Provision for income tax (net of advance tax)	-	-	456.96	834.50
Total	114.58	32.59	480.20	965.39

9. Short term borrowings

	Long - term	Short - term
Working capital loan from State Bank of India (secured)	131.16	651.56
Total	131.16	651.56

- 9.1** Working Capital loans of Rs.131.16 lakhs (Previous Year Rs. 651.56 Lakhs) was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the Company and personal guarantee of Mr. A. Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @ 10.70% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
(All amounts in lakhs in Indian Rupees, unless otherwise stated)

10. Trade payables and Other current liabilities

	As at 31st March, 2017	As at 31st March, 2016
Trade payables (including acceptances) (refer note 35 for details of dues to micro and small enterprises)	24962.71	14293.49
Other current liabilities		
Current maturities of long term borrowings (note 5)	595.56	212.14
Creditors for capital goods	211.30	257.44
Interest accrued but not due	13.35	-
Advance from customers	2352.31	2,298.63
Unpaid dividends	96.62	67.76
Others		
Tax deducted at source payable	122.37	102.70
VAT payable	0.33	0.11
Service tax payable	15.51	11.83
Professional tax payable	0.91	0.71
Employee state insurance payable	4.43	2.55
Provident fund payable	33.75	23.54
R and D cess payable	-	8.72
Total other current liabilities	3446.44	2,986.13
Total	28409.15	17,279.62

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

11. Property, plant and equipment

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Intangible assets	Total fixed assets	Capital work-in-progress	Grand Total
As at 31st March, 2015	681.58	2,535.11	169.17	6,046.89	1,378.88	1,418.63	184.79	110.07	75.38	142.18	884.60	13,627.28	25.92	13,653.20	-	13,653.20
Additions	1,732.58	-	-	387.63	-	83.23	91.52	34.80	27.90	23.00	99.93	2,480.59	8.27	2,488.86	4,162.29	6,651.15
Disposals	-	2.50	-	6.72	-	15.82	2.18	2.21	10.07	0.08	16.03	55.61	-	55.61	-	55.61
As at 31st Mar 2016	2,414.16	2,532.61	169.17	6,427.80	1,378.88	1,486.04	274.13	142.66	93.21	165.10	988.50	16,052.26	34.19	16,086.45	4,162.29	20,248.74
Additions	178.54	1,614.28	102.77	4,027.46	-	593.43	80.31	41.49	19.22	14.04	432.05	7,103.60	-	7,103.60	11,621.14	18,724.74
Disposals	-	-	-	205.82	-	-	52.28	1.94	4.76	1.49	114.07	380.37	-	380.37	7,936.59	8,316.96
As at 31st Mar, 2017	2,592.70	4,146.89	271.94	10,249.44	1,378.88	2,079.47	302.16	182.22	107.67	177.65	1,286.48	22,775.50	34.19	22,809.69	7,846.84	30,656.52
Depreciation																
Upto 31st March, 2015	-	473.47	33.58	2,549.00	675.45	528.41	79.26	53.38	44.88	24.00	217.81	4,679.24	17.36	4,696.60	-	4,696.60
Charge for the year	-	76.86	17.18	581.49	54.11	112.75	17.10	21.80	18.81	19.85	98.16	1,018.11	4.57	1,022.68	-	1,022.68
Disposals	-	2.50	-	3.66	-	6.89	2.18	1.23	9.65	0.08	5.31	31.50	-	31.50	-	31.50
Upto 31st Mar, 2016	-	547.83	50.76	3,126.83	729.56	634.27	94.18	73.95	54.04	43.77	310.66	5,665.85	21.93	5,687.78	-	5,687.78
Charge for the year	-	94.48	17.44	829.21	54.12	152.59	24.66	25.73	23.80	16.85	126.28	1,365.16	3.79	1,368.95	-	1,368.95
Disposals	-	-	-	199.45	-	-	46.23	1.00	4.58	1.49	40.85	293.61	-	293.61	-	293.61
Upto 31st Mar, 2017	-	642.31	68.20	3,756.59	783.68	786.86	72.61	98.68	73.26	59.13	396.08	6,737.40	25.72	6,763.12	-	6,763.12
Net block																
As at 31st Mar, 2016	2,414.16	1,984.78	118.41	3,300.97	649.32	851.77	179.95	68.71	39.17	121.33	657.84	10,386.41	12.26	10,398.67	4,162.29	14,560.96
As at 31st Mar, 2017	2,592.70	3,504.58	203.74	6,492.85	595.20	1,292.61	229.55	83.54	34.41	118.52	890.40	16,038.09	8.47	16,046.56	7,846.84	23,893.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
(All amounts in lakhs in Indian Rupees, unless otherwise stated)

12. Non-current investments

	As at 31st March, 2017	As at 31st March, 2016
A) Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in associates		
Srivathsa Power Projects Limited		
1,66,93,630 (31st Mar, 2016: 1,66,93,630) equity shares of Rs.10/- each fully paid up	2,230.93	2,296.33
Patikari Power Private Limited *		
1,06,45,200 (31st Mar, 2016: 1,06,45,200) equity shares of Rs.10/- each fully paid up	942.76	1,005.45
* 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.		
	<u>3,173.69</u>	<u>3,301.78</u>
B) Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
IDBI Bank Limited		
2,880 (31st Mar, 2016: 2,880) equity shares of Rs.10/- each fully paid up	0.54	0.54
UCO Bank Limited		
7,800 (31st Mar, 2016: 7,800) equity shares of Rs.10/- each fully paid up	0.94	0.94
Investment in equity instruments (unquoted)		
Bhimavaram Hospitals Limited		
1,20,000 (31st Mar, 2016: 1,20,000) equity shares of Rs.10/- each fully paid up	12.00	12.00
	<u>13.48</u>	<u>13.48</u>
Total (A+B)	3,187.17	3,315.26
Aggregate amount of quoted investments		
Book Value	1.48	1.48
Market Value	4.97	5.03
Aggregate amount of unquoted investments		
Book Value	3,185.69	3,313.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

13. Loans and advances

	Non - current		Current	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Capital advances				
Unsecured, considered good	577.88	2,429.05	-	-
	577.88	2,429.05	-	-
Security deposits				
Unsecured, considered good	415.08	359.87	-	-
	415.08	359.87	-	-
Other loans and advances				
Loans to employees	33.26	44.01	63.12	71.03
Advance for purchases	-	-	318.22	280.22
Other advances	-	-	351.61	393.91
	33.26	44.01	732.95	745.16
Total	1,026.22	2,832.93	732.95	745.16

14. Other Assets

	Non - current		Current	
	As at 31st March,		As at 31st March,	
	2017	2016	2017	2016
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 18)	42.98	261.12	-	-
Unamortized expenditure				
Pre Operative Expenses	468.80	218.33	-	-
	468.80	218.33	-	-
Others				
Export incentives receivable	-	-	386.90	420.45
MEIS licences on hand	-	-	482.78	489.57
Freight reimbursement receivable	-	-	-	47.12
Interest accrued on fixed deposits	-	-	51.57	33.59
Unrealised exchange gain / (Loss)	-	-	377.27	26.48
	-	-	1,298.52	1,017.21
Total	511.78	479.45	1,298.52	1,017.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

15. Current investments

(valued at lower of cost and fair value, unless stated otherwise)

	As at 31st March, 2017	As at 31st March, 2016
Investment in unquoted mutual funds		
SBI - Premier Liquid Fund - 1376893.09 units of Rs.1003.25 each (31st Mar, 2016 NIL)	13,813.68	-
HDFC short term opportunities Fund - STP - Wholesale Option - 7075858.868 units of Rs. 17.67 each (31 st March 2016 ; NIL)	1,250.00	-
HDFC Floating Rate Income Fund - ST - Wholesale Growth - 10818608.01 units of Rs. 27.73 each (31 st March 2016; NIL)	3,000.00	-
ICICI - Pru - Flexible Income Plan Growth - 1311958.038 units of Rs. 305.15 each (31st March 2016 : NIL)	4,000.00	-
IDFC Super Saver Income Fund Short Term Plan - Growth - 3802119.453 units of Rs. 32.876 each (31st March 2016 - NIL)	1,250.00	-
Kotak Low duration Fund Standard Growth (Regular Plan) - 257840.784 units of Rs. 1939.1812 each (31st March, 2016 ; NIL)	5,000.00	-
Birla Sunlife Short Term Fund - Growth Regular Plan 2034438.983 units of Rs. 61.4420 each (31st Mar,2016: NIL)	1,250.00	-
Birla Sunlife Savings Fund - Growth Regular Plan - 959619.837 units of Rs. 312.6238 each (31st March, 2016: NIL)	3,000.00	-
	32,563.68	-
Aggregate amount of unquoted investments Book Value	32,563.68	-

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

	As at 31st March, 2017	As at 31st March, 2016
Raw materials (refer note 21)		
In godowns	22,257.81	19,200.55
In transit	4,520.82	396.40
Packing materials (refer note 21)	658.64	454.61
Work-in-progress (refer note 22)	338.94	403.95
Finished goods (refer note 22)	5,969.72	7,218.80
Stores and spares (refer note 22)	1,823.84	880.62
Total	35,569.77	28,554.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

17. Trade receivables

	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, unsecured & doubtful		
Other receivables		
Secured, considered good	674.60	1,031.27
Unsecured, considered good	1,676.74	2,465.66
Doubtful	-	-
	2,351.34	3,496.93
Provision for doubtful receivables	-	-
Total	2,351.34	3,496.93

18. Cash and bank balances

	Non- Current		Current	
	As at 31st March,		As at 31st March	
	2017	2016	2017	2016
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	1,432.19	495.07
- Deposits with original maturity of less than three months			2,600.00	6,501.36
- On unpaid dividend accounts	-	-	96.62	67.76
Cash on hand	-	-	32.33	17.64
	-	-	4,161.14	7,081.83
Other bank balances				
- Deposits with original maturity for more than three months but less than 12 months	-	-	-	-
- Deposit with original maturity for more than 12 months	0.72	0.66		
- Margin money accounts *	42.26	260.46	350.62	175.11
	42.98	261.12	350.62	175.11
Amount disclosed under non-current assets (note 14)	(42.98)	(261.12)	-	-
Total	-	-	4,511.75	7,256.94

18.1 Margin money deposits given as security

Margin Money deposits with bank of a carrying amount of Rs. 392.88 lakhs (31st Mar, 2016: 435.57 lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

19. Revenue from operations

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of products		
Finished goods	256,224.89	199,530.37
Trading Goods	13,973.08	-
Other operating revenue		
Export incentives	3,068.07	2,253.96
Income from sale of certified emission reductions	-	44.54
Revenue from operations	273,266.04	201,828.87
Details of products sold		
Finished goods sold		
Domestic Sales;		
i) Shrimp feed	234,572.39	172,944.31
ii) Shrimp seed	46.04	37.00
iii) Wheat bran	2.12	27.79
v) Electricity sales (from Wind mills)	106.77	169.66
Total - A	234,727.32	173,178.76
Export sales;		
i) Processed shrimp	21,497.57	26,351.61
Total - B	21,497.57	26,351.61
Total - A + B	2,56,224.89	1,99,530.37
Trading goods sold		
Export sales		
Processed shrimp	13,973.08	-
	13,973.08	-

20. Other income

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest income on		
Bank deposits	42.52	46.74
Others	42.01	22.66
Dividend Income from		
Current investments	693.88	495.78
Non-current investments	-	0.18
Short Term Capital Gain	135.41	243.13
Exchange differences (net)	1,006.72	564.80
Profit on sale of fixed assets	1.16	-
Other non-operating income	259.56	219.69
Provision for doubtful debts written back	-	62.25
Total	2,181.26	1,655.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

21. Cost of materials consumed

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Inventory at the beginning of the year	20,051.57		15,104.59	
Add: Purchases	217,439.76		159,243.61	
	237,491.33		174,348.20	
Less: Inventory at the end of the year	27,437.27		20,051.57	
Cost of materials consumed	210,054.06		154,296.63	
Details of materials consumed				
	For the year ended As at 31st March, 2017		For the year ended As at 31st March, 2016	
	Qty in MT	Value	Qty in MT	Value
Fish meal	78,055.12	73,613.50	52,667.97	55,475.32
Wheat & Wheat flour	106,682.08	23,018.75	82,207.55	15,687.98
Soya DOC	133,909.13	50,825.79	98,533.84	39,168.10
Other materials	29,098.47	28,049.85	21,140.62	18,141.48
Shrimp	6,932.63	29,569.17	6,375.08	22,177.70
Packing material-	-	4,977.00	-	3,646.05
	354,677.43	210,054.06	260,925.06	154,296.63
Details of Inventory	As at 31st March, 2017		As at 31st March, 2016	
Fish meal	9,959.56		14,117.69	
Wheat & Wheat flour	586.90		300.45	
Soya DOC	3,464.29		2,955.67	
Other materials	8,516.25		2,223.14	
Shrimp	4,251.63		-	
Packing material	658.64		454.62	
	27,437.27		20,051.57	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

22. (Increase)/ decrease in inventories of finished goods and work-in-progress

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the end of the year		
Finished goods	10,221.35	7,218.80
Work-in-progress	338.94	403.95
	10,560.29	7,622.75
Inventories at the beginning of the year		
Finished goods	7,218.80	5,782.66
Work-in-progress	403.95	434.00
	7,622.75	6,216.66
(Increase) / decrease	(2,937.54)	(1,406.09)

Details of inventory

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Work-in-progress		
i) Shrimp feed	262.97	299.87
ii) Wheat bran	17.83	13.22
iii) Processed shrimp	58.14	90.86
	338.94	403.95
Finished goods		
i) Shrimp feed	4,129.77	1,341.97
ii) Wheat bran	17.24	108.58
iii) Processed shrimp	6,079.16	5,768.25
	10,226.17	7,218.80

23. Employee benefits expense

(Rs.in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries, wages and bonus	6,789.19	5,357.43
Contribution to provident and other funds	377.86	332.11
Gratuity expense	52.99	36.66
Staff welfare expenses	115.06	81.72
Total	7,335.10	5,807.92

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

24. Depreciation and amortization expense

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation of tangible assets	1,365.16	1,018.10
Amortization of intangible assets	3.79	4.57
Total	1,368.95	1,022.67

25. Finance costs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest	159.75	98.69
Other borrowing costs	111.48	85.25
Total	271.23	183.94

26. Manufacturing expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Power & fuel	3,357.25	2,555.24
Repairs & maintenance		
- Buildings	463.70	230.60
- Plant & machinery	373.33	191.59
Consumable stores	1,809.73	1,517.05
Other manufacturing expenses	1,893.66	1,532.08
Total	7,897.67	6,026.56

27. Selling and distribution expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Advertisement charges	14.82	13.79
Carriage outward	428.51	451.76
Ocean Freight and Export expenses	1,284.88	1,133.05
Marketing expenses	983.32	1,313.71
Royalty	1,006.93	735.58
Cash discount	11,691.64	8,297.08
Total	15,410.10	11,944.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

28. Other expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Rent	212.66	197.31
Rates & taxes	234.60	184.10
Insurance	195.37	239.80
Electricity charges	7.79	7.98
Repairs & maintenance		
Buildings	2.88	15.65
Others	71.28	10.39
Vehicle maintenance	53.94	39.50
Travelling & conveyance	435.10	381.54
Communication costs	58.51	64.00
Printing & stationery	29.81	33.95
Directors' sitting fees	9.30	14.25
Auditors Remuneration		
As Auditors	24.44	24.33
Tax Matters	6.33	4.58
Other Services	8.92	
Reimbursement of expenses	3.29	3.28
Professional charges	128.99	150.43
Corporate Social Responsibility	82.92	43.81
Agricultural extension project	484.37	337.40
Donations	15.93	59.15
Loss on sale of fixed assets	8.13	0.05
Bank charges	214.12	154.08
General expenses	247.09	214.69
Total	2,535.77	2,180.27

29. Exceptional items

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income :		
CVD Refund	6.17	493.68
	-	493.68
Less : expenditure		
Stamp duty on slump sale	-	102.57
Total	6.17	391.11

The Exceptional income is Countervailing Duty (CVD) of 6.17 (previous year Rs. 493.68 lakhs) paid to U.S. Customs department in the year 2013-2014, now refunded by U.S. Customs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

30. Earnings per share

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net profit for calculation of basic and diluted EPS	21,434.63	15,750.00
Weighted average number of equity shares in calculating basic and diluted EPS (Nos.)	4,54,15,210	4,54,15,210
Basic and diluted earnings per share - Face Value of Rs.2/- each (in Rs.)	47.20	34.68

31. Gratuity (post-employment benefit plan)

The company operates a defined plans, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plan.

Statement of profit and Loss**Net employee benefit expense recognised in employee cost**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Current service cost	26.53	21.41
Interest cost on benefit obligation	22.31	18.42
Expected return on plan assets	(22.63)	(20.29)
Net actuarial (gain) / loss recognized in the year	29.11	8.95
Net Benefit expense	55.32	28.49
Balance sheet		
Benefit asset/ liability		
Present value of defined benefit obligation	343.55	278.86
Fair value of plan assets	294.88	250.37
Plan liability	48.67	28.49
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	278.86	230.31
Current service cost	26.53	21.41
Interest cost	22.31	18.42
Benefits paid	(13.26)	(0.23)
Actuarial losses on obligation	29.11	8.95
Closing defined benefit obligation	343.55	278.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Statement of profit and Loss

Net employee benefit expense recognised in employee cost (Contd...)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	250.37	196.12
Expected return	22.63	20.30
Contributions by employer	35.14	34.18
Benefits paid	(13.26)	(0.23)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	294.88	250.37
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Gratuity		
Investments with insurer	100%	100%
The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:		
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.35%	8.35%
Increase in Compensation Cost	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario

Amounts for the current and previous four periods are as follows:

	For the year ended 31st March				
	2017	2016	2015	2014	2013
Gratuity					
Defined benefit obligation	343.55	278.86	230.31	190.14	122.13
Plan assets	294.88	250.37	196.11	82.84	69.25
Surplus / (deficit)	(48.67)	(28.49)	(34.20)	(107.30)	(52.88)
Experience adjustment on plan liabilities	29.11	8.95	(7.79)	29.59	16.16
Experience adjustment on plan assets	-	-	8.08	(4.77)	(0.29)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

32. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.184.71 lakhs (31st March,2016: Rs.6323.27 lakhs) which is net of capital advances of Rs.577.87 lakhs (31st March,2016: Rs. 2429.05 lakhs).

33. Contingent liabilities

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

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

A.	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
	Central Excise Act, 1944 and Customs Act, 1962	Customs Duty & Central Excise	2,999.18	1999 - 2002	CESTAT, Hyderabad
	Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
	Income Tax Act, 1961	Income-tax	5.13	2011-2012	Commissioner (Appeals), Hyderabad
	Electricity Act, 2003	Electricity duty	4.37	2011-2012 to 2014-2015	Supreme Court
	Customs Act, 1962	Customs duty	60.82	2009-2010 to 2011-2012	CESTAT, Chennai
	Total		3098.72		

- 33.1 The Customs and Central Excise Department raised demand for Rs.1494.59 lakhs and levied penalty of Rs.1504.59 lakhs for customs duty forgone on duty free imports of raw materials and non-fulfilment of export obligation for the period 1999-2000 to 2001-2002 when the Company was operating as a 100% EOU. Company had achieved Net Foreign Exchange Earning in 2003-04 and the Development Commissioner of Visakhapatnam Export Processing Zone allowed Company to de-bond

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

upon being satisfied with the fulfilment of exports made by the Company and foreign exchange earning obligations. Further, Company had paid Rs.1655.03 lakhs excise duty in lieu of the duty free import of raw materials and spares. However, the Customs and Central Excise Department raised the demand without considering the amounts paid. This demand and levy of penalty was contested by the Company before CESTAT, Bangalore and Hon'ble CESTAT remanded the case back to The Commissioner for fresh adjudication after considering all the aspects raised by the Company. The Commissioner gave his order confirming the demand and Company again approached CESTAT against this order. The matter is pending before CESTAT, Hyderabad.

- 33.2 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 Rs.29.22 lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
- 33.3 For the Assessment Year 2011-2012 Assessing officer disallowed an amount of Rs. 17.95 lakhs U/s. 14A for the Investments made by the Company and raised demand for Rs. 5.13 lakhs. Company is contesting the same before Commissioner Appeals.
- 33.4 Company approached Supreme Court against the order of High Court of Andhra Pradesh confirming the levy and collection of Electricity Duty on self generated power from DG sets.
- 33.5 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.

- B.** The company has given guarantee of Rs. 7,590.00 Lakhs to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad for loan facilities to Avanti Frozen Foods Private Limited (a subsidiary of the company).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

34. Derivative instruments and unhedged foreign currency exposures**Derivatives outstanding as at the reporting date****Particulars****Purpose**Forward contract to sell US\$

US\$ 1,25,36,030 (US\$ 1,21,14,669 as at 31st March, 2016) Hedge of export debtors
 Rs.8,478.50 lakhs (Rs.8,188.40 lakhs as at 31st March 2016)) and for confirmed export orders

Forward contract to buy US\$

US\$ 23,84,250 (US\$ 25,62,897 as at 31st March, 2016) Hedge for import liabilities
 Rs.1,590.39 lakhs (Rs. 700.04 lakhs as at 31st March, 2016))

(a) Particulars of unhedged foreign currency exposure as at reporting date

		31st March, 2017		31st March, 2016	
		Foreign Currency	Amount (Rs. in lakhs)	Foreign Currency	Amount (Rs. in lakhs)
Trade payables	USD	3,254,395	2,110.10	2,051,285	1,360.68
Advances to suppliers	USD	305,678	198.20	290,313	192.57

Closing rate as at 31st March, 2017 - 1 USD = Rs 64.8386 (31st March, 2016: 1 USD = Rs 66.3329,)

35. Details of dues to micro and small enterprises as defined under MSMED Act 2006.

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from the suppliers is still awaited. In view of this, the liability of interest cannot be reliably estimated nor the required disclosures could be made, Accounting in this regard will be carried out after the process is completed and reliable estimate made in this regard. However management is of the opinion that liability in any case will be insignificant having regard to the supplier's profile of the company.

36 Segmental Information**I. Primary Segment**

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

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

Segment Revenue and Results

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

Segment assets 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.

Segment assets and liabilities

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

II. Secondary Segment:

Geographical Segment:

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

Name of the Country	Revenue		Location of assets		Additions to fixed assets	
	For the year ended		For the Year Ended		For the Year Ended	
	2017	2016	2017	2016	2017	2016
India	237,922.58	174,705.35	104,397.65	62,259.76	18,724.74	6,651.15
USA	30,384.42	14,081.22	773.75	-	-	-
Rest of the world	4,959.04	13,042.30	475.18	-	-	-
Total	273,266.04	201,828.87	105,646.58	62,259.76	18,724.74	6,651.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
(All amounts in lakhs in Indian Rupees, unless otherwise stated)

36.1 Information pursuant to AS - 17 issued by ICAI

	Shrimp Feed		Shrimp Processing		Power		Unallocated		Total	
	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue										
External Sales	234,620.55	173,009.10	38,538.72	28,605.57	106.77	214.20	-	-	273,266.04	201,828.87
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	234,620.55	173,009.10	38,538.72	28,605.57	106.77	214.20	-	-	273,266.04	201,828.87
Segment Result										
Operating Profit	28,460.10	19,490.77	3,147.57	2,352.61	(5.74)	112.56	-	-	31,601.93	21,955.94
Share of Profit/(Loss) from Associates	-	-	-	-	(128.08)	(148.30)	-	-	(128.08)	(148.30)
Minority interest	-	-	(1,111.99)	-	-	-	-	-	(1,111.99)	-
Other Income	110.83	132.46	1,214.21	736.78	47.80	-	808.42	785.99	2,181.26	1,655.23
Interest Expense	233.32	173.82	37.90	10.12	-	-	-	-	271.23	183.94
Exceptional Items	-	-	-	493.68	-	-	6.17	(102.57)	6.17	391.11
Income Tax	-	-	-	-	-	-	-	-	-	-
- Current Tax & PY Taxes	-	-	1,010.82	-	-	-	9,297.62	8,049.94	10,308.44	8,049.94
- Deferred Tax	-	-	(1.97)	-	-	-	536.96	(129.90)	534.99	(129.90)
Net Profit	28,337.60	19,449.41	2,203.03	3,572.96	(86.02)	(35.74)	(9,019.98)	(7,236.62)	21,434.63	15,750.00
Other Information										
Segment Assets	44,287.60	41,355.29	20,031.11	9,621.39	3,861.01	4,045.96	37,466.86	7,237.13	105,646.58	62,259.77
Segment Liabilities	26,679.69	18,563.99	3,195.96	1,038.82	11.02	49.09	1,844.06	328.27	31,730.73	19,980.17
Capital Employed	17,607.91	22,791.30	16,835.15	8,582.57	3,849.99	3,996.87	35,622.80	6,908.86	73,915.85	42,279.60
Capital Expenditure	3,203.57	1,428.80	7,584.58	1,035.99	-	-	-	24.07	10,788.15	2,488.86
Depreciation	1,054.19	709.94	217.06	217.94	57.34	57.32	40.36	37.47	1,368.95	1,022.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

37. Related party disclosures

37.1 Names of related parties and related party relationship:

Related parties where control exists

Subsidiary

Svimsan Exports & Imports Private Limited
Avanti Frozen Foods Private Limited

Related parties with whom transactions have taken place during the year

Key Managerial Personnel

Sri A. Indra Kumar, Chairman and Managing Director
Sri C. Ramachandra Rao, Joint Managing Director,
Company Secretary and CFO

Relatives of Key Managerial Personnel

Sri A. Venkata Sanjeev

Associate Companies

Srivathsa Power Projects Limited
Patikari Power Private Limited

Companies over which Significant Influence is exercised

Srinivasa Cystine Private Limited
SCL Trading Private Limited
Sanjeev Agro Vet Private Limited
Laxai-Avanti Life Sciences Private Limited
Sri Sai Srinivasa Agro Farms & Developers Private Limited

37.2 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		Companies over which significant influence is exercised		Associate Companies	
	As at 31 st March,		As at 31 st March,		As at 31 st March,	
	2017	2016	2017	2016	2017	2016
Rent paid	4.19	3.25	2.48	2.05		
Rent Received			1.70	1.60	1.20	1.20
Dividend paid	385.47	302.87	1744.52	1370.69		

37.3 Balance as on 31st March 2017

Particulars	Key management personnel		Associate Companies	
	As at 31 st March,		As at 31 st March,	
	2017	2016	2017	2016
Investments	-	-	3173.69	3450.08
Rent payable	0.35	0.25	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

38. Foreign Currency Inflow & Out Flow

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
i) Value of imports made by the company during the financial year calculated on CIF basis in respect of		
Capital Goods	4,127.02	1,493.59
Spares & Consumables	1,007.83	854.74
Raw Materials	6,087.32	5,213.18
ii) Earnings in foreign exchange		
Shrimp Exports on FOB basis	33,801.52	25,214.95
CVD Refund received	6.17	493.68
iii) Expenditure in foreign currency on account of		
Travelling	43.49	48.17
Royalty	877.72	735.58
Quality Insurance Premium	33.97	119.36
Dividend	799.20	627.56
Anti Dumping Duty	582.66	273.63
Other expenditures	405.31	271.38

39. Imported and indigenous raw materials, stores & spare parts consumed and percentage thereof

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value	Percentage	Value	Percentage
Raw Materials :				
Imported	8,396.56	3.84%	6,565.14	4.25%
Indigenous	201,657.50	96.16%	147,731.47	95.75%
Total	210,054.06	100.00%	154,296.61	100.00%
Stores & spare parts				
Imported	1,259.97	55.41%	789.49	41.60%
Indigenous	1,013.94	44.59%	1,108.23	58.40%
Total	2,273.91	100.00%	1,897.72	100.00%

40. Net dividend remitted in foreign exchange

Year of Remittance (ending on)	Period to which it relates	No. of Non- resident shareholders	Number of equity shares held on which dividend was due	Amount of dividend USD (In lakhs)	Amount of dividend remitted in INR (In lakhs)
2016-2017	2016-2017	2	11,410,210	11.92	798.71
2015-2016	2015-2016	2	2,282,042	9.43	627.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

41. Details of specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

(Rs. in lakhs)

	SBNs	Other denominations notes	Total
Closing cash in hand as on November 8, 2016	143.30	48.11	191.41
Add: Permitted receipts	-	89.20	89.20
Less: Permitted payments	-	107.05	107.05
Less: Amount deposited in banks	143.30	-	143.30
Closing cash in hand as on December 30, 2016	-	30.26	30.26

42. Previous year figures

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

**Additional information, as required under Schedule III to the Companies Act, 2013,
of enterprises consolidated as subsidiary/Associates**

	As at 31st March, 2017				As at 31st March, 2016			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Avanti Feeds Limited	89.37%	57,238.24	91.13%	19,533.46	98.23%	41,531.03	98.58%	15,526.24
Subsidiaries:								
Indian								
1 Svimsan Exports and Imports Private Limited	-0.14%	-91.25	0.00%	-0.42	-0.21%	-90.83	0.00%	-0.44
2 Avanti Frozen Foods Private Limited	39.11%	25,047.88	15.35%	3,290.24	20.91%	8,841.77	2.42%	380.76
Total		82,194.87		22,823.28		50,281.97		15,906.56
Minority Interests in all subsidiaries								
1 Avanti Frozen Foods Private Limited		-9,869.15		-1,111.99		-		-
Consolidated Net assets / Profit after tax		72,325.72		21,711.29		50,281.97		15,906.56
Associates (Investment as per the equity method);								
Indian								
1 Srivathsa Power Projects Limited	3.48%	2,229.75	-0.26%	-56.76	5.41%	2,286.51	-0.70%	-109.83
2 Patikari Power Private Limited	1.47%	942.78	-0.29%	-61.30	2.37%	1,004.07	0.01%	1.52

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	-191.25	0.01	91.26	-	-	-0.42	-	-0.42	-	100.00
2	Avanti Frozen Foods Private Limited	INR	1,001.67	24,046.21	28,340.59	3,292.70	6,877.38	24,410.87	4,299.10	-1,008.86	3,290.24	-	60.00

Part B: Associates
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

	Name of Associates/ Joint ventures	Srivathsa Power Projects Limited	Patikari Power Private Limited
1.	Latest audited Balance Sheet Date	3/31/2016	3/31/2016
2.	Shares of associates/ Joint Ventures held by the company on the year end		
	Number of shares	16,693,630	10,645,200
	Amount of investment in Associates	1,670.54	1,064.52
	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	2,286.51	1,004.07
6.	Profit/ Loss for the year		
	i. Considered in Consolidation	(56.76)	(61.30)
	ii. Not Considered in Consolidation	-	-

AVANTI FEEDS LIMITED

CIN: L16001AP1993PLC095778

Regd. Office: H.No.37, Plot No.37, Baymount, Rushikonda,
Visakhapatnam – 530045, Andhra Pradesh.

Email: avantiho@avantifeeds.com.

Website: www.avantifeeds.com

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING
12th August, 2017

DP ID – Clinet ID No. / Folio No. :

No. of shares held :

Name of the Member / Proxy :

Address of the Member :

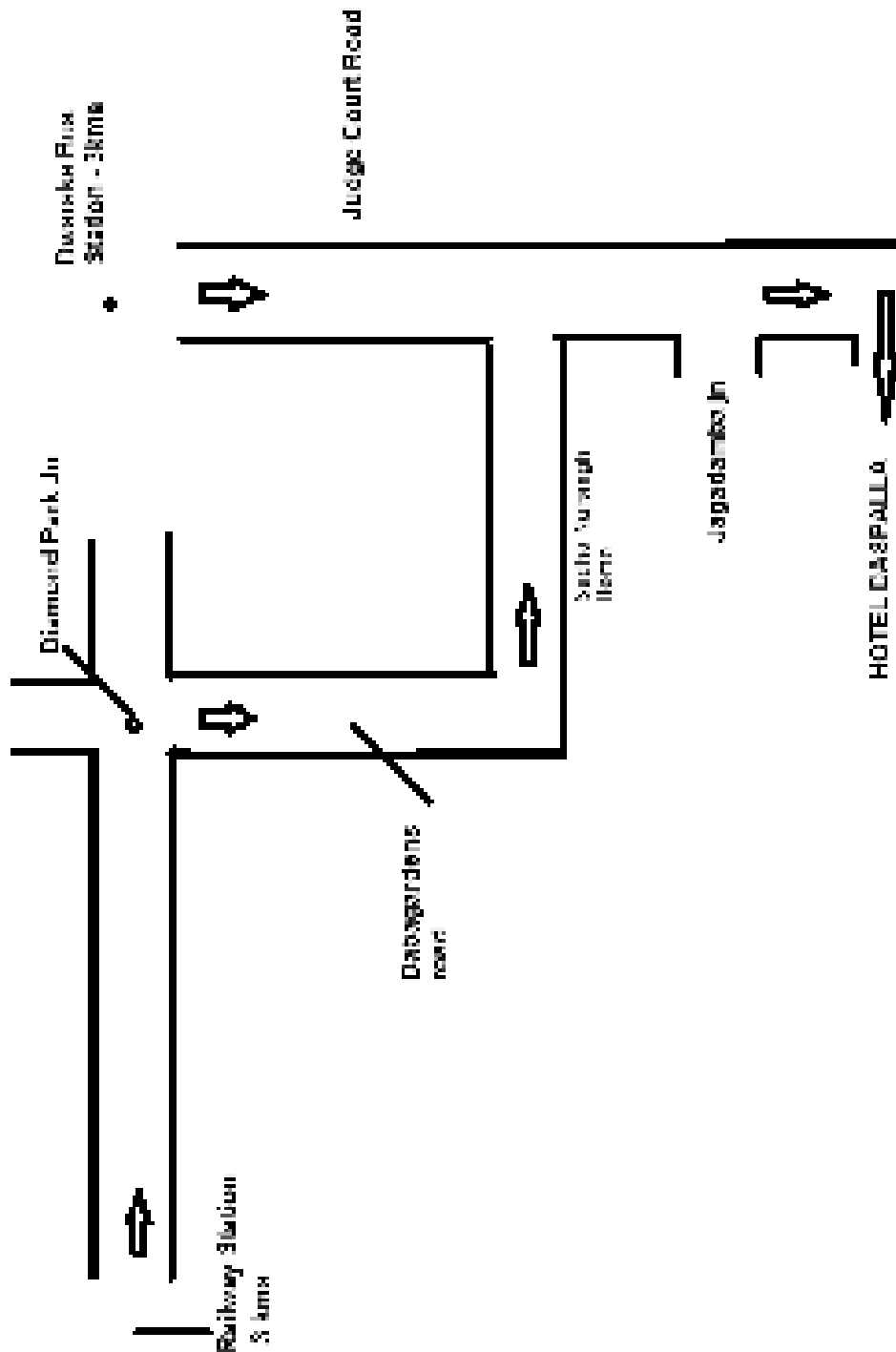
I/We, hereby record my/our presence at the 24th Annual General Meeting of Avanti Feeds Limited on Saturday, the **12th August, 2017 at 11.00 AM., at Hotel Daspalla, Jagadamba Junction, Visakhapatnam.**

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]

CIN : CIN: L16001AP1993PLC095778
 Name of the Company : Avanti Feeds Limited
 Registered Office : Plot No.37, H.No.37, Baymount, Rushikonda,
 Visakhapatnam - 530045, Andhra Pradesh.
 Name of the member(s) : _____
 Registered Address : _____
 Email ID : _____
 Folio No./Client ID : _____
 DPID : _____

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name : _____ Address: _____
 E-mail Id: _____ Signature: _____ or falling him
2. Name : _____ Address: _____
 E-mail Id: _____ Signature: _____ or falling him
3. Name : _____ Address: _____
 E-mail Id: _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on the 12th August, 2017 at 11.00 AM., at Hotel Daspalla, Jagadamba Junction, Visakhapatnam - 530020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:**Ordinary Business:**

1. To receive consider and adopt:
 - a. The audited financial statements of the Company for the financial year ended 31st March, 2017, the Report of Board of Directors and the Report of the Auditors thereon;
 - b. The audited Consolidated Financial Statements of the Company for Financial Year ended 31st March, 2017 and the Report of the Auditors thereon.
2. To declare dividend of Rs.9/- per equity share of Rs.2/- each fully paid up for the year 2016-17.
3. Reappointment of Sri N. Ram, Prasad, (DIN:00145558 as Director, who retires by rotation.
4. Reappointment of Mr. Wai Yat Paco Lee (DIN: 02931372) as Director, who retires by rotation,
5. Appointment of M/s. Tukaram & Company, Chartered Accountants, Hyderabad as Auditors for a period of 5 years from the conclusion of 24th Annual General Meeting to the conclusion of 29th Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors on the recommendations of the Audit Committee.

Special Business:

6. Appointment of Sri C. Ramachandra Rao as Joint Managing Director, Company Secretary and CFO for a further period of 5 years w.e.f. 01.08.2017.

Signed this _____ day of _____ 2017.

Afix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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Plantation of trees at Kovvur.



Plantation on both sides of state highway road in Balda, Gujarat.



Blood donation camp at Kovvur by Avanti staff and students of College run by AVR Trust.



Organised Volleyball tournament at Kovvur to promote sports in rural areas.



In the business of quality Prawn feed and Prawn Exports

Registered Office: Plot No.37, H.No.37, Baymount,
Rushikonda, Visakhapatnam-530 045. Andhra Pradesh. India

Corporate Office: G-2, Concorde Apartments, 6-3-658, Somajiguda,
Hyderabad-500 082. Telangana State, India.

Email: investors@avantifeeds.com