



16th
Annual Report
2008-2009



BOARD OF DIRECTORS

A.Indra Kumar
Managing Director

C.Ramachandra Rao
Joint Managing Director and Company Secretary

A.V.Achar

N.Ram Prasad

K.Ram Mohan Rao

B.V.Kumar

M.Venkateswara Rao, Nominee - APIDC

M.S.P.Rao

Tin King Chan

AUDITORS

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

INTERNAL AUDITORS

Polineni Associates
Chartered Accountants
Plot No.203,
Gayatri Nilayam,
1-1-721/A, Gandhinagar,
Hyderabad - 500 080.

BANKERS

State Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

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

Registered Office

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

Website : www.avantifeeds.com



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NOTICE

Notice is hereby given that the **SIXTEENTH Annual General Meeting** of the members of **Avanti Feeds Limited** will be held on the **Wednesday, 23rd day of September, 2009 at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad at 11.00 AM** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 and Profit and Loss Account for the year ended 31st March, 2009 along with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr.K.Ram Mohan Rao who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. B.V.Kumar who retires by rotation and is eligible for re-appointment.
4. To appoint M/s. Karvy & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT MR. TIN KING CHAN, who was appointed as an additional director of the company by the Board of Directors and who holds office as per Section 260 of the Companies Act, 1956 up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the company, not liable to retire by rotation".

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

"RESOLVED THAT in accordance with the provisions of Sec.198, 269, 309, and 310 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment thereof for the time being in force and subject to obtaining necessary approvals of financial institutions, the company hereby approves re-appointment of Sri. C. Ramachandra Rao as Joint Managing Director & Company Secretary of the company for a period of three years w.e.f. 01.08.2009 and further seeking approval for payment of remuneration partly by way of Salary, Allowances, and perquisites and partly by way of commission on net profits of the Company in pursuance of Sec.198 read with Sec.349 and Section 350 of the Companies Act, 1956 as detailed below :

- I. **Salary :** Rs.1,50,000 per month in the scale of Rs. 1,50,000-15,000-1,80,000

Perquisites :

In addition to the salary as above, perquisites as under, the monetary value of such perquisites being limited to 60% of the above mentioned salary per month.

Category – A:

Housing: Unfurnished accommodation or HRA, subject to a limit of

40% of the salary per month.

Category – B:

- a) Company's contribution towards Provident Fund subject to a ceiling of 12% of the salary.
- b) Company's contribution towards pension / superannuation funds which shall not



together with the company's contribution towards provident fund exceed 15% of the salary or such other higher percentage thereof may be laid down from time to time under the Income Tax Rules.

- c) Contribution to provident fund, superannuation fund and annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.
- d) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling of Rs.3,50,000 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 shall be entitled to commission at the rate of 2% of the net profits of the Company in the manner laid down under Sec.309 (5) of the Companies Act, 1956 and other applicable provision of the said Act.

IV. Minimum Salary:

"RESOLVED FURTHER that in pursuance of the provisions of Section 198 (4) read with Schedule XIII to the Companies Act, 1956 wherein in any financial year the company incurs loss or its profits are inadequate, the salary, perquisites and allowances as specified above be paid as Minimum Remuneration subject to the maximum limit as specified in Clause (B) of Part II of Section II of Schedule XIII of the Companies Act 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deed; matters and

things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

"FURTHER RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 and read with Schedule XIII and other applicable provisions if any of the Companies Act 1956 as amended, approval and ratification be and is hereby accorded for minimum remuneration paid to Sri.C.Ramachandra Rao, Joint Managing Director & Company Secretary of the Company , for the period from **01.04.2008 to 31.07.2009** the salary, perquisites and allowances paid as approved by the General Body in its meeting held on 27.09.2006 as Minimum Remuneration subject to the maximum limit as specified in Clause (B) of Part II of Section II of Schedule XIII of the Companies Act 1956."

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

Modification of the Remuneration of Sri.Alluri Indra Kumar:

"RESOLVED THAT in accordance with the provisions of Sec.198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment thereof for the time being in force, approval and ratification of modification of remuneration paid and payable to Sri A. Indra Kumar as Managing Director for a period 01.04.2008 to 31.03.2011, the salary, allowances and perquisites remain unchanged as approved by the members in their meeting held on 28th Spetember, 2007 except for the following :

I. Exgratia:

Sri. Alluri Indra Kumar, Managing Director of the Company be entitled to receive annual Ex-gratia



not exceeding 20% of the annual basic for the period from 1st April'2009 to 31.03.2011.

II. Minimum Salary:

"RESOLVED FURTHER that in pursuance of the provisions of Section 198 (4) read with Schedule XIII to the Companies Act, 1956 wherein any financial year the company incurs loss or its profits are inadequate, the salary, perquisites and

allowances as specified above be paid as Minimum Remuneration subject to the maximum limit as specified in Clause (B) of Part II of Section II of Schedule XIII of the Companies Act 1956."

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

Place : Hyderabad
Date : 25.07.2009

A.Indra Kumar
Managing Director



NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy in order to be effective must be deposited at the Company's Registered Office at G-2, Concorde Apartments, #6-3-658, Somajiguda, Hyderabad - 500 082, A.P., not less than 48 hours before the time for holding the meeting.
3. Register of Members and Share Transfer Books of the Company shall remain closed from 17th September 2009 to 23rd September 2009 (both days inclusive).
4. Members are requested to notify promptly any change in their address registered with the Company to the Registered Office of the Company or to Registrars & Shares Transfer Agents.
5. 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.
6. All communication relating to shares are to be addressed to the Company's Transfer Agents, M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
7. As per the provisions of the Sec.205 C of the Companies Act, 1956, Unclaimed Dividend Amount in respect of 2000-01 has been transferred to Investor Education and Protection Fund on 02.12.2008 upon expiry of 7 years period. Unclaimed Dividend for the year 2001-02 will be transferred to Investor Education and Protection Fund on or before 25.10.2009. Shareholders who have not claimed Dividend for the year 2001-02 are requested to claim the dividend on or before 25.09.2009.

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

Place : Hyderabad
Date : 25.07.2009

A. Indra Kumar
Managing Director



EXPLANATORY STATEMENT

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

Item No.5

Mr.TIN KING CHAN was appointed as additional director at the meeting of the Board of Directors of the Company held on 29.01.2009. As per the provisions of the Section 260 of the Companies Act, 1956 they hold office up to the date of the ensuing Annual General Meeting.

Mr.TIN KING CHAN is a California State University business graduate and Managing director of Biz Dimension Co. Limited, engaged in providing E-business services. He is also Executive Director of Thai Union Frozen Products PCL heading the finance and business diversification function. His experience in finance, systems & controls and international business will be of great value to the company.

The Board feels that his experience will be of immense help to the company for effective management and recommended his appointment as Director of the company.

Mr.TIN KING CHAN may be deemed to be interested in the resolution as it relates to his appointment and none of the other directors are interested or concerned in the resolution.

Item No.6

Sri C.Ramachandra Rao was appointed as Joint Managing Director & Company Secretary of the Company for a period of three years effective from 1st August, 2006 and his appointment and remuneration was approved by the Shareholders in the Annual General Meeting held on 27th September, 2006. However, during the period 01st April, 2008 to 31st July,2009 due to inadequacy or absence of profits he has been paid remuneration as approved by the share holders in their meeting held on 27th September, 2006 as minimum remuneration. The members are requested to approve and ratify remuneration paid to Sri C.Ramachandra Rao.

Remuneration Committee in its meeting held on 19th February'09 approved modification in the terms of remuneration to Sri C.Ramchandra Rao by making applicable the provisions of Clause (B) of Part II of Section II of Schedule XIII of the Companies Act, 1956 as maximum remuneration payable in the event of in adequacy of profits. This amendment is applicable for the period from 01.04.2008 to 31.07.09.

The appointment period of three years tenure of Sri C.Ramachandra Rao will be completed on 31st July'09. It is now proposed to renew his re-appointment as Joint Managing Director and Company Secretary for another period of three years starting from 1st August'09 with revised managerial remuneration.

Remuneration Committee met on 17th July'09 and approved the re-appointment of Sri C.Ramachandra Rao for another period of three years starting from 1st August'09 with revised managerial remuneration.

The modification in remuneration paid for the period 1st April'08 to 31.07.09 and re-appointment with revised managerial remuneration for another period of three years starting from 1st August'09 are now placed before shareholders for their approval.

I. General Information :

- (1) Nature of Industry : Manufacturing of Shrimp & Fish Feed, Processing & export of Shrimp.
- (2) Date of commencement of commercial production :

Shrimp Feed	: 01.11.1994
Fish Feed	: 15.02.2008
Processing of Shrimp	: 01.04.1998
- (3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
- (4) Financial performance :

(Rs in Lacs)

Financial Parameters	2006-2007	2007-2008	2008-2009
Turnover	12173.99	10283.03	7299.59
Net Profit as computed under section 198	230.70	180.02	(924.99)
Net profit as per profit and loss Account	166.79	88.03	(703.00)
Amount of dividend paid	91.80	65.40	—
Rate of dividend declared	15%	10%	—

- (5) Export performance & net foreign exchange collaborations for the financial year 2007-08 & 2008-09 :

Export turnover : Rs. 4264.53 lacs in 2007-08 and Rs.2816.34 lacs in 2008-09

Net foreign exchange collaborations : NIL



II. Information about the appointee :

(1) Background details :

Sri. C.Ramachandra Rao is a qualified Chartered Accountant, Company Secretary and LLB with rich experience in Government and Public Sector undertakings. He was instrumental in the inception of the company and held positions of Manager Finance & Company Secretary, Executive Director and presently as Joint Managing Director since July'06.

(2) Past Remuneration :

Year	Amount In Lacs
2005-06	14.49
2006-07	13.93
2007-08	13.22
2008-09	14.26

(3) Recognition & Awards:

He joined the organization at its inception as Manager Finance & Company Secretary in 1995. In recognition of his services he was promoted to Executive Director and finally given responsibility of Joint Managing Director in July'06.

(4) Job Profile and his suitability:

Providing strategic inputs at the Board level for strategic decision making for expansion, diversification and other activities and on day to day operational level responsibility of Finance, Accounts, Direct & Indirect Taxes, Legal matters, Imports and HR functions and leads a team of professionals and senior executives for day to day operations of the company. Because of his qualification, experience of over 34 years in various Government, Public Sector and Private Sector organizations and his eventful long association with the company, steering it to become 2nd largest shrimp feed manufacturer, he is most suitable to the position.

(5) Remuneration Proposed:

Rs.32,40,000/- per annum.

(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 is commensurate with the remuneration package paid to managerial position in other Companies.

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

Sri.C.Ramachandra Rao does not have any pecuniary relationship directly or indirectly with the company except for the position he is holding. He does not have any relationship with any managerial person in the company.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits :

Overall shrimp culture in India and particularly in the state of AP reduced due to non-availability of quality seed, un-favorable climatic conditions, anti-dumping duty by US, high input costs and depressed international prices for shrimp, which made the shrimp culture un-viable to the farmers. As a result of decline in culture and consequent steep fall in sales company suffered losses.

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

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

(3) Expected increase in productivity and profits in measurable terms : Because of the measures initiated, it is expected that the turnover of the company will increase to 25000 MT of feed sales & 1200 MT of shrimp exports in the year 2010-11 and with farmers adapting to Vannamei culture the feed sales are expected to grow at 15% per annum up to 2014-15 and processed shrimp



sales are expected to grow at 10% per annum. Company expects to breakeven in the year 2010-11 and there after earn a return of 12% on the capital invested in shrimp feed and processed shrimp export divisions.

Mr.C.Ramachandra Rao is interested in the resolution as it relates to his appointment and none of the other directors are interested or concerned in the resolution.

Item No.7

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

Remuneration Committee in its meeting held on 19th February'09 approved modification in the terms of remuneration to Sri A. Indra Kumar by making applicable the provisions of clause (B) of Part II of Section II of Schedule XIII of the Companies Act 1956 as maximum remuneration payable in the event of in adequacy of profits. This amendment is applicable for the period from 01.04.2008 to 31.03.2011.

Further it is noticed that Ex-gratia is being paid to all the employees of the company and the same is inadvertently omitted while preparing the Managerial Remuneration of Directors.

Remuneration Committee met on 17th July'09 and approved payment of Ex-gratia to Sri.A.Indra Kumar not exceeding 20% of the annual basic. This approval is for the period from 1st April'09 to 31st March'11.

Hence, it is now proposed to include Ex-gratia not exceeding 20% of the annual basic of Sri.Alluri Indra Kumar, Managing Director for the period from 01.04.2009 to 31.03.2011 in the existing remuneration.

All other terms of appointment as approved by shareholders in the Annual General Meeting held on 28th September'07 remain unchanged.

I. General Information :

- (1) Nature of Industry : Manufacturing of Shrimp & Fish Feed, Processing & export of Shrimp.

- (2) Date of commencement of commercial production :

Shrimp Feed : 01.11.1994
Fish Feed : 15.02.2008
Processing of Shrimp : 01.04.1998

- (3) In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.

- (4) Financial performance :

(Rs. in Lacs)

Financial Parameters	2006-2007	2007-2008	2008-2009
Turnover	12173.99	10283.03	7299.59
Net Profit as computed under section 198	230.70	180.02	(924.99)
Net profit as per profit and loss Account	166.79	88.03	(703.00)
Amount of dividend paid	91.80	65.40	—
Rate of dividend declared	15%	10%	—

- (5) Export performance & net foreign exchange collaborations for the financial year 2007-08 & 2008-09 :

Export turnover : Rs. 4264.53 lacs in 2007-08 and Rs.2816.34 lacs in 2008-09

Net foreign exchange collaborations : NIL

II. Information about the appointee :

- (1) Background details :

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

- (2) Past Remuneration :

Year	Amount In Lacs
2005-06	30.10
2006-07	13.82
2007-08	27.66
2008-09	34.87



(3) Recognition & Awards :

Best Industrialist Award for the year 1994-95 awarded by GOI. In recognition of his services he was given the responsibility of Executive director and finally given the responsibility of Managing Director in July'02.

(4) Job Profile and his suitability:

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

(5) Remuneration Proposed: Rs.37.26 Lacs per annum.

(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. Alluri Indra Kumar and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

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

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

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits :

Overall shrimp culture in India and particularly

in the state of AP reduced due to non-availability of quality seed, un-favorable climatic conditions, anti-dumping duty by US, high input costs and depressed international prices for shrimp, which made the shrimp culture un-viable to the farmers. As a result of decline in culture and consequent steep fall in sales company suffered losses.

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

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

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

Because of the measures initiated, it is expected that the turnover of the company will increase to 25000 MT of feed sales & 1200 MT of shrimp exports in the year 2010-11 and with farmers adapting to Vannamei culture the feed sales are expected to grow at 15% per annum up to 2014-15 and processed shrimp sales are expected to grow at 10% per annum. Company expects to breakeven in the year 2010-11 and there after earn a return of 12% on the capital invested in shrimp feed and processed shrimp export divisions.

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

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

Place : Hyderabad
Date : 25.07.2009

A.Indra Kumar
Managing Director



Directors' Report

To
The Shareholders,

Your Directors have pleasure in presenting their Sixteenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL PERFORMANCE:

(Rs. in Lakhs)

	2008-2009	2007-2008
Profit/(Loss) before Interest, Depreciation & Tax	(46.52)	1,019.40
Interest	709.14	500.30
Depreciation	334.15	387.78
Profit/(Loss) before Tax	(996.78)	131.31
Provision for Income Tax & Deferred Tax Credit	293.78	43.28
Profit/(Loss) after Tax	(703.00)	88.03
Add: Balance brought forward from Previous year	2,505.25	2,493.73
Profit/(Loss) available for appropriation	1,802.25	2,581.76
APPROPRIATION:		
Proposed Dividend on equity shares	—	65.40
Corporate Dividend Tax	—	11.12
Surplus carried to Balance Sheet	1802.25	2,505.25
OPERATIONS :		
Income	7358.87	10,676.93
Profit/(Loss) before Tax	(996.78)	131.31
FEED DIVISION :		
Production (MTs)		
Shrimp Feed	9,168.56	13,922.25
Fish Feed	4,813.60	302.70
Sales (MTs)		
Shrimp Feed	9,155.31	14,112.75
Fish Feed	4,895.65	201.50
PROCESSING DIVISION :		
Production (MTs)	669.60	1,088.86
Export Sales :		
Direct (MTs)	757.76	1,001.70

The Loss for the year under consideration i.e. 2008-09, before depreciation, finance charges and tax is Rs.46.52 lakhs as compared to a Profit of Rs. 1019.40 lakhs in the previous financial year. The loss for the year after tax is Rs.703.00 lakhs as against a Profit of Rs.88.03 lakhs during the previous financial year. The shrimp culture further reduced during the year due to steep fall in export price of shrimps.

The feed division sales decreased by 4957 MT as compared to previous financial year. The decline in feed sales over previous year is mainly on account of general decline in shrimp culture in AP, company's main market due to the reasons stated above.

During last quarter of previous year company introduced Fish Feed to cater to the fish culture. The sales of fish feed during the year was 4895 MT.

The shrimp processing and export division sales reduced by 244 MT as compared to previous financial year. The decrease in exports is mainly on account of un-viable international prices.

The four windmills in Karnataka State with a total capacity of 3.2 MW are generated 62.33 lac units and power generated was sold to Karnataka Power Transmission Corporation Limited under PPA.

DIVIDEND:

Your Directors are not recommending any dividend for the year keeping in view the loss suffered by the company during the year.

DIRECTORS:

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

AUDITORS:

The Auditors M/s. Karvy & Co., Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. Members are requested to consider their reappointment for the financial year ending 31st March, 2010 on remuneration to be decided by the Board of Directors.



PARTICULARS OF EMPLOYEES:

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

SHRIMP FEED PLANT IN GUJARAT

Your company has decided to invest in Avanti Thai Aqua Feeds (P) Limited, a special purpose vehicle to set up a shrimp feed manufacturing plant in Gujarat along with Thai Union Frozen Products Public Co Ltd., Thailand (TUF). The Joint Venture company has been incorporated to implement the project and the implementation is slated to commence in September'09 and expected to be completed in 2 years and investment in the company will be in the ratio of 50:50 by your company and TUF.

HATCHERY FOR VANNAMEI

Your Company has decided to invest in a Joint Venture company with Mr. Anil George, a well known hatchery owner & operator in the ratio of 51:49 to set up a Vannamei shrimp hatchery for which TUF would extend technical support.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors hereby confirm and declare that:

- (a) in the preparation of Annual Accounts, the applicable accounting standards have been followed ;

- (b) the accounting policies are consistently applied and reasonable, prudent judgements and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Losses of the Company for that period ;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENTS:

Your Directors are pleased to place on record their gratitude and appreciation for co-operation extended by the Governmental Agencies, Financial Institutions, Shareholders and Banks from time to time. Your Directors also convey thanks and appreciation to the valued customers and dealers for their continued patronage.

for and on behalf of the Board

Place: Hyderabad
Date : 25.07.2009

A. Indra Kumar
Managing Director



Annexure - 1

Statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2009.

Name of the Employee	Designation	Nature of Duties	Remuneration received Rs. in lakhs	Qualifications	Experience Yrs.	Date of Employment	Age Yrs.	Designation, Last Employment held
A.Indra Kumar	Managing Director	Projects, Production, Exports & General Administration	34.87	B.E	24	01.04.1998	47	Executive Director, Srinivasa Cystine Limited



Annexure – 2

Information pursuant to Section 217(1)(e) of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

FORM A

(See Rule 2)

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

A) Power & Fuel Consumption	2008-2009	2007-2008
1. Electricity		
a) Purchased : Units (KWH)	39,61,108	49,81,270
Total Amount (Rs.)	1,75,41,821	2,15,29,472
Rate / Unit (Rs.)	4.43	4.32
b) Own Generation		
i) Through Diesel Generator		
HSD Oil Consumed (Ltrs)	99,170	71,827
Units (KWH)	2,62,124	2,12,174
Units produced per litre of Diesel Oil	2.64	2.95
Cost of HSD Oil consumed (Rs.)	35,17,984	23,45,105
Cost / Unit (Fuel Cost / Unit (Rs.))	13.42	11.05
2. Furnace Oil / LSHS		
Quantity Consumed (Ltrs)	2,60,717	3,42,205
Total Amount (Rs.)	89,68,402	82,25,910
Quantity of Steam produced (Mts)	3,662	4,934
Average Rate (Rs./MT)	2,449	1,667
3. HSD Consumed for Burner (SSMD)		
Quantity Consumed (Ltrs.)	—	1,07,641
Total Amount (Rs.)	—	35,42,754
Production per litre of HSD	—	185.53
Average Rate (Rs./MT)	—	6,106
4. Consumption Per Unit (MT) of Production		
Electricity (KWH)		
Feed (PMT)	149	162
Shrimp (PMT)	3,275	2,537
SSM (PMT)	—	218
Furnace Oil (Ltrs.)		
Feed (PMT)	18.63	20.30
SSM (PMT)	—	92.12

B) Research and Development

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

C) Foreign Exchange Earnings & Outgoings:

	2008-2009 Rs. in Lakhs	2007-2008 Rs. in Lakhs
a) Foreign Exchange Earnings (FOB)	2,694.22	3,683.14
b) Foreign Exchange Out-go	439.96	1,148.76



Report on the Corporate Governance

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

Mandatory Requirements

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

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

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

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

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

Sl. No.	Name of Director	Executive Director (ED) Non Executive Director (NED), Independent Director (ID), Nominee Director (ND)	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 29th Sept, 2008
1.	Sri A. Indra Kumar	M.D. - Promoter	7	7	Yes
2.	Sri C. Ramachandra Rao	Joint M.D. & C.S.	7	7	Yes
3.	Dr. D. C. Das*	Director	7	1	Yes
4.	Sri N. Ram Prasad	NED	7	3	Yes
5.	Sri A.V. Achar	NED/ID	7	1	Yes
6.	Sri K. Ram Mohan Rao	NED/ID	7	4	Yes
7.	Sri M. Venkateswara Rao	ND/ID	7	5	Yes
8.	Sri B. V. Kumar	NED/ID	7	1	No
9.	Sri M. S. P. Rao	NED/ID	7	5	No
10.	Mr. Tin King Chan*	NED/ID	7	1	NA

Note: *Mr.D.C.Das resigned on 29th January,2009 and Mr. Tin King Chan appointed on 29th January,2009



ii) **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 which Director	No. of Committees (Excluding Avanti Feeds Limited)	
			Membership	Chairmanship
1.	Sri A. Indra Kumar	12	—	—
2.	Sri C. Ramachandra Rao	12	1	—
3.	Dr. D. C. Das	—	—	—
4.	Sri N. Ram Prasad	6	1	1
5.	Sri A.V. Achar	3	1	1
6.	Sri K. Ram Mohan Rao	2	—	—
7.	Sri M. Venkateswara Rao	4	—	—
8.	Sri B. V. Kumar	2	—	—
9.	Sri M. S. P. Rao	8	—	—
10.	Sri Tin King Chan	13	—	—

iii) **The details of Board Meetings held during the financial year 2008-09**

Seven Board Meetings were held during the year 2008-09. The time gap between any two Board Meetings did not exceed by more than four months. The dates on which the said Board Meetings were held during 2008-09 are as follows:

Sl. No.	Date of Board Meeting
1.	29.04.2008
2.	30.07.2008
3.	13.08.2008
4.	04.10.2008
5.	30.10.2008
6.	09.12.2008
7.	29.01.2009

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

Sri K.Ram Mohan Rao and Sri B.V.Kumar retire by rotation and, being eligible, have offered themselves for re-appointment.



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

- 1) Name of the Director : **Mr. K.Ram Mohan Rao**
Date of Birth : 03.04.1950
Date of appointment : 26.09.1998
Occupation : Agriculturist
Expertise in specific functional areas : Expertise in Aqua culture, and framing Marketing policies
Directorships in other companies : Srinivasa Cystine Pvt. Limited
SCL Trading Pvt. Limited
Committee positions held in other companies : N A
- 2) Name of the Director : **Mr. B.V.Kumar**
Date of Birth : 29.05.1934
Date of appointment : 26.09.2002
Occupation : Legal Practitioner
Expertise in specific functional areas : He is a Practicing Lawyer in Hon'ble High Court of Karnataka and he worked in various Government and Central Government organizations.
Directorships in other companies : Banashankari Institute of Oncology, Bangalore
Legal & Accounting Services Private Limited, Bangalore
Committee positions held in other companies : N A



Scheduling and Selection of Agenda items for Board Meetings.

- a. Minimum four Board Meetings are held in each year, which are pre-scheduled after the end of each financial quarter. Apart from the pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- b. The meetings were held at the Registered Office and at factory of the Company, at Kovvur.
- c. The information placed before the Board includes.
 - Quarterly results of the Company and its operating divisions or business segments.
 - Minutes of the meetings of Audit Committee and other Committees of the Board.
 - The information on recruitment and remuneration of senior personnel just below the Board Level, including appointment of Chief Financial Officer and the Company Secretary.
 - Non compliance of any regulatory, statutory nature or listing requirements and shareholders services such as delay in share transfer etc.
 - Details of any joint venture or collaboration agreement.
 - Show cause, demand prosecution notices and penalty notices which are materially important.
 - General notice of interest of Directors.
 - Terms of reference of Board Committees.
 - Information and Approval of Preferential Allotment, Foreign Collaboration and Appointment of Additional Director.
 - Any material default in financial obligations to and by the Company etc.

3. Audit Committee:

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

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

Name	Designation	Meetings held during the year	Meetings attended during the tenure
Sri A V Achar	Chairman	4	1
Sri K Ram Mohan Rao	Member	4	4
Sri M S P Rao	Member	4	4
Sri C Ramachandra Rao	Compliance Officer	4	4

Sl. No.	Date of Meeting
1.	29.04.2008
2.	30.07.2008
3.	30.10.2008
4.	29.01.2009



The representatives of the Statutory Auditors and Internal Auditors of the Company had also attended the meetings. The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note. The Audit Committee considered and reviewed the accounts for the year 2008-09, before it was placed in the Board. The Committee periodically interacts with the statutory auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

4. Remuneration Committee:

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

During the year Remuneration Committee was reconstituted with the induction of Mr. K . Ram Mohan Rao into the Committee.

The Committee's role is to determine the Company's policy on remuneration packages to the Executive Directors. The Committee met on 19th February'09 and on 17th July'09 to review and approve the remuneration of Mr.C. Ramachandra Rao, Joint Managing Director & Company Secretary and also recommended the modifications to the remuneration payable to Mr.A.Indra Kumar, Managing Director. All the four members were present at the meeting.

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

- ii) The remuneration paid to the Managing Director, Whole time Directors of the Company for the year ended 31st March, 2009 are as under :-

Name and Designation	All elements of remuneration package i.e., salary benefits, pension etc. (Rs. in Lakhs)	Fixed Component and performance linked incentives along with the performance criteria (Rs. in Lakhs)	Service Contract Notice Period and Severance Fees (Rs. in Lakhs)	Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable (Rs. in Lakhs)
A.Indra Kumar Managing Director	34.87	—	—	—
C.Ramachandra Rao Joint Managing Director & Company Secretary	14.26	—	—	—
Dr. D C Das* Director (Marketing)	10.44	—	—	—

Note: * Resigned wef., 29th January,2009.



Avanti Feeds Limited

iii) The details of payments to Non-Executive Directors during the year 2008-09 are given below:

Name of the Director	Sitting Fee (in Rs.)	Commission (in Rs.)
K. Ram Mohan Rao	4,000	—
A. V. Achar	1,000	—
N. Ram Prasad	3,000	—
M. Venkateswara Rao Nominee of APIDC (Paid to APIDC)	5,000	—
B.V. Kumar	1,000	—
M. S. P. Rao	5,000	—
Tin King Chan	1,000	—

iv) Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March,2009

Name of the Director	Number of Shares held (as on 31.03.2009)
K. Ram Mohan Rao	18400
A. V. Achar	200
N. Ram Prasad	20600
M. Venkateswara Rao* Nominee of APIDC	500000

*NOTE: Shares held by Andhra Pradesh Industrial Development Corporation

5. Shareholders and Investors Grievance Redressal Committee :

Composition

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

During the year the Company has received 30 requests/ complaints from the investors, all of which were resolved and no request/complaint is kept unattended for a period beyond 30 days. There were no shares pending transfer as on 31st March,2009.

The status of shareholder's complaints during the financial year 2008-09 is as under:

Sl. No.	Nature of Complaint / Correspondence	Total No of Letters Received During the Period	Total No. of Letters Replied During the Period	Letters Pending
1	Non Receipt of Dividend Warrants	26	26	0
2	Receipt of Dividend Warrants for Revalidation	0	0	0
3	Non Receipt of Share Certificates	2	2	0
4	Request for Issue of Duplicate Dividend Warrant	0	0	0
5	Non Receipt of Securities after Transfer	2	2	0
6	Receipt of Damaged/Mutilated Dividend Warrant	0	0	0
7	Letter of Intimation of Bank Mandate	0	0	0
8	Request for ECS Facility (Electronic Clearance Services)	0	0	0
9	Change/Correction of Bank Mandate	0	0	0
10	Change/Correction of Bank Mandate on Payment Instruments	0	0	0
11	Loss of Securities and request for Issue of Duplicate	0	0	0
12	Receipt of IB and Affidavit for Issue of DUP Securities	0	0	0
13	Deletion of Joint Name Due to Death	0	0	0
14	Request for Consolidation/Split of Securities	0	0	0
15	Request for Exchange of Old Certificates with new Certificates	0	0	0
16	Request for Transmission of Securities	0	0	0
17	Complaint Relating to Transfer of Shares	0	0	0
18	Non Receipt of Dividend Warrants	0	0	0
19	Non Receipt of Securities	0	0	0
	T O T A L	30	30	0

6. **General Body Meetings:** The details of Annual General Meetings are as follows:

Year	Location	Date	Time
2007-08	Sri Sagi Ramakrishnam Raju Memorial Community Hall, Madhura Nagar, Hyderabad	29 th September 2008	11.00 AM
2006-07	Sri Sagi Ramakrishnam Raju Memorial Community Hall, Madhura Nagar, Hyderabad	28 th September 2007	11.00 AM
2005-06	Sri Sagi Ramakrishnam Raju Memorial Community Hall, Madhura Nagar, Hyderabad	27 th September 2006	11.00 AM



No Extraordinary General Meeting was held during the year 2008-09, however the company has conducted thru Postal Ballot on special resolutions for increase of Authorized Share Capital and to offer, issue and allotment of equity shares on preferential basis and the results of Postal Ballot are as follows:

Type of Resolutions	Votes in favour	Votes in against	Total
Special Resolution for alteration of Memorandum and Articles of Association for increase in Authorised Share Capital	3762288 shares	Nil	3762288
Special Resolution for issue and allotment of equity shares on preferential basis.	3760188 shares	2100	3762288

7. Disclosures:

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

8. Means of Communication:

- a. The relevant information relating to the Directors who would be appointed/re-appointed at the ensuing Annual General Meeting is given in the notice convening the Annual General Meeting .
- b. The Quarterly / Half Yearly and Annual Financial results of the Company are forwarded to the Bombay, Madras and Hyderabad Stock Exchanges and were published in Financial Express, Business Standard and Andhra Prabha, Hyderabad.
- c. The Company's results were displayed on SEBI website. (www.sebi.gov.in) .
- d. The Company has issued and allotted 14,60,000 Equity Shares of Rs.10/- each fully paid up at premium of Rs.30/- per share to Promoters and Foreign Collaborators.
- e. The Management Discussion and Analysis Report is included elsewhere in this Annual Report.



9. General Shareholders' Information:

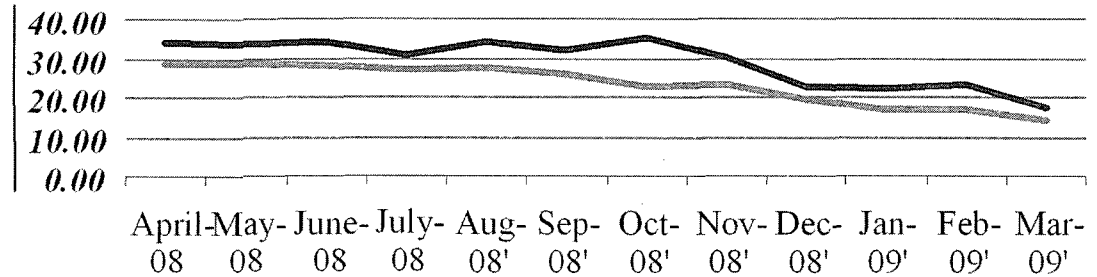
Sl. No.	Item	Details
(i)	AGM Date, Time and Venue	On 23rd September, 2009 at 11.00 A.M. Sri Sagi Ramakrishnam Raju Memorial Community Hall, Madhura Nagar, Hyderabad
(ii)	Financial Year	2009-2010
(iii)	Financial Calendar (tentative)	<ul style="list-style-type: none">• First Quarter Results – End July, 2009.• Second Quarter / Half Year Results – End October, 2009.• Third Quarter / Nine Months Results – End January, 2010.• Fourth Quarter / Year end Results – End June, 2010.
(iv)	Dates of Book Closure	17th September, 2009 to 23rd September, 2009 (Both days inclusive).
(v)	Dividend and Dividend payment date	Board of Directors not recommended any Dividend for the financial year 2008-09.
(vi)	Listing on Stock Exchanges	<p>The Company's Shares are listed on Hyderabad, Madras and Bombay Stock Exchanges. The Address of these Exchanges is as given below:</p> <ol style="list-style-type: none">1. Hyderabad Stock Exchange Limited* 6-3-654, Adjacent to Erramangil Bus Stop Somajiguda, Hyderabad - 500 082.2. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.3. The Madras Stock Exchange, Exchange Building, Post Box No.183, 11, Second Line Beach, Chennai - 600 001 <p>The Company has duly paid the Listing fees for the year 2008-09 to the Stock Exchanges where the shares of the Company are Listed.</p> <p>*As Hyderabad Stock Exchange derecognized by SEBI, hence not paid any listing fees.</p>
(vii)	Stock Code	BSE : 512573 MSE : AVA NSDL/CSDL ISIN No. : INE871C01012



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

Month	Open Price	High Price	Low Price	Close Price
April 2008	32.45	34.00	28.70	31.50
May 2008	31.45	33.50	28.55	30.85
June 2008	29.25	34.00	28.00	29.10
July 2008	29.05	31.00	27.00	29.90
August 2008	29.95	34.00	27.30	31.55
September 2008	32.00	32.00	26.00	28.95
October 2008	29.00	35.00	22.50	27.95
November 2008	29.00	30.50	23.00	23.20
December 2008	22.35	22.95	19.30	21.00
January 2009	22.05	22.05	17.00	19.30
February 2009	20.25	23.10	16.50	16.65
March 2009	16.50	17.50	14.00	14.50

BSE Price List



— High Price — Low Price

- ix) Registrars & Share Transfer Agents : Karvy Computershare Private Limited
 Plot No.17 to 24, Vittal Rao Nagar,
 Madhapur, Hyderabad - 500 081.
 Tel: 040-23420815-28 Fax: 040-23420814, 23420857
 E-mail: mailmanager@karvy.com
 Website : www.karvycomputershare.com
- x) Share transfer system : All transfers received are processed and approved by the Share Transfer Committee which normally meets once in a fortnight or more depending upon the volume of transfers.



xi) Shareholding information:

a) Distribution of Share holding pattern as on 31.03.2009

Sl. No.	Category	Number of Shareholders	% of Shareholders	Number of Shares	% of holding
	From To				
1	Upto 5000	3,416	86.15	582058	7.28
2	5001 10000	213	5.37	172193	2.15
3	10001 20000	145	3.66	224365	2.80
4	20001 30000	66	1.66	168054	2.10
5	30001 40000	30	0.76	107303	1.34
6	40001 50000	26	0.66	123284	1.54
7	50001 100000	32	0.81	222128	2.78
8	100001 and above	37	0.93	6400615	80.01
No. of Shareholders in Physical mode		1,693	42.69	975973	12.20
No. of Shareholders in Electronic mode		2,272	57.31	7024027	87.80

b) Share Holding Pattern as on 31.03.2009

Sl. No.	Category	No. of Shares	% to Paid up Capital
A	Promoters Holding		
1	Promoters – Individuals	12,19,790	15.25
2	Promoters – Corporate Bodies	24,87,700	31.10
	Sub Total	37,07,490	46.35
B	Non-Promoters Holding		
1	Institutional Investors		
a.	Mutual Funds and	4,500	0.06
b.	Banks, IFI, Insurance Companies (Central and State Govt Institutions / Non-Govt Institutions)	5,00,900	6.26
c.	FIs	1,100	0.01
	Sub Total	5,06,500	6.33
2	Others		
a.	Private Corporate Bodies	2,78,133	3.48
b.	Indian Public	22,44,618	28.06
c.	NRIs/ OCB's	12,61,521	15.76
d.	Others/Clearing Members	1,738	0.02
	Sub Total	37,86,010	47.32
	GRAND TOTAL	80,00,000	100.00



3.	<p>Dematerialisation of Shares and Liquidity</p> <p>The Company has entered into tripartite agreements with NSDL and CDSL to establish Electronic connectivity through Company's Electronic Registrar i.e., Karvy Computershare Private Limited, Hyderabad and facilitate scripless trading. Trading in the equity shares of the Company is compulsorily in dematerialised form for all investors.</p> <p>Investors are therefore advised to open a demat account with the Depository Participant of their choice to trade in demat form. The list of depository participants is available with NSDL and CDSL. The ISIN allotted to the Company's Scrip is INE871C01012.</p> <p>87.80 % (Previous Year 45.50%) of Company's shares are now held in Electronic form. The liquidity of the Company's shares is expected to improve with the increase in holdings in demat form.</p>							
4	<p>Outstanding ADRs/GDRs</p> <p>The Company has not issued any ADR/GDR</p>							
5.	<p>Plant Locations</p> <table border="1"> <tr> <td>Shrimp Feed Plant I & Wheat Flour Plant D.No.15-11-24, Kovvur - 534 350 W.G.Dist, A.P., India</td> <td>Shrimp Feed Plant II Vemuluru, Kovvur - 534 350 W.G.Dist., A.P., India</td> </tr> <tr> <td>Shrimp Processing Plant Gopalapuram 533 274 Ravulapalem Mandal E.G. Dist., A.P., India</td> <td>Shrimp Shell Meal Plant Velivenu Road Samisragudem, W.G.Dist. E.G. Dist, A.P. India</td> </tr> <tr> <td>Wind Mill Lakkiahalli Village, Hiriyur Taluk, Chitradurga District, Karnataka State.</td> <td></td> </tr> </table>		Shrimp Feed Plant I & Wheat Flour Plant D.No.15-11-24, Kovvur - 534 350 W.G.Dist, A.P., India	Shrimp Feed Plant II Vemuluru, Kovvur - 534 350 W.G.Dist., A.P., India	Shrimp Processing Plant Gopalapuram 533 274 Ravulapalem Mandal E.G. Dist., A.P., India	Shrimp Shell Meal Plant Velivenu Road Samisragudem, W.G.Dist. E.G. Dist, A.P. India	Wind Mill Lakkiahalli Village, Hiriyur Taluk, Chitradurga District, Karnataka State.	
Shrimp Feed Plant I & Wheat Flour Plant D.No.15-11-24, Kovvur - 534 350 W.G.Dist, A.P., India	Shrimp Feed Plant II Vemuluru, Kovvur - 534 350 W.G.Dist., A.P., India							
Shrimp Processing Plant Gopalapuram 533 274 Ravulapalem Mandal E.G. Dist., A.P., India	Shrimp Shell Meal Plant Velivenu Road Samisragudem, W.G.Dist. E.G. Dist, A.P. India							
Wind Mill Lakkiahalli Village, Hiriyur Taluk, Chitradurga District, Karnataka State.								
6.	<p>Address for Correspondence</p> <p>Registered Office :</p> <p>Avanti Feeds Limited, G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad - 500 082.</p> <p>Registrars and Transfer Agents:</p> <p>M/s. Karvy Computershare Private Limited Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081. Tel: 040-23420815-28 Fax: 040-23420814, 23420857 E-mail : mailmanager@karvy.com</p>							

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



DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2009, as envisaged in clause 49 of the listing agreement with stock exchanges.

Place : Hyderabad
Date : 25.07.2009

A.Indra Kumar
Managing Director

C.Ramachandra Rao
Joint Managing Director
& Company Secretary

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the auditors and the Audit Committee
 - i. significant changes in internal controls during the year.
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - iii. That there have been no instances of significant fraud of which we have become aware, involving the management or an employee having a significant role in the Company's internal control system.

A.Indra Kumar
Managing Director

C.Ramachandra Rao
Joint Managing Director &
Company Secretary

Place : Hyderabad
Date : 25.07.2009



Auditors' Certificate on Corporate Governance

TO
THE MEMBERS OF
AVANTI FEEDS LIMITED

We have examined the compliance of conditions of Corporate Governance by Avanti Feeds Limited, (the Company), for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions

of corporate governance as stipulated in the above-mentioned listing agreement.

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

for **Karvy & Co.**
Chartered Accountants

Place : Hyderabad
Date : 25.07.2009

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



Management Discussion and Analysis Report

CAVEAT:

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

INDUSTRY OVERVIEW:

Indian marine product exports during 2008-09 recorded an increase of about 13% over previous in terms of value and about 11.3% in terms of quantity. During 2008-09, 602,000 lakhs tones of seafoods valued at Rs.8607.94 crores were exported. The European Union remained the largest market for Indian seafood accounting for 151,590 tonnes at Rs.2800 crores with China taking the second position. Exports to China has gone up by about 15% over the previous year.

The Frozen of shrimp continued to be the major item in the export basket accounting for 44% of the total export earnings. Their share in the exports during 2008-09 dropped by 8%, 4% and 15% in quantity, rupee value and dollar value respectively. The shrimp production from coastal aquaculture during the year 2008-09 was 75,997 tonnes from the culture area of 108,000 hectares. Compared to the previous year the decrease is about 28.4% in production and 10.9% in area. The production of fresh water prawn (Scampi) during the year was 12,806 tonnes from an area of 1,644 hectares showing a reduction of 53% in production and 63% in area utilization.

The shrimp industry continues to be under pressure due to non-availability of quality seed, inadequacy of infrastructure and un-favourable climatic conditions forcing the shrimp culture to be on a low key.

However, notwithstanding the turbulent times that the shrimp industry is presently passing thru, Government of India and its nodal agencies are promoting sustainable Aquaculture and the industry has a promising future. In order to make Indian aqua culture sustainable and globally competitive Government has permitted Vannamei shrimp culture in India which is expected to be more commercially viable and profitable to all the stake holders. This has been proved in countries like Thailand.

The Vannamei species is suitable for high density culture, thus cost effective. The introduction of Vannamei will increase yield and profitability of the farmers. Efforts are also being made by NFDB to develop domestic market for shrimps so that the domestic market would support export during the times of distress in the export market. In the recent Administrative review the US DOC has further reduced the Anti-dumping duty on Indian shrimps to 0.79% from 1.69%. This reduction is expected to give much needed relief to the Indian Shrimp culture industry.

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS:

Strengths:

The Company has experience of over fifteen years in aqua culture feed and other related activities with strong dealership network and committed work force. Recently, the Company has strengthened its ties with THAIUNION Group by way of their investment of 14.99% of the equity shares of the Company and also making collaboration for setting up Vannamei Hatchery and extending technical, marketing assistance for Feed as well as export of shrimps. This would go a long way in consolidating Company's share in the market.

With firm base in Andhra Pradesh, the Company is now expanding its market to other states such as Tamilnadu, West Bengal, Karnataka, Gujarat and Maharashtra. The introduction of Vannamei culture is expected to increase the feed consumption significantly in terms of quantity due to high stocking density shrimp culture.

Weaknesses:

The inadequacy of infrastructure facilities, particularly



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

Opportunities:

SHRIMP FEED PLANT IN GUJARAT :

It is observed that over the last 3 years, the shrimp culture is growing rapidly in the west coast comprising of Gujarat, Maharashtra and Goa. It is of strategic advantage to have shrimp feed plant in Gujarat to cater to the local and neighboring states shrimp feed demand. The company will have competitive advantage of reduced transportation cost and prompt supply of fresh feed to the farmers. The Company, therefore, planned to set up a shrimp feed plant in Gujarat.

Thai Union Frozen Products Public Co Ltd., Thailand (TUF) has expressed its willingness to join the Gujarat venture as a 50% joint promoter by forming a separate company in the name and style "Avanti Thai Aqua Feeds (P) Ltd." (JV Company). TUF also agreed to extend technical support to the project. The Joint Venture Agreement has been signed between Company and TUF and the project implementation is slated to commence in September'09.

HATCHERY FOR VANNAMEI

In order to provide much needed impetus to ailing Indian Shrimp Culture industry, the Government of India has now permitted Vannamei Shrimp culture in India. Compared to the existing Black Tiger shrimp culture, Vannamei shrimp culture is considered to be more commercially viable due to its high stocking density culture and also less disease prone seeds (Specific Pathogen Free). The Vannamei culture is considered to be relatively less in cost of production and expected to give the farmer better margins. This has been successfully proved in countries like Thailand where Vannamei constitutes as much as 85% to 90% of total shrimp culture of the country.

Keeping in line with this development in the industry and the support provided by THAI UNION, the Company decided to set-up a Vannamei Shrimp Hatchery in Joint Venture with Mr. Anil George an established shrimp hatchery owner and operator by investment in JV Company to provide good seed to the shrimp cultivating farmers. The investment proposed in the JV company is 51% by your Company and 49% by Mr. Anil George.

The demand for marine food is increasing all over the world, particularly Indian Seafood exports as could be seen from the increase in exports during 2008-09. One of the reasons being, seafood is considered as healthier compared to other meat. India is gifted with long coast line ideally suited for development of seafood industries. A planned development would provide abundant opportunities for seafood industry. The introduction of Vannamei Species will increase cultivation and domestic consumption.

Threats:

Volatility of international prices of shrimps and fluctuating foreign exchange rates, uncertainty of climatic conditions, susceptibility of virus and other diseases for shrimps, continuous to be the major areas of threat for the industry. However, development of domestic market to support exports, strict adherence of traceability, scientific pond management, a judicious approach on prices and forex management is expected to reduce the impact of threats to a great extent.

OUTLOOK:

Feed Market:

Though there has been decrease in feed sales during 2008-09 compared to the previous year, introduction of Vannamei culture and relatively better culture environment in the current year, the feed consumption is expected to go up and once the Vannamei culture is fully adopted and implemented in India, the feed demand is likely to increase significantly.

Processing & Export of Shrimp:

Similarly, with introduction of Vannamei culture the volume of shrimp production is likely to increase significantly with higher utilization of processing



capacity and increase in exports. The development of domestic market would also support exports in the long run. The cost of production of Vannamee shrimps is expected to be lower than the existing Black Tiger shrimps, making Indian shrimps more competitive in the global market.

POWER :

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

- (a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State is operational and generating power as planned.
- (b) Srivathsa Power Projects Pvt Ltd, a 17.2 MW gas based independent power project in which company holds 50% shares is operational and has generated positive cash flows.
- (c) The 16 MW Hydel Power Project in Himachal Pradesh with an investment of 28.59% as a joint venture project, was commissioned in February'08. During the full year(01.04.2008 to 31.03.2009) of operation 5.37 million salable energy units have been produced yielding a gross sales income of Rs.13.89 crores and net profit of Rs. 1.36 crores after charging interest and depreciation but before provision for deferred tax of Rs. 5.49 crores. The project achieved capacity utilization of 51.81% during the year as against budgeted utilization of 56.23%.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. Intangible Assets of the company have been dealt with in the books in accordance with AS 26 issued by ICAI and are being written off over a period of 5 years in equal installments. In the year under consideration, your company suffered a loss of Rs. 996.78 lacs before tax adjustments.



Auditors' Report

To
The Members of
Avanti Feeds limited.

We have audited the attached Balance sheet of Avanti Feeds Limited as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act,1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
 3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2009;
 - ii. in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date

for **Karvy & Co.**
Chartered Accountants

Place : Hyderabad
Dated : 25.07.2009

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



Annexure to the Auditors' Report

Referred to in paragraph 2 of our report

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii. In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of account.
- iii. a) According to the information and explanations given to us, during the year the Company has not granted any loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (a) to 4 (iii) (d) of the Order are not applicable.
- b) According to the information and explanations given to us, the Company has taken an unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs 1.24 crores and the year end balance is NIL.
- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
- d) The entire loan was repaid during the year and there are no overdue amounts.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. There are no transactions except the loans stated in clause 4 (iii) above that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- vi. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account



and records maintained by the Company relating to the generation of wind power, pursuant to Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other product manufactured by the Company.

- ix. In respect of Statutory dues:
- a) According to the books and records as produced and examined by us in and also based on the Management representations, it was found that there were no undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable to be deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31st, 2009 for a period of more than six months from the date on which they become payable.
- b) According to the information and explanations given to us, there are no amounts in respect of income tax, sales-tax, Service-tax, customs duty, wealth-tax, excise duty and Cess, that have not been deposited with the appropriate authorities on account of any dispute.
- x. The Company does not have accumulated losses at the end of the financial year. The Company has incurred cash losses of Rs 662.63 lakhs during the current financial year, however it had no cash losses in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. No loans have been taken by the Company from financial institutions.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Clause 4 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, Clause 4 (xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, Clause 4 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, Clause 4 (xv) of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were taken by the Company during the year. Accordingly, Clause 4 (xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
- xviii. The Company has made preferential allotment of shares to the Company covered under register maintained under Section 301 of the Companies



Act, 1956. However the terms and conditions are not prima facie prejudicial to the interest of the Company.

xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company. Accordingly, Clause 4 (xix) of the Order is not applicable to the Company.

xx. The Company has not raised any money by public issues during the year. Accordingly, Clause 4 (xx) is not applicable to the Company.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

for **Karvy & Co.**
Chartered Accountants

Place : Hyderabad
Dated : 25.07.2009

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



Avanti Feeds Limited

Balance Sheet as at 31st March, 2009

	Schedule No.	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SOURCES OF FUNDS			
Shareholders funds			
Share Capital	1	8,00,00,000	6,54,00,000
Reserves & Surplus	2	61,95,55,147	64,60,54,652
Loan Funds			
Secured Loans	3	30,81,89,596	33,46,32,094
Unsecured Loans	4	5,89,62,295	5,89,62,295
Deferred Tax Liability		—	1,76,65,692
TOTAL		1,06,67,07,038	1,12,27,14,733
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	57,52,88,438	59,32,59,727
Less : Depreciation		27,47,43,486	25,89,99,965
Net Block		30,05,44,952	33,42,59,762
Capital Works in Progress		—	13,93,948
Investments	6	28,49,84,147	28,82,70,022
Deferred Tax Asset		1,22,64,971	—
Current Assets, Loans & Advances			
Interest Accrued		5,79,248	21,09,235
Inventories		20,38,32,378	26,69,71,442
Cash & Bank Balances		8,99,41,460	3,97,50,706
Sundry Debtors		15,42,11,506	13,53,64,375
Loans & Advances		13,99,64,270	13,72,50,270
		58,85,28,862	58,14,46,028
Less : Current Liabilities & Provisions	8	11,96,15,894	8,26,55,027
Net Current Assets		46,89,12,968	49,87,91,001
TOTAL		1,06,67,07,038	1,12,27,14,733

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

For and on behalf of the Board

K.Ajay Kumar
Partner

A.Indra Kumar
Managing Director

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

N.Ram Prasad
Director



Profit & Loss Account for the year ended 31st March, 2009

	Schedule No.	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
INCOME			
Operating Income	9	72,99,59,428	1,02,83,30,179
Other Income	10	59,27,868	3,93,62,712
TOTAL		73,58,87,296	1,06,76,92,891
EXPENDITURE			
Material Cost	11	55,18,97,806	74,82,83,124
Personnel Cost	12	4,88,95,109	5,03,36,287
Manufacturing & Other Expenses	13	13,04,42,678	16,71,33,436
Finance Charges	14	7,09,14,448	5,00,30,429
Depreciation		3,34,15,329	3,87,78,343
TOTAL		83,55,65,370	1,05,45,61,619
Profit / (Loss) before Tax		(9,96,78,074)	1,31,31,272
Current Tax		—	14,80,000
Deferred Tax (Asset) / Liability		(2,99,30,663)	1,51,593
Fringe Benefit Tax		5,52,094	9,50,000
Earlier Year Taxes		—	17,46,506
Profit after Tax		(7,02,99,505)	88,03,173
Profit brought forward from Previous Year		25,05,24,989	24,93,73,289
Profit available for appropriation		18,02,25,484	25,81,76,462
APPROPRIATIONS			
Proposed Dividend		—	65,40,000
Provision for Corporate Dividend Tax		—	11,11,473
Transfer to General Reserve		—	—
Surplus carried to Balance Sheet		18,02,25,484	25,05,24,989
TOTAL		18,02,25,484	25,81,76,462
Basic & Diluted earnings per share face value of Rs.10/- each		(10.06)	1.35

As per our Report of even date for Karvy & Co.
Chartered Accountants

For and on behalf of the Board

K.Ajay Kumar
Partner

A.Indra Kumar
Managing Director

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

N.Ram Prasad
Director



Cash Flow Statement for the year ended 31st March, 2009

	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(9,96,78,074)	1,31,31,272
Adjustment for		
Depreciation	3,34,15,329	3,87,78,343
Loss on sale of Fixed Assets	1,92,857	2,86,737
CWIP Written off	11,61,417	—
Profit on Sale of Fixed Assets	(1,33,369)	—
Profit on sale of Mutual Funds	—	(8,22,680)
Loss on exchange fluctuations & forward contracts	30,54,299	(4,20,101)
Interest Paid	3,85,20,545	5,00,30,429
Loss of Derivatives	3,23,93,903	—
Interest Received	(30,22,687)	(32,25,8760)
Dividend Received on Shares & Mutual Funds	(2,79,467)	(4,28,402)
Operating Profit before Working Capital Changes	56,24,754	9,73,29,722
Adjustment for		
Trade and Other Receivables	(1,97,22,205)	2,03,67,276
Inventories	6,31,39,064	9,31,73,351
Trade Payable	4,49,21,278	(3,74,12,643)
Cash generated from Operations	9,39,62,892	17,34,57,706
Income Tax Paid	(5,52,094)	(16,88,831)
Net Cash flow from Operating activities	9,34,10,797	17,17,68,875
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment (Net)	32,85,875	43,26,500
Dividend Received on Mutual Funds	2,79,467	4,28,402
Profit on sale of Mutual Funds	—	8,22,680
Interest Received	30,22,687	32,25,876
Purchase of Fixed Assets	(5,88,552)	(46,94,007)
Sale of Fixed Assets	4,43,200	6,00,290
Net Cash used in Investing activities	64,42,677	47,09,741



Avanti Feeds Limited

	31st March, 2009 Rupees	31st March, 2008 Rupees
C. CASH FLOW FROM FINANCE ACTIVITIES		
Increase in Share Capital & Share Premium	5,84,00,000	—
Repayment of Borrowings	(5,96,52,246)	(5,83,90,055)
Proceeds from Borrowings	3,32,09,746	(9,04,63,965)
Interest Paid	(3,85,20,545)	(5,00,30,429)
Loss on Derivatives	(3,23,93,903)	—
Profit on exchange fluctuations & forward contracts	(30,54,299)	4,20,101
Dividends paid including tax on Dividend	(76,51,473)	(1,14,61,023)
Net Cash generated in Financing Activities	(4,96,62,720)	(20,99,25,371)
Net Increase / Decrease in Cash and Cash Equivalents	5,01,90,754	(3,34,46,755)
Cash and Cash Equivalents (Opening Balance)	3,97,50,706	7,31,97,462
Cash and Cash Equivalents (Closing Balance)	8,99,41,460	3,97,50,706

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

For and on behalf of the Board

A.Indra Kumar
Managing Director

N.Ram Prasad
Director



Schedules forming part of Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised : 80,00,000 (Previous year 70,00,000) Equity Shares of Rs.10/- each	8,00,00,000	7,00,00,000
Issued, Subscribed and Paid-Up : 80,00,000 (Previous year 65,40,000) Equity Shares of Rs.10/- each fully paid-up (Includes 14,60,000 Equity Shares issued on preferential basis)	8,00,00,000	6,54,00,000
TOTAL	8,00,00,000	6,54,00,000
SCHEDULE 2 : RESERVES & SURPLUS		
Subsidies	1,29,60,401	1,29,60,401
Share Premium		
Opening Balance	—	
Add : Addition during the year (On account of preferential issue of 14,60,000 Equity Shares @ Rs.30/- per share)	<u>4,38,00,000</u>	—
General Reserve		
Opening Balance	38,25,69,262	
Add : Transfer from Profit & Loss Account	—	
	38,25,69,262	38,25,69,262
Surplus in Profit & Loss Account	18,02,25,484	25,05,24,989
TOTAL	61,95,55,147	64,60,54,652
SCHEDULE 3 : SECURED LOANS		
From Banks		
Term Loans	14,70,87,886	20,61,32,330
Working Capital Loans	16,03,09,404	12,70,99,656
From Other		
Vehicle Loans	7,92,306	14,00,108
TOTAL	30,81,89,596	33,46,32,094
SCHEDULE 4 : UNSECURED LOANS		
Sales Tax Deferrment Loan	5,89,62,295	5,89,62,295
TOTAL	5,89,62,295	5,89,62,295



Schedules forming part of Balance Sheet as at 31st March, 2009

SCHEDULE 5 : FIXED ASSETS

Rupees

Sl.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2008	Additions	Deletions	Total as on 31.03.2009	Upto 31.03.2008	For the Year	On Deletions	Total upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
1.	Land & Development	1,28,33,819	—	—	1,28,33,819	—	—	—	—	1,28,33,819	1,28,33,819
2.	Buildings	8,45,80,652	—	—	8,45,80,652	1,92,20,095	23,87,402	—	2,16,07,497	6,29,73,155	6,53,60,557
3.	Plant & Machinery	43,80,43,668	1,12,141	*3,85,344	43,77,70,465	19,83,55,643	2,72,05,225	—	22,55,60,868	21,22,09,597	23,96,88,025
4.	Office Equipment	1,08,39,908	1,60,221	—	1,10,00,129	91,07,770	8,40,369	—	99,48,139	10,51,990	17,32,138
5.	Furniture & Fixtures	38,08,738	—	—	38,08,738	18,16,936	2,23,999	—	20,40,935	17,67,803	19,91,802
6.	Vehicles	2,74,35,340	3,16,190	24,56,894	2,52,94,636	1,47,81,919	27,58,334	19,54,206	1,55,86,047	97,08,589	1,26,53,421
	TOTAL	57,75,42,124	5,88,552	28,42,238	57,52,88,438	24,32,82,363	3,34,15,329	19,54,206	27,47,43,486	30,05,44,952	33,42,59,762
	Previous Year Figures	58,91,33,607	57,11,893	15,85,773	59,32,59,727	22,09,24,366	3,87,78,343	7,02,744	25,89,99,965	33,42,59,762	36,82,09,241

* Rama Brand name and Technical Know how fees have been reduced from the above schedule as they are fully amortised.

(*) Subsidy received during the year from MPEDA is reduced from the cost of the respective asset



Avanti Feeds Limited

Schedules forming part of Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 6 : INVESTMENTS		
a) Trade Investments - Unquoted		
Long Term:		
Equity shares - Fully paid in Subsidiary company 10,00,000 Shares of Rs.10/- each in Svimsan Exports & Imports Ltd. (Previous Year 10,00,000 shares @ Rs. 10/- each)	1,00,00,000	1,00,00,000
In others:		
Srivathsa Power Projects Limited (1,66,93,630 shares @ Rs.10/- each) (Previous Year 1,66,93,630 shares @Rs. 10/- each)	16,70,53,800	16,70,53,800
Laxai Avanti Life Sciences Pvt. Ltd. (Previous year 82,500 shares @ Rs.10/- each)	—	8,25,000
Patikari Power Private Limited (55,00,000 shares @ Rs.10/- each) (Previous Year 55,00,000 shares @Rs. 10/- each)	10,50,00,000	10,50,00,000
Patikari Power Private Limited (Share application money, previous year Rs. 15,38,622/-)	15,77,747	15,38,622
b) Non-Trade Investments		
Quoted - Equity Shares		
2,880 Equity Shares of Rs.130/- each in IDBI	54,000	54,000
5,000 Equity Shares of Rs.10/- each in Bluegold Maritech Ltd.	5,000	5,000
7,800 Equity Shares of Rs.10/- each in UCO Bank Limited	93,600	93,600
Unquoted - Equity Shares		
1,20,000 Equity Shares of Rs.10/- each in Bhimavaram Hospitals	12,00,000	12,00,000
Unquoted - Mutual Funds		
I D B I Infrastructure (Tax Saving) Bond (2002 B) (500 @ Rs.4000/- each)	—	25,00,000
TOTAL	28,49,84,147	28,82,70,022
Quoted Investments		
Book Value	1,52,600	1,52,600
Market Value	3,90,512	5,49,038
Unquoted Investments		
Book Value	28,48,31,547	28,81,17,422



Schedules forming part of Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES		
a) Interest Accrued	5,79,248	21,09,235
b) Inventories - At cost or Net Realisable Value as valued and certified by the Management)		
Raw Materials	8,72,66,061	12,22,64,544
Work-in-process	1,60,80,445	91,58,600
Finished Goods	7,33,32,669	11,19,32,836
Stores & Spares	1,36,62,729	1,63,06,190
Packing Materials	76,10,187	73,09,272
Stock in Transit	58,80,287	—
TOTAL	20,38,32,378	26,69,71,442
c) Cash & Bank Balances		
Cash on Hand	17,27,062	58,05,221
Balances with Scheduled Banks		
In Current Accounts	1,25,53,634	1,94,37,529
In Lien Accounts	1,72,60,764	1,45,07,956
Unutilised money raised in preferential issue held in deposits Accounts	5,84,00,000	—
TOTAL	8,99,41,460	3,97,50,706
d) Sundry Debtors (Unsecured, considered good)		
Outstanding for more than Six Months	4,88,56,142	6,88,10,620
Others	10,53,55,364	6,65,53,755
TOTAL	15,42,11,506	13,53,64,375
e) Loans & Advances (Unsecured, considered good recoverable in cash or in kind or for value to be received)		
Advance for Purchases	19,06,763	5,12,585
Other Advances	1,33,66,231	1,25,29,906
Recoverable from Govt. Authorities	3,65,81,054	3,73,21,701
Advance Tax	2,62,44,251	2,47,91,618
Deposits	1,46,75,086	2,80,23,931
DEPB Receivable	4,71,90,885	3,40,70,529
TOTAL	13,99,64,270	13,72,50,270



Schedules forming part of Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
Creditors for Trade		
Due to Micro, Small & Medium Enterprises	—	—
Due to Others	6,52,37,174	1,74,19,498
Creditors for Expenses	2,12,98,581	1,76,63,451
Un Claimed Dividend	21,14,722	25,91,851
Trade Deposit from Customers	61,85,053	1,06,95,000
TOTAL - A	9,48,35,530	4,83,69,800
Provisions		
Provision for Income Tax	1,46,86,054	1,46,73,265
Provision for FBT	5,52,094	9,50,000
Provision for Retirement Benefits	95,42,216	1,10,10,489
Provision for Dividend	—	65,40,000
Provision for Dividend Tax	—	11,11,473
TOTAL - B	2,47,80,364	3,42,85,227
TOTAL - (A + B)	11,96,15,894	8,26,55,027



Schedules forming part of Profit & Loss Account for the year ended 31st March, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
SCHEDULE 9 : OPERATING INCOME		
Domestic Sales	38,58,15,293	53,05,28,928
Export Sales	28,16,33,686	42,64,53,458
Electricity Sales (Wind Mills)	2,56,68,342	2,31,67,244
Export Incentives	3,68,42,107	4,81,80,549
TOTAL	72,99,59,428	1,02,83,30,179
SCHEDULE 10 : OTHER INCOME		
Interest on IDBI Bonds received Gross (TDS Rs. 5,21,180/- Previous year Rs. Nil)	4,28,760	18,71,239
Interest received on deposits Gross (TDS Rs. 5,05,713/- Previous year Rs. 7,51,620/-)	25,93,926	13,54,637
Anti Dumping Duty Refund Received	—	3,08,69,846
Dividend on Investments	2,79,467	4,28,402
Profit on sale of Mutual Funds	—	8,22,680
Miscellaneous Income	26,25,715	40,15,908
TOTAL	59,27,868	3,93,62,712
SCHEDULE 11 : MATERIAL COST		
a) Raw Materials Consumed	50,07,39,933	69,38,23,070
b) Raw Materials for Route Through Exports	—	4,34,33,677
c) Packing Materials Consumed	1,94,79,551	1,99,36,287
Total Consumption (a + b + c)	52,02,19,484	75,71,93,034
d) Increase / Decrease in Stocks		
Opening Stock		
Work in Process	91,58,600	1,25,23,305
Finished Goods	11,19,32,836	9,96,58,221
Closing Stock		
Work in Process	1,60,80,445	91,58,600
Finished Goods	7,33,32,669	11,19,32,836
Increase / (Decrease) in Stocks	(3,16,78,322)	89,09,910
Total Material Cost (a + b + c - d)	55,18,97,806	74,82,83,124



Schedules forming part of Profit & Loss Account for the year ended 31st March, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
SCHEDULE 12 : PERSONNEL COST		
Salaries, Wages & Bonus	3,64,90,428	3,59,82,224
Remuneration to Directors	59,57,346	50,13,600
Contribution to P F and Other Funds	55,75,340	84,98,881
Staff Welfare Expenses	8,71,995	8,41,582
TOTAL	4,88,95,109	5,03,36,287
SCHEDULE 13 : MANUFACTURING & OTHER EXPENSES		
<u>Manufacturing Expenses</u>		
Power & Fuel	3,00,28,207	3,56,43,241
Consumable Stores	70,49,623	83,95,908
Other Manufacturing Expenses	74,60,596	1,13,33,981
Factory Maintenance	5,80,066	9,51,936
Wind Mill Maintenance	22,61,419	21,78,978
Repairs & Maintenance of Plant & Machinery	40,49,320	39,11,931
<u>Administrative Expenses</u>		
Rent	1,80,442	3,70,271
Rates & Taxes	15,49,714	25,22,409
Service Tax	5,48,698	1,99,772
Insurance	34,74,759	26,56,403
Travelling & Conveyance	69,53,634	89,77,444
Vehicle Maintenance	22,06,010	19,43,321
Communication Expenses	20,99,459	22,31,687
Printing & Stationery	8,05,125	8,01,057
<u>Auditors Remuneration</u>		
As Auditors	3,30,900	2,24,720
Tax Matters	1,10,300	73,034
Reimbursement of Expenses	82,586	1,10,731



Schedules forming part of Profit & Loss Account for the year ended 31st March, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
<u>Repairs & Maintenance</u>		
Buildings	22,526	2,71,029
Plant & Machinery	52,349	—
Others	3,74,731	4,32,944
Professional Charges	37,93,818	39,11,051
Directors' Sitting Fee	20,000	27,000
Loss on Exchange Fluctuation	30,54,299	—
Loss on sale of Fixed Assets	1,92,857	2,86,737
Loss on Sale of DEPB	18,79,126	13,93,133
General Expenses	73,26,768	46,24,166
Selling Expenses:		
Advertisement	9,41,138	3,74,610
Carriage Outward	77,47,257	1,16,02,061
Ocean Freight & Export Expenses	1,74,76,451	2,02,30,930
Marketing Expenses	21,45,170	61,66,497
Royalty on Profeed Sales	8,37,906	20,71,901
Discount	1,27,11,661	60,86,753
Bad Debts Written Off	20,95,763	2,71,27,800
TOTAL	13,04,42,678	16,71,33,436
SCHEDULE 14 : FINANCE CHARGES		
Interest		
On Fixed Loans	1,73,81,287	2,76,83,725
On Other Loans	1,52,62,119	1,77,16,395
Derivative Loss	3,23,93,903	—
Bank Charges	58,77,139	46,30,309
TOTAL	7,09,14,448	5,00,30,429



SCHEDULE 15: NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

d. Fixed Assets

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

e. Assets taken on Hire Purchase

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

f. Depreciation

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

g. Investments

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

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

h. Inventories

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



i. Retirement Benefits

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

j. Foreign Currency Transactions / Exchange Fluctuations:

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

k. Financial Derivatives Transactions:

Realized gain/loss in respect of settled contracts is recognized in the Profit and Loss Account, along with underlying transactions and provision is made for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market.

l. Borrowing Cost

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

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

m. Taxation:

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

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



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

n. Earnings per Share

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

o. Intangible Assets

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

p. Impairment of assets

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

q. Provisions and Contingent Liabilities

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

r. Government Grants

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

2. NOTES TO ACCOUNTS

1. Contingent liabilities not provided for

Particulars	As on 31.03.2009 Rs. in Lakhs	As on 31.03.2008 Rs. in Lakhs
On Account of Bank Guarantees	1,092.53	1,067.95
On account of Letters of Credit	—	17.88
On account of Foreign Letters of Credit	631.36	44.25
MTM loss on USD 2.80 Mn derivative option with SBI	—	231.38
MTM loss on USD 6 Mn derivative option with ICICI Bank – Company has filed suit against bank	—	527.40



2. Capital commitments not provided for on account of pending execution (net of advance) – Rs. NIL (Previous Year Rs. NIL).
3. a) Working Capital Loans from SBI, Industrial Finance Branch, Hyderabad is secured by the hypothecation of stocks of raw materials, finished goods, work-in-process, receivables and first charge on fixed assets of the company and guaranteed by Managing Director of the company in his personal capacity.
- b) The term loan from SBI, Industrial Finance Branch, Hyderabad for the purpose of finance of windmills for power generation is obtained by first charge on the fixed assets of the company covering plant and machinery and other immovable assets both present and future and a second charge on all the current assets of the company and guaranteed by Managing Director of the company in his personal capacity.
- c) Vehicle loans availed from ICICI Bank Ltd and GE Money Financial Services are secured by hypothecation of vehicles.
4. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
5. Un-claimed dividend pertinent to the year 2000-01 amounting to Rs. 6,63,024/- was credited to the Investor Education and Protection Fund during the year.

6. Loans and Advances Included

Name of the Company	Particulars	Maximum amount outstanding during the year		Outstanding balance at the year end	
		2008-09	2007-08	2008-09	2007-08
Srivathsa Power Projects Limited (SPPL ceased to be subsidiary of AFL with effect from 31.12.2007)	Advances	—	5,17,26,964	—	—

Since the above details meet the requirements of Clause 32 of the Listing Agreement, no separate disclosure is made.

7. Managerial remuneration

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

Particulars	For the Year Ended 31.03.2009 Rupees	For the Year Ended 31.03.2008 Rupees
Salary *	70,47,123	46,41,000
PF Contribution	4,10,700	3,72,600
TOTAL	74,57,823	50,13,600

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



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

* Includes an amount of Rs 15,00,477/- drawn from the Group gratuity, Leave Encashment and Super Annuation schemes of SBI and LIC.

8. Derivative instruments as on 31st March, 2009

- a) Company had taken derivative contract in cross currencies of USD-CHF principal swap from State Bank of India, IFB, Hyderabad in the year 2007-08 as a tool to reduce interest cost on the foreign currency pre-shipment loans. The amount of derivative contract was USD 10 lacs. This contract matured in June'08 and a loss of Rs. 63.19 lacs incurred in the contract which is charged to profit and loss in this year.
- b) Company had also entered in to derivative contract in cross currencies of Rupee-USD-CHF swap with State Bank of India, IFB, Hyderabad in the year 2006-07 as a tool to reduce interest cost on the long term loans. The amount of derivative contract was USD 18.07 lacs. This contract matured in March'09 and a loss of Rs. 35.75 lacs incurred in the contract which is charged to profit and loss in this year.
- c) Company had also entered in to derivative contract in cross currencies of USD-CHF with ICICI Bank in the year 2007-08 for USD 60.00 lacs. Company incurred a loss of Rs.225.00 lacs in this contract which is charged to profit and loss in this year.

The total loss on account of derivative transactions charged off the Profit & Loss account in the current year is Rs.323.94 lacs.

There are no un-matured derivative contracts outstanding as on the balance sheet date.

9. Employee Benefits:

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

I. Defined Contribution Plans:

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

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

- Employer's Contribution to Provident Fund	Rs.27,85,656/-
- Employers contribution to Employees State Insurance	Rs.4,51,791/-

II. Defined benefit plans:

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

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

The following table sets out the status of the Gratuity and Leave Encashment plan as required under AS-15 (Revised) Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	For the Year Ended 31 March 2009 Rupees	For the Year Ended 31 March 2008 Rupees
Opening defined benefit obligation	1,20,48,043	10,000,753
Current services cost	11,85,422	1,026,755
Interest cost	9,63,844	800,060
Actuarial losses/ (gain)	(20,07,756)	193,313
Benefits paid	(26,47,337)	(1,010,393)
Closing defined benefit obligation	95,42,216	11,010,488
Change in the fair value of assets		
Opening fair value of plan assets	64,58,114	5,939,136
Expected return on plan assets	4,65,357	475,530
Actuarial gains/ (losses)	73,163	27,214
Contributions by employer	13,65,043	1,020,350
Benefits paid	(26,47,337)	(1,010,393)
Closing fair value of plan assets	57,14,340	6,451,837
Amount recognized in Balance Sheet		
Present Value of Funded Obligations	95,42,216	11,010,489
Fair Value of Plan Assets	57,14,340	6,451,837
Net Liability	38,27,876	4,558,652
Amounts in the balance sheet	38,27,876	4,558,652
Provisions for gratuity	38,27,876	4,558,652
Net liability / (asset)	38,27,876	4,558,652
Expense recognized in statement of Profit and Loss Account		
Current services cost	11,85,422	1,026,755
Interest on Defined Benefit Obligation	9,63,844	800,060
Expected return on plan assets	(4,65,337)	(226,695)
Net actuarial losses / (gains) recognized in year	(20,80,919)	166,098
Amount, included in "Employee Benefit Expense"	(3,97,011)	1,517,384
Actual return on plan assets	(3,97,011)	1,517,384
Summary of Actuarial Assumptions		
Financial assumptions at the valuation date:		
Discount Rate		
Expected Rate of Return on Plan Assets	8%	8%
Salary Escalation Rate	5%	8%



III. Other Benefit Plans:

The Liability for leave encashment as at the year end is Rs 41,89,100/-.

1. Segmental information

I. Primary Segment

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

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

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

Segment Revenue & Results

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

Segment Assets and Liabilities

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

II. Secondary Segment:

Geographical Segment:

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

(Amount in Lacs)

Name of the Country	Revenue		Location of Assets		Additions to Fixed Assets	
	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08
India	4,114.84	5,536.96	11,041.65	11,805.87	5.89	57.12
U S A	1,707.33	2,094.31	708.61	—	—	—
Rest of World	1,109.00	2,170.23	112.97	247.83	—	—
Total	6,931.17	9,801.50	11,863.23	12,053.70	5.89	57.12



Avanti Feeds Limited

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	3783.72	5223.78	3259.19	4827.85	256.68	231.67	-	-	7299.60	10283.30
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	3783.72	5223.78	3259.19	4827.85	256.68	231.67	-	-	7299.60	10283.30
Segment Result										
Operating Profit	(524.00)	(159.57)	20.51	265.58	156.56	131.97	-	-	(346.93)	237.98
Other Income	45.09	20.52	14.19	370.82	-	2.29	-	-	59.28	393.63
Interest Expense	535.61	241.64	97.45	171.21	76.08	87.45	-	-	709.14	500.30
Exceptional Items	-	-	-	-	-	-	-	-	-	-
Income Tax - Current Tax & PY Taxes	-	-	-	-	-	-	-	17.46	-	17.46
- Deferred Tax	-	-	-	-	-	-	(299.31)	1.52	(299.31)	1.52
- Fringe Benefit Tax	-	-	-	-	-	-	5.52	9.50	5.52	9.50
Net Profit	(1014.52)	(380.69)	(62.75)	465.19	80.48	46.81	293.79	(28.48)	(703.00)	102.83
Other Information										
Segment Assets	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08
Segment Liabilities	4402.55	5175.20	2152.82	1980.18	1280.60	1324.54	4027.26	3573.78	11863.23	12053.70
Capital Employed	3134.86	3134.72	782.31	448.36	587.63	734.67	362.88	621.40	4867.68	4939.16
Capital Expenditure	1267.69	2040.48	1370.51	1531.81	692.97	589.86	3664.38	2952.38	6995.55	7114.54
Depreciation	-	-	-	-	-	-	-	-	-	-
	186.68	239.21	71.35	72.45	76.12	76.12	-	-	334.15	387.78



Avanti Feeds Limited

11. Related Parties

Name of the related parties and description of their relationship:

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

Transactions with the related parties:

Particulars	Subsidiaries		Key Management Personnel		Associate Companies		Companies over which significant influence is exercised	
	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08	As on 31.03.09	As on 31.03.08
Accounts Receivable	-	-	-	-	-	-	17.06	16.50
Investment	100.00	100.00	-	-	2,735.92	2,744.57	-	-
Interest Paid	-	-	-	-	3.05	25.36	-	-
Remuneration	-	-	59.57	50.14	9.00	9.00	-	-
Interest Received	-	-	-	-	-	21.03	-	-

12. The Hire Purchase Loans of Rs. 7.92 Lakhs are secured by the hypothecation of respective Vehicles.

The Company has not entered into any financial lease contracts during the year. The Fixed Assets includes 'Vehicles' which were acquired in earlier years under Hire Purchase arrangements and are in the nature of Finance Lease as defined in AS 19. The total carrying cost of the same and the installments payable in future and the finance charges debited to the profit and loss account are as under:

- i) Carrying Cost as on 31st March, 2009 is Rs.7,92,306/- (previous year Rs.14,00,108/-)
- ii) Amount debited to the profit & loss account during the year is Rs.1,13,254/-
- iii) Future Installment Payable & Present Value

(Rupees)

Particulars	Not Later than One Year		Later than 1 Year not Later than 5 Years		Later than 5 Years	
	As on 31st March, 2009	As on 31st March, 2008	As on 31st March, 2009	As on 31st March, 2008	As on 31st March, 2009	As on 31st March, 2008
Minimum Installment Payable	6,86,926	6,32,806	2,61,532	7,67,302	Nil	Nil
Present Value of Installment Payable	6,45,710	5,94,838	2,30,148	6,75,226	Nil	Nil

13. Earnings per Share

Particulars	For the year ended 31.03.2009 Rupees	For the year ended 31.03.2008 Rupees
Net (Loss) / Profit for the year	(7,02,99,505)	88,03,173
Weighted Average number of Equity Shares outstanding during the year	69,89,140	65,40,000
Basic & diluted earnings per share Face Value Rs.10/- each	(10.06)	1.35

14. Deferred Tax Assets/Liabilities:

Particulars	2008-2009 Rupees	2007-2008 Rupees
Deferred Tax Assets		
Carry Forward Losses	2,86,98,069	4,51,140
Minimum Alternate Tax	75,16,764	76,43,339
Retirement Benefits	—	15,49,486
Disallowances U/s 40 (a)	—	1,21,296
TOTAL	3,62,14,833	97,65,261
Deferred Tax Liabilities		
Difference between Book and Tax Depreciation	2,39,49,862	2,74,30,953
TOTAL	2,39,49,862	2,74,30,953
Net Deferred Tax Asset / Liability	1,22,64,971	1,76,65,692

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



Avanti Feeds Limited

Sl. No.	Particulars	2008-2009 (MT/PA)	2007-2008 (MT/PA)
a)	Installed Capacity		
	Feed Division	40,000.00	40,000.00
	Processing Division	1,200.00	1,200.00
	Wheat Flour - Captive Consumption	10,000.00	10,000.00
	Shrimp Shell Meal - Captive Consumption	720.00	720.00
	Power from Windmills (Units in thousands)	8,571.00	8,571.00
b)	Actual Capacity Utilisation		
	Feed Division		
	Shrimp Feed	9,168.56	13,922.25
	Fish Feed	4,813.60	302.70
	Processing Division	669.60	1,088.86
	Wheat Flour - Captive Consumption	3,290.86	4,572.63
	Shrimp Shell Meal - Captive Consumption	—	363.43
	Power from Windmills (Units in thousands)	6,233.40	6,204.40
c)	Opening Stock of Finished Goods		
	Shrimp Feed	216.52	491.49
	Fish Feed	101.20	164.29
	Wheat Flour	36.85	186.74
	Shrimps	252.27	281.75
	Shrimp Shell Meal	498.10	—
d)	Closing Stock of Finished Goods		
	Shrimp Feed	229.78	216.52
	Fish Feed	9.85	101.20
	Wheat Flour	45.84	36.85
	Shrimps	164.11	252.27
	Shrimp Shell Meal	—	498.10



Sl. No.	Particulars	2008-2009		2007-2008	
		Quantity (MT)	Value (Rs. in Lakhs)	Quantity (MT)	Value (Rs. in Lakhs)
e)	Turnover				
	Shrimp Feed	9,155.30	3,077.17	14,112.75	5,099.16
	Captive Consumption	—	—	84.47	—
	Fish Feed	4,895.65	704.78	201.50	26.21
	Captive Consumption	9.30	—	—	—
	Shrimp Exports				
	Direct	745.59	2,816.34	1,001.70	3,816.81
	Route Through Exports	—	—	135.58	447.73
	Export Incentives	—	368.42	—	481.80
	Headless Shrimp	12.17	74.43	21.63	81.51
	Bran	20.76	1.77	48.673	3.19
	Soya	—	—	754.42	95.22
	Power from Wind Mills (Units in thousands)	6,102.86	256.68	6,091.50	231.67
	TOTAL		7,299.59		10,283.30
f)	Consumption of Raw Materials				
	Fish Meal	2,253.10	968.95	3,300.31	1,457.53
	Wheat	4,051.83	496.84	4,538.96	515.85
	Other Materials	7,917.86	1,323.86	7,011.55	1,490.53
	Shrimp (Processed) - Direct	763.63	2,217.75	1,694.52	3,474.32
	TOTAL	14,986.42	5,007.40	16,545.34	6,938.23



Sl. No.		2008-2009		2007-2008	
		Value (Rs. in Lakhs)	% age	Value (Rs. in Lakhs)	% age
g)	i) Value of Imported and Indigenous Raw Materials consumed and their percentage to total Imported	833.79	16.65	1,188.97	17.13
	Indigenous	4,173.61	83.35	5,749.26	82.87
	TOTAL	5,007.40	100.00	6,938.23	100.00
	ii) Value of Imported and Indigenous packing and Stores consumed and their percentage to total				
	Imported	24.42	9.21	13.72	4.84
	Indigenous	240.87	90.79	269.60	95.16
	TOTAL	265.29	100.00	283.32	100.00

Sl. No.		2008-2009 Rs. in Lakhs	2007-2008 Rs. in Lakhs
h)	Value of imports made by the company during the financial year calculated on CIF basis in respect of		
	Capital Goods	—	15.26
	Spares & Consumables	12.18	—
	Raw Materials	416.56	1,109.56
i)	Earnings in foreign exchange Exports on FOB basis	2,694.22	3,683.14
j)	Expenditure in foreign currency On account of		
	Travelling	2.84	5.12
	Royalty	8.38	18.82

15. Other particulars as required under part II of schedule VI is either 'NIL' or 'NOT APPLICABLE' in case of this company.

16. Previous year figures have been regrouped / reclassified wherever considered necessary to conform to this year's classification.



Avanti Feeds Limited

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.

0	1	5	2	1	4
---	---	---	---	---	---

 State Code

0	1
---	---

Balance Sheet

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date Month Year

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

Public Issue

N	I	L			
---	---	---	--	--	--

 Preferential Allot.

1	4	6	0	0	
---	---	---	---	---	--

Bonus Issue

N	I	L			
---	---	---	--	--	--

 Private Placement

N	I	L			
---	---	---	--	--	--

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

Total Liabilities

1	0	6	6	7	0	7
---	---	---	---	---	---	---

 Total Assets

1	0	6	6	7	0	7
---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

8	0	0	0	0	
---	---	---	---	---	--

 Reserves & Surplus

6	1	9	5	5	5
---	---	---	---	---	---

Secured Loans

3	0	8	1	9	0
---	---	---	---	---	---

 Unsecured Loans

5	8	9	6	2	
---	---	---	---	---	--

Deferred Tax Asset

1	2	2	6	5	
---	---	---	---	---	--

Application of Funds

Net Fixed Assets

3	0	0	5	4	5
---	---	---	---	---	---

 Investments

	2	8	4	9	8	4
--	---	---	---	---	---	---

Net Current Assets

4	6	8	9	1	3
---	---	---	---	---	---

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

Turnover

7	2	9	9	5	9
---	---	---	---	---	---

 Total Expenditure

8	3	5	5	6	5
---	---	---	---	---	---

Loss Before Tax

9	9	6	7	8	
---	---	---	---	---	--

 Loss after Tax

7	0	2	9	9	
---	---	---	---	---	--

Loss per Share in Rs.

1	0	.	0	6	
---	---	---	---	---	--

 Dividend Rate %

N	I	L			
---	---	---	--	--	--

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

Item Code No. (ITC Code)

2	3	0	9	9	0
---	---	---	---	---	---

0	3	0	6	2	3	0	0
---	---	---	---	---	---	---	---

8	5	0	2	3	1	0	0
---	---	---	---	---	---	---	---

Product Description

S	H	R	I	M	P	F	E	E	D
---	---	---	---	---	---	---	---	---	---

S	H	R	I	M	P
---	---	---	---	---	---

W	I	N	D	P	O	W	E	R
---	---	---	---	---	---	---	---	---

Signature to Schedules '1' to '15'

For and on behalf of the Board

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

A. Indra Kumar
Managing Director

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 25.07.2009

C. Ramachandra Rao
Joint Managing Director & Company Secretary

N. Ram Prasad
Director



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

1. Name of the Subsidiary Company	Svimsan Exports & Imports Limited
2. Financial year of the subsidiary ended on	31st March, 2009
3. Holding Company's Interest	100%
4. The net aggregate amount of the subsidiary's profits after deducting losses or vice versa so far as it concern members of the holding company and is not dealt with in the Company's accounts:	
a) for the current financial year	Rs. 3,28,316/-
and	
b) for the previous financial years since it became the holding company's subsidiary	Rs. (1,85,52,850/-)
5. The net aggregate amount of the subsidiary profit after deducting losses or vice versa so far as those profits are dealt with in the company's accounts :	
a) for the current financial year	NIL
and	
b) for the previous financial year since it became the holding Company's subsidiary	NIL

For and on behalf of the Board

A.Indra Kumar
Managing Director

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

N.Ram Prasad
Director

Auditors' Report on Consolidated Financial Statements

TO
THE BOARD OF DIRECTORS,
M/s. AVANTI FEEDS LIMITED

1. We have examined the attached consolidated balance sheet of AVANTI FEEDS LIMITED and its subsidiary ("the Group") as at 31st March, 2009, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date and annexed thereto. These consolidated financial statements are the responsibility of the management of AVANTI FEEDS LIMITED. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements', notified under the Companies (Accounting Standards) Rules, 2006 ("the rules") and on the basis of the separate audited financial statements of AVANTI FEEDS LIMITED and its subsidiary.
4. On the basis of the foregoing and the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of AVANTI FEEDS LIMITED and its subsidiary, we are of the opinion that, the consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31st March, 2009,
 - b) In the case of the consolidated profit and loss account of the consolidated results of operations of the Group for the year ended on that date,And
 - c) In the case of the cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

for **Karvy & Co.**
Chartered Accountants

Place : Hyderabad
Date : 25.07.2009

(K. Ajay Kumar)
Partner
M. No.21989



Avanti Feeds Limited

Consolidated Balance Sheet as at 31st March, 2009

	Schedule No.	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
I SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	8,00,00,000	6,54,00,000
Reserves & Surplus	2	60,10,02,296	62,71,73,485
Loan Funds			
Secured Loans	3	30,81,89,596	33,46,32,094
Unsecured Loans	4	7,19,72,345	7,19,72,345
Deferred Tax Liability		—	1,76,65,692
		1,06,11,64,237	1,11,68,43,616
II APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	57,52,88,438	59,32,59,727
Less : Depreciation		27,47,43,486	25,89,99,965
Net Block		30,05,44,952	33,42,59,762
Capital Works in Progress		—	13,93,948
Investments	6	27,49,84,147	27,82,70,022
Deferred Tax Asset		1,22,64,971	—
Current Assets, Loans & Advances	7		
Interest Accrued		5,79,248	21,09,235
Inventories		20,38,32,378	26,69,71,442
Cash & Bank Balances		9,00,91,887	3,99,44,298
Sundry Debtors		15,85,88,919	13,53,64,375
Loans & Advances		14,02,24,038	13,75,63,874
		59,33,16,470	58,19,53,224
Less : Current Liabilities & Provisions	8	11,99,46,303	7,90,33,340
Net Current Assets		47,33,70,167	50,29,19,884
		1,06,11,64,237	1,11,68,43,616

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

For and on behalf of the Board

A.Indra Kumar
Managing Director

N.Ram Prasad
Director



Consolidated Profit & Loss Account for the year ended 31st March, 2009

	Schedule No.	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
INCOME			
Operating Income	9	72,99,59,428	1,02,83,30,179
Other Income	10	58,41,039	3,93,62,712
		73,58,00,467	1,06,76,92,891
EXPENDITURE			
Material Cost	11	55,07,72,731	74,80,78,721
Personnel Cost	12	4,90,47,564	5,03,58,341
Manufacturing & Other Expenses	13	13,09,92,248	16,72,41,370
Finance Charges	14	7,09,22,353	5,00,38,838
Depreciation		3,34,15,329	3,87,78,343
		83,51,50,225	1,05,44,95,613
Profit / (Loss) before Tax		(9,93,49,758)	1,31,97,278
Current Tax		—	14,87,479
Deferred Tax (Asset) / Liability		(2,99,30,663)	1,51,593
Fringe Benefit Tax		5,52,094	9,50,000
Earlier Year Taxes		—	17,46,506
Profit / (Loss) after Tax		(6,99,71,189)	88,61,700
Profit brought forward from Previous Year		23,16,43,822	23,04,33,595
Profit available for appropriation		16,16,72,633	23,92,95,295
APPROPRIATIONS			
Proposed Dividend		—	65,40,000
Provision for Corporate Dividend Tax		—	11,11,473
Transfer to General Reserve		—	—
Surplus carried to Balance Sheet		16,16,72,633	23,16,43,822
TOTAL		16,16,72,633	23,92,95,295
Basic & Diluted earnings per share face value of Rs.10/- each		(10.01)	1.36

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

For and on behalf of the Board
A.Indra Kumar
Managing Director

N.Ram Prasad
Director



Consolidated Cash Flow Statement for the year ended 31st March, 2009

	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(9,93,49,759)	1,31,97,279
Adjustment for		
Depreciation	3,34,15,329	3,87,78,343
Loss on sale of Fixed Assets	1,92,857	2,86,737
CWIP Written off	11,61,417	
Profit on sale of Mutual Funds	—	(8,22,680)
Profit on sale of Fixed Assets	(1,33,369)	—
Loss on exchange fluctuations & forward contracts	30,54,299	(4,20,101)
Interest Paid	3,85,28,450	5,00,30,429
Loss of Derivatives	3,23,93,903	—
Interest Received	(30,22,687)	(32,25,876)
Dividend Received on Shares & Mutual Funds	(2,79,467)	(4,28,402)
Operating Profit before Working Capital Changes	59,60,973	9,73,95,728
Adjustment for		
Trade and Other Receivables	(2,40,45,782)	1,74,63,008
Inventories	6,31,39,064	9,31,73,351
Trade Payable	4,88,73,376	(3,44,23,591)
Cash generated from Operations	9,39,27,631	17,36,08,496
Income Tax Paid	(5,52,094)	(16,88,831)
Net Cash flow from Operating activities	9,33,75,537	17,19,19,665
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment (Net)	32,85,875	43,26,500
Dividend Received on Mutual Funds	2,79,467	4,28,402
Profit on sale of Mutual Funds	—	8,22,680
Interest Received	30,22,687	32,25,876
Purchase of Fixed Assets	(5,88,552)	(46,94,007)
Sale of Fixed Assets	4,43,200	6,00,290
Net Cash used in Investing activities	64,42,677	47,09,741



	31st March, 2009 Rupees	31st March, 2008 Rupees
C. CASH FLOW FROM FINANCE ACTIVITIES		
Increase in Share Capital	5,84,00,000	—
Repayment of Borrowings	(5,96,52,246)	(5,92,20,005)
Proceeds from Borrowings	3,32,09,746	(9,04,63,965)
Interest Paid	(3,85,28,450)	(5,00,30,429)
Loss on Derivatives	(3,23,93,903)	—
Profit on exchange fluctuations & forward contracts	(30,54,299)	4,20,101
Dividends paid including tax on Dividend	(76,51,473)	(1,14,61,023)
Net Cash generated in Financing Activities	(4,96,70,625)	(21,07,55,321)
Net Increase / Decrease in Cash and Cash Equivalents	5,01,47,588	(3,41,25,914)
Cash and Cash Equivalents (Opening Balance)	3,99,44,299	7,40,70,213
Cash and Cash Equivalents (Closing Balance)	9,00,91,887	3,99,44,299

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

For and on behalf of the Board

A.Indra Kumar
Managing Director

K.Ajay Kumar
Partner

Place : Hyderabad
Date : 25.07.2009

C.Ramachandra Rao
Joint Managing Director & Company Secretary

N.Ram Prasad
Director



Schedules forming part of Consolidated Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
80,00,000 (Previous year 70,00,000) Equity Shares of Rs.10/- each	8,00,00,000	7,00,00,000
Issued, Subscribed and Paid-Up :		
80,00,000 (Previous year 65,40,000) Equity Shares of Rs.10/- each fully paid-up (Includes 14,60,000 equity shares issued on preferential basis)	8,00,00,000	6,54,00,000
TOTAL	8,00,00,000	6,54,00,000
SCHEDULE 2 : RESERVES & SURPLUS		
Subsidies	1,29,60,401	1,29,60,401
Share Premium		
Opening Balance	—	—
Add: Addition during the year (On account of preferential issue of 14,60,000 equity shares @ Rs. 30/- per share)	4,38,00,000	—
General Reserve		
Opening Balance		
Add : Transfer from Profit & Loss Account	38,25,69,262	38,25,69,262
Surplus in Profit & Loss Account	16,16,72,633	23,16,43,822
TOTAL	60,10,02,296	62,71,73,485
SCHEDULE 3 : SECURED LOANS		
From Banks		
Term Loans	14,70,87,886	20,61,32,330
Working Capital Loans	16,03,09,404	12,70,99,656
From Others:		
Vehicle Loans	7,92,306	14,00,108
TOTAL	30,81,89,596	33,46,32,094
SCHEDULE 4 : UNSECURED LOANS		
Sales Tax Deferrment Loan	5,89,62,295	5,89,62,295
Srinivasa Cystine Limited	1,30,10,050	1,30,10,050
TOTAL	7,19,72,345	7,19,72,345



Schedules forming part of Consolidated Balance Sheet as at 31st March, 2009

SCHEDULE 5 : FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2008	Additions	Deletions	Total Cost as on 31.03.2009	Upto 31.03.2008	For the Year	On Deletions	Total Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
1	Land & Development	1,28,33,819	-	-	1,28,33,819	-	-	-	-	1,28,33,819	1,28,33,819
2	Buildings	8,45,80,652	-	-	8,45,80,652	1,92,20,095	23,87,402	-	2,16,07,497	6,29,73,155	6,53,60,557
3	Plant & Machinery	43,80,43,668	1,12,141	(*) 3,85,344	43,77,70,465	19,83,55,643	2,72,05,225	-	22,55,60,868	21,22,09,597	23,96,88,025
4	Office Equipment	1,08,39,908	1,60,221	-	1,10,00,129	91,07,770	8,40,369	-	99,48,139	10,51,990	17,32,138
5	Furniture & Fixtures	38,08,738	-	-	38,08,738	18,16,936	2,23,999	-	20,40,935	17,67,803	19,91,802
6	Vehicles	2,74,35,340	3,16,190	24,56,894	2,52,94,636	1,47,81,919	27,58,334	19,54,206	1,55,86,047	97,08,589	126,53,421
		57,75,42,124	5,88,552	28,42,238	57,52,88,438	24,32,82,363	3,34,15,329	19,54,206	27,47,43,486	30,05,44,952	33,42,59,762
	Previous Year Figures	58,91,33,607	57,11,893	15,85,773	59,32,59,727	22,09,24,366	3,87,78,343	7,02,744	25,89,99,965	33,42,59,762	36,82,09,241

* Rama Brand name and Technical Know how fees have been reduced from the above schedule as they are fully amortised.

(*) Subsidy received during the year from the MPEDA is reduced from the cost of the respective asset.



Avanti Feeds Limited

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 6 : INVESTMENTS		
a) Trade Investments - Unquoted		
Long Term:		
In others:		
Srivathsa Power Projects Limited (1,66,93,630 shares @ Rs.10/- each) (Previous Year 1,66,93,630 shares @Rs. 10/- each)	16,70,53,800	16,70,53,800
Laxai Avanti Life Sciences Pvt. Ltd. (82,500 shares @ Rs.10/- each)	—	8,25,000
Patikari Power Private Limited (55,00,000 shares @ Rs.10/- each) (Previous Year 55,00,000 shares @Rs. 10/- each)	10,50,00,000	10,50,00,000
Patikari Power Private Limited (Share application money, previous year Rs. 15,38,622/-)	15,77,747	15,38,622
b) Non-Trade Investments		
Quoted - Equity Shares		
2,880 Equity Shares of Rs.130/- each in IDBI	54,000	54,000
5,000 Equity Shares of Rs.10/- each in Bluegold Maritech Ltd.	5,000	5,000
7,800 Equity Shares of Rs.10/- each in UCO Bank Limited	93,600	93,600
Unquoted - Equity Shares		
1,20,000 Equity Shares of Rs.10/- each in Bhimavaram Hospitals	12,00,000	12,00,000
Unquoted - Mutual Funds		
I D B I Infrastructure (Tax Saving) Bond (2002 B) (500 @ Rs.4000/- each)	—	25,00,000
TOTAL	27,49,84,147	27,82,70,022
Quoted Investments		
Book Value	1,52,600	1,52,600
Market Value	3,90,512	5,49,038
Unquoted Investments		
Book Value	27,48,31,547	27,81,17,422

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES		
a) Interest Accrued	5,79,248	21,09,235
b) Inventories - At cost or Net Realisable Value (as valued and certified by the Management)		
Raw Materials	8,72,66,061	12,22,64,544
Work-in-process	1,60,80,445	91,58,600
Finished Goods	7,33,32,669	11,19,32,836
Stores & Spares	1,36,62,729	1,63,06,190
Packing Materials	76,10,187	73,09,272
Stock in Transit	58,80,287	—
TOTAL	20,38,32,378	26,69,71,442
c) Cash & Bank Balances		
Cash on Hand	17,68,681	59,56,298
Balances with Scheduled Banks		
In Current Accounts	1,26,62,442	1,94,80,044
In Lien Accounts	1,72,60,764	1,45,07,956
Unutilised money raised in preferential issue held in deposit Account	5,84,00,000	—
TOTAL	9,00,91,887	3,99,44,298
d) Sundry Debtors (Unsecured, considered good)		
Outstanding for more than Six Months	5,26,05,047	6,88,10,620
Others	10,59,83,872	6,65,53,755
TOTAL	15,85,88,919	13,53,64,375
e) Loans & Advances (Unsecured, considered good recoverable in cash or in kind or for value to be received)		
Advance for Purchases	19,06,763	6,74,090
Advance to Subsidiaries	—	—
Other Advances	1,36,25,999	1,25,29,906
Recoverable from Govt. Authorities	3,65,81,054	3,73,21,701
Advance Tax	2,62,44,251	2,47,91,618
Deposits	1,46,75,086	2,81,76,030
DEPB Receivable	4,71,90,885	3,40,70,529
TOTAL	14,02,24,038	13,75,63,874



Schedules forming part of Consolidated Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Creditors for Trade		
Due to Micro, Small & Medium Enterprises	—	—
Due to Others	6,52,37,174	1,74,19,498
Creditors for Expenses	2,16,21,511	1,40,34,285
Un Claimed Dividend	21,14,722	25,91,851
Trade Deposit from Customers	61,85,053	1,06,95,000
TOTAL - A	9,51,58,460	4,47,40,634
Provisions		
Provision for Income Tax	1,46,93,533	1,46,80,744
Provision for FBT	5,52,094	9,50,000
Provision for Retirement Benefits	95,42,216	1,10,10,489
Provision for Dividend	—	65,40,000
Provision for Dividend Tax	—	11,11,473
TOTAL - B	2,47,87,843	3,42,92,706
TOTAL - (A + B)	11,99,46,303	7,90,33,340



Schedules forming part of Consolidated Profit & Loss Account for the year ended 31st March, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
SCHEDULE 9 : OPERATING INCOME		
Domestic Sales	38,58,15,293	53,05,28,928
Export Sales	28,16,33,686	42,64,53,458
Electricity Sales (Wind Mills)	2,56,68,342	2,31,67,244
Export Incentives	3,68,42,107	4,81,80,549
TOTAL	72,99,59,428	1,02,83,30,179
SCHEDULE 10 : OTHER INCOME		
Interest on IDBI Bonds received Gross (TDS Rs. 5,21,180/- Previous year Rs. Nil)	4,28,761	18,71,239
Interest received on deposits Gross (TDS Rs. 5,05,713/- Previous year Rs. 7,51,620/-)	25,93,926	13,54,637
Anti Dumping Duty Refund Received	—	3,08,69,846
Dividend on Investments	2,79,467	4,28,402
Profit on sale of Mutual Funds	—	8,22,680
Miscellaneous Income	25,38,885	40,15,908
TOTAL	58,41,039	3,93,62,712
SCHEDULE 11 : MATERIAL COST		
a) Raw Materials Consumed	49,96,14,858	69,36,18,667
b) Raw Materials for Route Through Exports	—	4,34,33,677
c) Packing Materials Consumed	1,94,79,551	1,99,36,287
TOTAL Consumption (a + b + c)	51,90,94,409	75,69,88,631
d) Increase / Decrease in Stocks		
Opening Stock		
Work in Process	91,58,600	1,25,23,305
Finished Goods	11,19,32,836	9,96,58,221
Closing Stock		
Work in Process	1,60,80,445	91,58,600
Finished Goods	7,33,32,669	11,19,32,836
Increase / Decrease in Stocks	(3,16,78,322)	89,09,910
TOTAL Material Cost (a + b + c - d)	55,07,72,731	74,80,78,721



Avanti Feeds Limited

Schedules forming part of Consolidated Profit & Loss Account for the year ended 31st March, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
SCHEDULE 12 : PERSONNEL COST		
Salaries, Wages & Bonus	3,66,13,278	3,59,98,274
Remuneration to Directors	59,57,346	50,13,600
Contribution to P F and Other Funds	55,86,719	84,98,881
Staff Welfare Expenses	8,90,221	8,47,586
TOTAL	4,90,47,564	5,03,58,341
SCHEDULE 13 : MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
<u>Manufacturing Expenses</u>		
Power & Fuel	3,00,28,207	3,56,43,241
Consumable Stores	70,49,623	83,95,908
Other Manufacturing Expenses	79,61,019	1,13,33,981
Factory Maintenance	5,80,066	9,52,716
Wind Mill Maintenance	22,61,419	21,78,978
Repairs & Maintenance of Plant & Machinery	40,49,320	39,11,931
<u>Administrative Expenses</u>		
Rent	1,80,442	3,80,271
Rates & Taxes	15,49,714	27,25,321
Service Tax	5,48,698	1,99,772
Insurance	34,74,759	26,56,403
Travelling & Conveyance	69,57,264	89,77,444
Vehicle Maintenance	22,06,010	19,97,520
Communication Expenses	21,13,639	22,32,287
Printing & Stationery	8,05,125	8,01,057
<u>Auditors Remuneration</u>		
As Auditors	3,41,930	2,35,956
Tax Matters	1,10,300	73,034
Reimbursement of Expenses	82,586	1,10,731



Schedules forming part of Consolidated Profit & Loss Account for the year ended 31st March, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
<u>Repairs & Maintenance</u>		
Buildings	22,526	2,71,029
Plant & Machinery	52,349	—
Others	3,74,731	4,32,944
Professional Charges	37,97,318	39,37,051
Directors' Sitting Fee	20,000	27,000
Loss on Exchange Fluctuation	30,54,299	—
Loss on sale of Fixed Assets	1,92,857	2,86,737
Loss on Sale of DEPB	18,79,126	13,93,133
General Expenses	73,43,575	44,26,373
<u>Selling Expenses:</u>		
Advertisement	9,41,138	3,74,610
Carriage Outward	77,47,257	1,16,02,061
Ocean Freight & Export Expenses	1,74,76,451	2,02,30,930
Marketing Expenses	21,45,170	61,66,497
Royalty on Profeed Sales	8,37,906	20,71,901
Discount	1,27,11,661	60,86,753
Bad Debts Written Off	20,95,763	2,71,27,800
TOTAL	13,09,92,248	16,72,41,370
SCHEDULE 14 : FINANCE CHARGES		
Interest		
On Fixed Loans	1,73,81,287	2,76,83,725
On Other Loans	1,52,62,119	1,77,16,395
Derivative Loss	3,23,93,903	—
Bank Charges	58,85,044	46,38,718
TOTAL	7,09,22,353	5,00,38,838



SCHEDULE 15: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

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

The financial statements of the company and its subsidiary 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 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 (Accounting Standards) Rules, 2006 (“the rules”).

- B. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.
- C. The consolidated financial statements include the accounts of Avanti Feeds Limited and its subsidiary as detailed here under:

Sl. No.	Name of the Subsidiary	Country of incorporation	Holding Company’s interest	Financial Year of Subsidiary ended on
1	Svimsan Exports & Imports Limited	India	100%	31 st March, 2009

D. Other Significant Accounting Policies :

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

- E. Since the transactions of the subsidiary company except those which have been carried out with the holding company are negligible and insignificant, notes and schedules have not been prepared.

Signatures to Schedules ‘1’ to ‘15’

For and on behalf of the Board

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

A. Indra Kumar
Managing Director

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 25.07.2009

C. Ramachandra Rao
Joint Managing Director & Company Secretary

N. Ram Prasad
Director



Avanti Feeds Limited

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.

0	1	5	2	1	4
---	---	---	---	---	---

 State Code

0	1
---	---

Balance Sheet

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date Month Year

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

Public Issue

N	I	L			
---	---	---	--	--	--

 Preferential Allot.

1	4	6	0	0	
---	---	---	---	---	--

Bonus Issue

N	I	L			
---	---	---	--	--	--

 Private Placement

N	I	L			
---	---	---	--	--	--

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

Total Liabilities

1	0	6	1	1	6	4
---	---	---	---	---	---	---

 Total Assets

1	0	6	1	1	6	4
---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

8	0	0	0	0		
---	---	---	---	---	--	--

 Reserves & Surplus

6	0	1	0	0	2	
---	---	---	---	---	---	--

Secured Loans

3	0	8	1	9	0	
---	---	---	---	---	---	--

 Unsecured Loans

7	1	9	7	2		
---	---	---	---	---	--	--

Deferred Tax Asset

1	2	2	6	5		
---	---	---	---	---	--	--

Application of Funds

Net Fixed Assets

3	0	0	5	4	5	
---	---	---	---	---	---	--

 Investments

2	7	4	9	8	4	
---	---	---	---	---	---	--

Net Current Assets

4	7	3	3	7	0	
---	---	---	---	---	---	--

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

Turnover

7	2	9	5	9	5	
---	---	---	---	---	---	--

 Total Expenditure

8	3	5	1	5	0	
---	---	---	---	---	---	--

Loss Before Tax

9	9	3	5	0		
---	---	---	---	---	--	--

 Loss after Tax

6	9	9	7	1		
---	---	---	---	---	--	--

Loss per Share in Rs.

1	0	.	0	1		
---	---	---	---	---	--	--

 Dividend Rate %

N	I	L				
---	---	---	--	--	--	--

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

Item Code No. (ITC Code)

2	3	0	9	9	0
---	---	---	---	---	---

0	3	0	6	2	3	0	0
---	---	---	---	---	---	---	---

8	5	0	2	3	1	0	0
---	---	---	---	---	---	---	---

Product Description

S	H	R	I	M	P	F	E	E	D
---	---	---	---	---	---	---	---	---	---

S	H	R	I	M	P
---	---	---	---	---	---

W	I	N	D	P	O	W	E	R
---	---	---	---	---	---	---	---	---

Signature to Schedules '1' to '16'

For and on behalf of the Board

As per our Report of even date
for **Karvy & Co.**
Chartered Accountants

A.Indra Kumar
Managing Director

K.Ajay Kumar
Partner

C.Ramachandra Rao
Joint Managing Director & Company Secretary

N.Ram Prasad
Director

Place : Hyderabad
Date : 25.07.2009

Svimsan Exports & Imports Limited

Notice

Notice is hereby given that the Eleventh Annual General Meeting of the Members of Svimsan Exports & Imports Limited will be held on Wednesday, the 23rd Day of September, 2009 at 10.00 A.M. at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet as on March 31, 2009 and Profit & Loss Account for the year ended March 31, 2009 along with Auditors' Report and Directors' Report thereon.
2. To appoint Sri C.Ramachandra Rao, who retire at

the Annual General Meeting and eligible for re-appointment.

3. To appoint M/s Karvy & Co, Chartered Accountants, Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

By Order of the Board

Place : Hyderabad
Date : 25.07.2009

A.Indra Kumar
Director

Svimsan Exports & Imports Limited

Directors' Report

To
The Shareholders of
Svimsan Exports & Imports Limited

Your Directors hereby present the 11th Annual Report together with audited accounts for the year ended 31st March, 2009.

Operations

During the year under review your company undertook purchase of shrimps and selling them after de-heading to the local exporters.

Directors :

Mr. C. Ramachandra Rao retires at the Annual General Meeting as a director and is eligible for re-appointment.

Auditors :

M/s. Karvy & Co, Chartered Accountants, who retires at the Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

Secretarial Compliance Report :

The Secretarial Compliance Certificate in terms of the amended Section 383A of the Companies Act 1956 is attached with this report.

Particulars of Employees :

There are no employees covered in terms of Section 217 (2A) of the Companies Act, 1956 read with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956.

Energy, Technology and Foreign Exchange :

The Company has no activities relating to Conservation of Energy, Technology absorption and Foreign Exchange.

Directors' Responsibility Statement :

Your Directors hereby confirm and declare that :

- a) in the preparation of Annual Accounts for the year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- b) the accounting policies are consistently applied and reasonable, prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. 31st March, 2009 and of the profit of the Company for that period ;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other regularities.
- d) the accounts for the year ended 31st March, 2009 have been prepared on a going concern basis.

Acknowledgments:

Your Directors wish to place on record their gratitude and appreciation for co-operation extended by the Government Agencies and Banks during the year.

By Order of the Board

A.Indra Kumar
Director

Place : Hyderabad
Date : 25.07.2009

Svimsan Exports & Imports Limited

Compliance Certificate

Registration No. : 01-30063
Authorised Capital : Rs.1,00,00,000/-
Paid Up Capital : Rs.1,00,00,000/-

To
The Members
SVIMSAN EXPORTS & IMPORTS LIMITED
HYDERABAD

We have examined the Registers, Records, Books and Papers of M/s **Svimsan Exports & Imports Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents. We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
 2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies prescribed under the Act and the rules made there under.
 3. The Company being a Public Limited Company the provisions of Section 3 (1) (iii) (b), (c) and (d) are not applicable to the Company.
 4. The Board of Directors duly met **Five** times respectively on 29.04.2008, 13.08.2008, 30.10.2008, 15.12.2008 and 29.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
 5. The Company has not closed its Register of Members during the financial year.
 6. The Annual General meeting for the financial year ended on 31.03.2008 was held on 27.09.2008
- after giving due notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra- ordinary General Meeting was held during the financial year.
 8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
 9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
 10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.
 11. As there were no instances falling within the purview of the Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
 12. The Company has not issued any duplicate share certificates during the year.
 13. The Company:
 - i. has not allotted or transferred any shares during the financial year.
 - ii. has not declared any dividend during the financial year.
 - iii. transferred the amounts in unpaid dividend account, application money due for refund, matured debentures, matured deposits and the interest accrued thereon which have remained unclaimed or unpaid for a period of Seven years to Investor Education and Protection Fund – **No such cases.**
 - iv. has complied with the requirements of section 217 of the Act.
 14. The Board of Directors of the Company is duly constituted and there was no appointment director during the financial year.

Svimsan Exports & Imports Limited

15. The Company has not appointed any Managing Director or Manager during the year.
16. The Company has not appointed any sole selling agents during the year.
17. The Company is not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not allotted any shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted / invited any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The company has not made any borrowings during the financial year.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name during the year under Scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital during the year under scrutiny.
30. The Company has not altered its Articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provision of section 418 is not applicable to the company.

For **V. Bhaskara Rao & Co.**
Company Secretaries

Place : Hyderabad
Date : 25.07.2009

(V. Bhaskara Rao)
Proprietor
C.P.No.4182, ACS No.13907

Svimsan Exports & Imports Limited

Annexure - A

Statutory Registers as maintained by the Company

1. Register of Charges.
2. Register of Members.
3. Minute Books of Board Meeting.
4. Minute Books of General Meetings.
5. Register of particulars of contracts in which Directors are interested.
6. Register of Directors, Managing Director, Manager and Secretary.
7. Register of Directors shareholdings.
8. Register of Directors Attendance.
9. Register of Allotment.
10. Register of Share Transfer.

Annexure - B

Forms and Returns as filed by the Company with Registrar of Companies during the financial year ending 31st March, 2009.

SL No	Form No/ Return	Under section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite Additional fee paid Yes/No
1.	23 AC & ACA	220	Annual Report for the year 2007-08	25.10.08	YES	N.A.
2.	20B	159	Annual Report for the	01.11.08	Yes	N.A.
3.	66	383A	Compliance Certificate year 2007-08	17.10.08	Yes	N.A.
4.	Din-3	266E	Intimation by the Company to ROC	31.10.08	Yes	N.A.

For **V. Bhaskara Rao & Co.**
Company Secretaries

Place : Hyderabad
Date : 25.07.2009

(V.Bhaskara Rao)
Proprietor
C.P.No.4182, ACS No.13907

Svimsan Exports & Imports Limited

Auditors' Report

To the Members of Svimsan Exports & Imports Limited

We have audited the attached Balance Sheet of SVIMSAN EXPORTS & IMPORTS LIMITED as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
 - c. The Balance Sheet and Profit and Loss

Account dealt with by this report are in agreement with the books of account;

- d. In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **Karvy & Co.**
Chartered Accountants

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

Place : Hyderabad
Dated : 25.07.2009

Svimsan Exports & Imports Limited

Annexure to the Auditors' Report

Referred to in paragraph 1 of our report

- i. The company is maintaining fixed asset register; however, since all the assets of the company have been sold and there being no additions of fixed assets in the current year, clause 4(i) of the order is not applicable.
 - ii. The company has terminated its activities mid year and accordingly no inventories were held by the company. Therefore, Clause 4(ii) of the order is not applicable.
 - iii. The company has not granted nor taken any loans, secured or un secured to/from companies, firms or other parties covered in the register maintain Under Section 301 of the Companies Act, 1956. Accordingly clause 4(iii) of the order is not applicable.
 - iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to the purchase of inventory and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
 - v. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
 - vi. According to the information and explanations given to us, the company has not accepted deposits from public within the meaning of Section 58A and 58AA and the rules framed there under.
 - vii. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
 - viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- ix. (a) According to the records of the company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31st 2009 for a period of more than six months from the date on which they become payable.
 - (b) According to the information & explanation given to us the following amounts have not been deposited with the appropriate authorities on account of dispute :

Nature of the Statute	Amount Rs. in Lakhs	Period to which the amount relates	Forum where Pending
Agricultural Market cess	40.35	1999-2000 & 2000-2001	High court of Andhra Pradesh

- x. The accumulated losses exceed the net worth of the company; however, the company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, the company has not taken any loans either from the banks or from the financial institutions. Accordingly, clause 4 (xi) of the order is not applicable.
- xii. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4 (xii) of the order is not applicable.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society.

Svimsan Exports & Imports Limited

Accordingly, clause 4 (xiii) of the order is not applicable to the company.

xiv. In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, clause 4 (xiv) of the order is not applicable to the company.

xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, clause 4 (xv) of the order is not applicable.

xvi. To the best of our knowledge and belief and according to the information and explanations given to us no term loans were availed by the Company. Accordingly, clause 4 (xvi) of the order is not applicable.

xvii. According to the information and explanations given to us and overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment. Accordingly, clause 4 (xvii) of the order is not applicable.

xviii. The company has not made any preferential

allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956, during the year. Accordingly clause 4 (xviii) of the order is not applicable.

xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the company. Accordingly, clause 4 (xix) of the order is not applicable to the company.

xx. The Company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the order is not applicable.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year nor have we been informed of such case by the management.

For **Karvy & Co.**
Chartered Accountants

Place : Hyderabad
Dated : 25.07.2009

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

Svimsan Exports & Imports Limited

Balance Sheet as at 31st March, 2009

	Schedule No.	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	1,00,00,000	1,00,00,000
Loan Funds			
Unsecured Loans	2	1,30,10,050	1,30,10,050
TOTAL		2,30,10,050	2,30,10,050
APPLICATION OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balances	3	1,50,430	1,93,592
Sundry Debtors		43,77,413	27,73,822
Loans & Advances		2,59,766	41,72,295
		47,87,609	71,39,709
Less : Current Liabilities & Provisions	4	3,30,409	30,10,825
Net Current Assets		44,57,200	41,28,884
Profit & Loss Account		1,85,52,850	1,88,81,166
TOTAL		2,30,10,050	2,30,10,050

As per our Report of even date

For and on behalf of the Board

for **Karvy & Co.**
Chartered Accountants

K.Ajay Kumar
Partner

C.Ramachandra Rao
Director

A.Indra Kumar
Director

Place : Hyderabad
Date : 25.07.2009

Svimsan Exports & Imports Limited

Profit & Loss Account for the year ended 31st March, 2009

	Schedule No.	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
INCOME			
Operating Income	5	18,10,26,505	34,85,221
Other Income	6	3,170	—
TOTAL		18,10,29,675	34,85,221
EXPENDITURE			
Material Cost	7	17,60,12,313	32,80,818
Personnel Cost	8	1,52,455	22,054
Manufacturing & Other Expenses	9	45,28,686	1,07,933
Bank Charges	10	7,905	8,409
TOTAL		18,07,01,359	34,19,214
Profit before Tax		3,28,316	66,007
Provision for Tax		—	7,479
Profit after Tax		3,28,316	58,528
Profit brought forward from Previous Year		(1,88,81,166)	(1,89,39,694)
Balance carried to Balance Sheet		(1,85,52,850)	1,88,81,166
EARNING PER SHARE (Face Value Rs.10/- each)			
Notes on Accounts	11	0.33	0.01

As per our Report of even date

For and on behalf of the Board

for **Karvy & Co.**
Chartered Accountants

K.Ajay Kumar
Partner

C.Ramachandra Rao
Director

A.Indra Kumar
Director

Place : Hyderabad
Date : 25.07.2009

Svimsan Exports & Imports Limited

Cash Flow Statement for the year ended 31st March, 2009

	31st March, 2009 Rs.	31st March, 2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	328,316	66,007
Operating Profit before Working Capital Changes	328,316	66,007
Adjustment for		
Trade and Other Receivables	2,308,938	(2,904,268)
Trade Payable	(2,680,416)	2,989,052
Net Cash flow from Operating activities	(43,162)	150,791
B. CASH FLOW FROM INVESTING ACTIVITIES	—	—
C. CASH FLOW FROM FINANCE ACTIVITIES		
Repayment of Borrowings	—	(829,950)
Net Cash generated in Financing Activities	—	(829,950)
Net Increase / Decrease in Cash and Cash Equivalents	(43,162)	(679,159)
Cash and Cash Equivalents (Opening Balance)	193,592	872,751
Cash and Cash Equivalents (Closing Balance)	150,430	193,592

The schedules referred to above form an integral part of the Balance Sheet referred to in our report of even date.

As per our Report of even date

For and on behalf of the Board

for **Karvy & Co.**
Chartered Accountants

K.Ajay Kumar
Partner

C.Ramachandra Rao
Director

A.Indra Kumar
Director

Place : Hyderabad
Date : 25.07.2009

Svimsan Exports & Imports Limited

Schedules

Particulars	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
<u>SCHEDULE 1 : SHARE CAPITAL</u>		
Authorised		
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000
Issued, Subscribed and Paid-Up :		
10,00,000 Equity Shares of Rs.10/- each fully paid-up (Previous Year 10,00,000 Shares of Rs.10/- each)	1,00,00,000	1,00,00,000
TOTAL	1,00,00,000	1,00,00,000
<u>SCHEDULE 2 : UNSECURED LOANS</u>		
Srinivasa Cystine Limited	1,30,10,050	1,30,10,050
TOTAL	1,30,10,050	1,30,10,050
<u>SCHEDULE 3 : CURRENT ASSETS, LOANS & ADVANCES</u>		
a) Cash & Bank Balances		
Cash on Hand	41,622	1,51,077
Balances with Scheduled Banks		
In Current Accounts	1,08,808	42,515
TOTAL	1,50,430	1,93,592
b) Loans & Advances (Unsecured, considered good)		
Outstanding for more than six months	37,48,905	27,73,822
Others	6,28,508	—
TOTAL	43,77,413	27,73,822
c) Loans & Advances (Unsecured, considered good recoverable in cash or in kind or for value to be received)		
Advance to suppliers/expenses	1,00,188	40,20,196
Advance Tax	7,479	—
Deposits	1,52,099	1,52,099
TOTAL	2,59,766	41,72,295
<u>SCHEDULE 4 : CURRENT LIABILITIES & PROVISIONS</u>		
Current Liabilities :		
Creditors for Trade	—	29,85,552
Creditors for Expenses	3,22,930	17,794
Provisions for Income Tax	7,479	7,479
TOTAL — A	3,30,409	30,10,825

Svimsan Exports & Imports Limited

Particulars	For the year ended 31st March 2009 Rs.	For the year ended 31st March 2008 Rs.
SCHEDULE 5 : OPERATING INCOME		
Sales	18,10,26,505	34,85,221
TOTAL	18,10,26,505	34,85,221
SCHEDULE 6 : OTHER INCOME		
Credit Balances Written Back	3,170	—
TOTAL	3,170	—
SCHEDULE 7 : MATERIAL COST		
Cost of Purchases	17,60,12,313	32,80,818
TOTAL	17,60,12,313	32,80,818
SCHEDULE 8 : PERSONNEL COST		
Salaries, Wages & Bonus	1,22,850	16,050
Contribution to PF and Other Funds	11,379	—
Staff Welfare Expenses	18,226	6,004
TOTAL	1,52,455	22,054
SCHEDULE 9 : MANUFACTURING & OTHER EXPENSES		
Material procurement/handling charges	11,90,983	—
Agricultural Market Cess	14,400	—
Procurement Commission	9,57,778	—
Rent	90,000	10,000
Vehicle Maintenance	22,26,379	54,199
Communication Expenses	14,180	600
Travel & Conveyance Expenses	3,630	—
Professional Charges	3,500	26,000
Auditors Remuneration		
- As Auditors	11,030	11,236
General Expenses	16,807	5,898
TOTAL	45,28,686	1,07,933
SCHEDULE 10 : FINANCE CHARGES		
Bank Charges	7,905	8,409
TOTAL	7,905	8,409

Svimsan Exports & Imports Limited

SCHEDULE 11: NOTES FORMING PART OF ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

d. Fixed Assets

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

e. Depreciation

Depreciation is provided on straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

f. Inventories

- i) Finished Goods are stated at lower of cost or net realizable value
- ii) Processing consumables and packing materials are stated at lower of weighted average cost or net realizable value.

g. Earnings per Share

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

II. NOTES FORMING PART OF ACCOUNTS

1. Contingent liabilities

Agricultural Market Cess against which company is in appeal Rs.40, 35,288/- with AP High Court (Previous Year Rs. 40, 35,288).

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

3. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

4. Related Parties

Name of the related parties and description of their relationship:

1. Holding Company : Avanti Feeds Limited
2. Key Managerial Personnel :
Sri A.Indra Kumar, Managing Director
Sri C.Ramachandra Rao, Joint Managing Director

5. Earnings per Share

	For the year ended 31.03.2009	For the year ended 31.03.2008
Profit for the year	3,28,316	58,528
Weighted Average number of Equity Shares outstanding during the year	10,00,000	10,00,000
Basic & diluted earnings per share	0.33	0.01

Svimsan Exports & Imports Limited

6. In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income "(AS 22), Issued by The Institute of Chartered Accountants of India, deferred tax assets and liabilities should be recognized for all timing differences. However, deferred tax asset (after setting off deferred tax liability) to the extent of Rs. 21.02 lakhs not recognized in the accounts considering the fact that there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

7. **Quantitative Details :**

Sl. No.	Particulars	2008-09 (MT/PA)	2007-08 (MT/PA)		
b)	Actual Capacity Utilisation Shrimp De-heading	587.69	9.77		
c)	Opening Stock of Finished Goods De-headed Material	—	—		
d)	Closing Stock of Finished Goods De-headed Material	—	—		
Sl. No.	Particulars	2008-09		2007-08	
		Quantity (MT)	Value (Rs. in Lakhs)	Quantity (MT)	Value (Rs. in Lakhs)
e)	Turnover De-headed Shrimp	587.69	1,810.27	9.77	34.85
	TOTAL	587.69	1,810.27	—	—

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

Svimsan Exports & Imports Limited

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details :

Registration No.	0 1 3 0 0 6 3	State Code	0 1
Balance Sheet	3 1 0 3 2 0 0 9		
	Date Month Year		

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

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

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

Total Liabilities	2 3 0 1 0	Total Assets	2 3 0 1 0
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Sources of Funds

Paid-up Capital	1 0 0 0 0	Reserves & Surplus	N I L
Secured Loans	N I L	Unsecured Loans	1 3 0 1 0

Application of Funds

Net Fixed Assets	N I L	Investments	N I L
Net Current Assets	4 4 5 7	Misc. Expenditure	N I L
Accumulated Losses	1 8 5 5 3		

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

Turnover	1 8 1 0 2 7	Total Expenditure	1 8 0 7 0 1
Profit Before Tax	3 2 8	Profit after Tax	3 2 8
Earning per Share in Rs.	0 . 3 3	Dividend Rate %	N I L

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

Item Code No. (ITC Code)	0 3 0 6 2 3 0 0
Product Description	S H R I M P S

In authentication of Schedules '1' to '11'

As per our Report of even date

For and on behalf of the Board

for **Karvy & Co.**

Chartered Accountants

(K.Ajay Kumar)

Partner

C.Ramachandra Rao

Director

A.Indra Kumar

Director

Place : Hyderabad

Date : 25.07.2009

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