

Ref: AFL/BSE & NSE/2021-22

21.07.2021

The Deputy General Manager
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Mumbai – 400 001

The Listing Manager
National Stock Exchange India Ltd.
Exchange Plaza
Bandra (East)
Mumbai – 400 051.

BSE Code: 512573

NSE Code: AVANTIFEED

Dear Sir,

Sub: Avanti Feeds Limited- Annual Report for FY 2020-21 along with Notice of the 28th Annual General Meeting- Reg.

We are to inform you that the Twenty- Eighth (28th) Annual General Meeting ("AGM") of the members of the Company will be held on **Saturday, August 14, 2021** at 11:00 A.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith the Annual Report for the year 2020-21 (including Notice of the AGM to be held on 14.08.2021 and Business Responsibility Report).

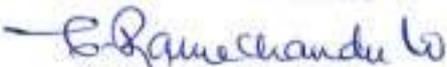
We are to inform that 28th Annual Report (including Notice of the AGM) has been sent, through email to the members on 21st July, 2021.

The Secretarial Audit Reports of material unlisted subsidiary i.e. Avanti Frozen Foods Private Limited is also enclosed.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at <https://www.avantifeeds.com>.

Please take the same on your record and acknowledge.

Thanking you,
Yours faithfully,
for Avanti Feeds Limited


C. Ramachandra Rao
Joint Managing Director,
Company Secretary & CFO
Encl: As Above





Sustaining
Growth
in challenging times

 **Avanti**[®]
Feeds Limited

Aiding Sustainability & Reliability to Aquaculture

28th ANNUAL REPORT 2020-21



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A portrait of Sri Alluri Venkateshwara Rao, a man with glasses wearing a light-colored shirt, set against a background of golden wavy lines.

Sri Alluri Venkateshwara Rao

(1933-2002)

Founder-Chairman, Avanti Group

You are always with us,
reminding us of these great values
you had stood for...

...Vision

...Truth

...Hard work

...Prosperity of all stakeholders

We at Avanti are committed to
walking in your footsteps in
innovation, development and
customer relationships.



Sustaining
Growth
in challenging times





Planet Earth is going through an incredibly challenging period, of a kind that has perhaps never been witnessed before. The unprecedented COVID-19 pandemic continues to ravage the world, causing extreme uncertainty about what might happen next. Mankind is grappling desperately with severe health and economic crises, enforcing competing priorities on everything that we do.

It is against such challenging odds that the true mettle of a champion comes to the fore. The truly tough ones face their challenges head-on and overcome them eventually with a never-yielding attitude. Going through challenges and overcoming them gives confidence, which is essential for growth. Today, sustainable growth stands for development that is repeatable, ethical and responsible.

Various factors contribute to sustainable growth, and challenging situations offer opportunities for change. By taking a long term view, we not only survive in hard times, but thrive!



Challenging Times bring out the **Fighting Spirit** in Avanti

Avanti's performance during the year bears testimony to its gritty fighting spirit. It fought its way with a practical step-by-step implementation of policies / measures to ensure the safety of its employees & stakeholders and emerged triumphant from the ordeal.

Investing in the welfare of employees and stakeholders, Avanti ensured the smooth operation of the business segments throughout the lockdown period during the pandemic.

Shrimp Feed sales
4,74,449 MT
(484669 MT 2019-20)

Processed Shrimp sales
11,518 MT
(13,397 MT 2019-20)

Market Capitalisation of
over **₹5,651.47** crores

Consolidated Profit Before
Depreciation, Interest and Tax
(PBDIT)
₹55,227.60 Lakhs
(52,455.49 lakhs)

Consolidated Profit
After Tax (PAT)
₹39,737.11 Lakhs
(38,628.59 lakhs)

Listed and Traded on

- Bombay Stock Exchange Limited (BSE)
- National Stock Exchange of India Limited (NSE)

Over the years, we have created multiple growth drivers by our nimble-footed response to industry needs, based on a firm sustainable growth strategy.

.....
▲ **Chairman's**
Message



Dear Shareholders,

FY 2020-21 challenged all of us. We were tested by the pandemic in many unexpected ways - the resilience of our business, the agility of our operations, and the depth of our financial strength. But, thanks to the relentless commitment and dedication of every member of the Avanti family, we could overcome these challenges and significantly ameliorate the pandemic's impact.

With a proven track record of over 28 years, your Company has established itself as a pioneer in the Indian shrimp industry. It has sustained its leadership position, powered by its unwavering focus on a portfolio of world-class products, deep insights into consumer behaviour, continuous innovation, and superior product development capabilities. Over the years, it has created multiple growth drivers by its nimble-footed response to industry needs, based on a firm sustainable growth strategy. During the year under review your Company has commenced commercial production in its state-of-the-art Hatchery and has evolved as an integrated aquaculture Company. We shall further fortify our leadership position across existing businesses by concentrating on innovation and enriching our product mix.

COVID-19 forced a countrywide lockdown in late March 2020, causing aqua farmers to harvest their shrimp in panic. Due to fears of cancellation / postponement of purchase orders, factory shutdowns and an exodus of migrant workers, shrimp processing plants had a hard time receiving the harvested shrimp. Shrimp prices fell steeply as a result. Specific Pathogen-Free (SPF) broodstock wasn't available throughout April, as international flights were also cancelled. Despite a subsequent improvement in the situation, India's shrimp production took a hit in FY 21, and declined by 20% (to 6.2 Lakh MT).

India's aquaculture industry is set to recover well in FY 2021-22. An increase in demand is

expected to lead to revenue growth. Shrimp exports began to look up in the second half of last year, after a rough patch in the beginning. Despite increasing competition from Vietnam, Thailand and Ecuador, our exports should rise in the near term. China and the USA have resumed buying substantial quantities of shrimp from India. The unexpected severity of COVID's 'second wave' has led to large-scale countrywide lockdowns, posing a serious challenge to the production of shrimps. However, we are seeing encouraging signs of the curve flattening gradually, helped along by a fresh momentum in the vaccination drive. From now on, we do expect to see a steady growth in India's aquaculture industry.

We have effectively countered every business challenge that came our way in the previous fiscal and emerged stronger from it. This success is due in large measure to the unstinted patronage of our aqua-farmers and the admirable commitment of all our employees across the board.

I also gratefully acknowledge the unremitting support we have received from our large family of customers, dealers, suppliers, financial institutions and strategic partners during our challenging journey. We shall work to strengthen these bonds even further over the coming years.

I am also sincerely thankful to my fellow Directors for their commitment and professionalism in paving Avanti's long-term growth path. Aided by their skill and dedication, your Company has boldly weathered all the turbulences that were encountered during the year, with its usual resilience and professional approach.

My best wishes to you all.

Alluri Indra Kumar
Chairman and Managing Director



A **Strong** player
in the **market**



Spanning a long coastline of around 7500 kms (across 9 States and 4 UTs), India's fast-growing aquaculture industry is also one of the country's highest forex-earning sectors. The ongoing COVID pandemic has raised the demand for this animal protein, which is considered very safe for human consumption.

Our Shrimp Feed Division saw a slight degrowth due to panic harvesting and the non-availability of shrimp seed. There was a slowdown in shrimp culture stocking, owing to apprehensions about a fall in export prices and the export market. The lengthy COVID lockdown also caused severe shortages in manpower and transport facilities. Things improved gradually, as the farmers resumed stocking as they gained confidence due to stable farm-gate prices.

Maintaining excellent rapport with aqua-farmers, Avanti has not only kept its customer base intact, but has also added new farmers and new areas to its countrywide sales network during FY 21. These accomplishments in these difficult times have enabled Avanti to retain its substantial Indian market share of almost 48% in shrimp feed.

Avanti has commenced commercial production of its Hatchery in December 2020 and started supplying seed. This has made Avanti into an integrated Aqua Culture Company. As a side effect of the pandemic amid global lockdowns and closure of restaurants, hospitality industry, our shrimp processing segment sales had a degrowth of 8% as compared to 20% of the overall industry downtick. The steep increase in ocean freights and withdrawal of the MEIS Scheme by the Government had a negative impact on the exports during 2021. However, the introduction of the RODTEP Scheme and

PLI Scheme by the Government are some positive moves for the benefit of the industry. The future outlook looks quite optimistic and the industry is expected to reach the pre-pandemic levels with the measures undertaken by the Indian Government and the lifting of global lockdowns and the opening up of global economies.

The first season of shrimp culture in India started in January / February 2021 with many positive developments such as good climatic conditions, remunerative farm gate prices, availability of good quality seed etc. The demand for the product internationally is likely to increase due to the lifting of lockdowns and travel restrictions across the world and occasions like Easter, Thanks Giving Day, Christmas, New Year, Chinese New Year etc. Therefore, the future of the industry looks promising.



Proven Track of over
28 YEARS

**Pan-India
network
of dealers**

Our Verticals

Straddling the entire value-chain

Avanti is an integrated seafood company offering end-to-end solutions in the aquaculture industry.

- Shrimp Feed
- Shrimp Hatchery
- Shrimp Processing
- Power

We are a trusted friend to aqua-farmers all over the country. We are constantly striving to further strengthen our friendship with them.

Our gas-based and hydel power projects are also a source of sustained profit for us.

Feed



Supplying high quality feed to farmers across India

Carefully formulated and nutritionally well balanced shrimp feed supply to farmers through seed selection and seed quality analysis.



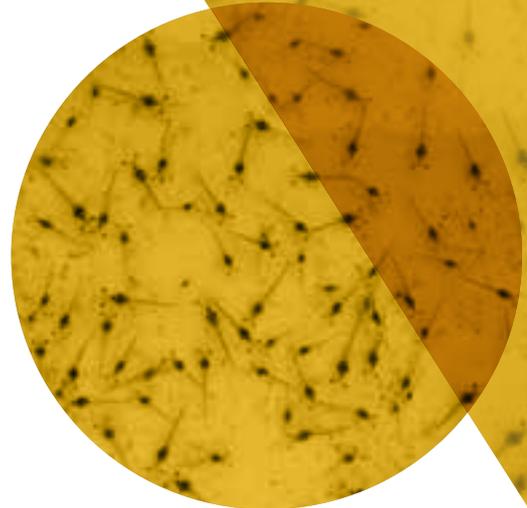
Frozen Foods



A secure supply chain with full traceability

A wide range of high quality frozen products in raw, cooked and value-added categories.

Hatchery



Providing healthy inputs to our farmers

High-grade inputs and advanced machinery for seed production, disease monitoring and biosecurity measures.



FEED



5
Feed Manufacturing
Units

6,00,000 MT
Production
Capacity

Avanti delivers Scientifically formulated and nutritionally well-balanced shrimp feed to our farmers. Currently, we operate five feed manufacturing units, all of which are BAP and ISO certified and offer a combined production capacity of 6,00,000 MT. Our highly equipped testing labs ensure the quality of feed, and our technical teams assist farmers across India with aquaculture practices, seed selection and seed quality analysis.





Supplying
high-quality feed to
farmers across India



FROZEN FOODS



Capacity
22,000 MT

Avanti Frozen Foods Pvt Ltd (AFFPL) is a subsidiary of Avanti Feeds. Established in 2015, AFFPL is supported by the technical expertise, R&D and quality systems of **Thai Union Group (TUG)**.

AFFPL has two highly advanced shrimp processing and export facilities, modern in-house labs and follows international food safety standards. The facilities have a capacity of 22,000 MT and provide products for global markets in Europe, USA, Japan, Korea, China, Russia, Canada and the Middle East. AFFPL delivers a fully traceable, farm-to-fork supply chain solution with a wide range of offerings such as raw, cooked and value-added shrimp products.





**Delivering
quality seafood
products to the world**

Our Products



Raw Shrimp

- Head-On
- Headless, Easy peel
- Raw Peeled & Deveined, Tail-on
- Raw Peeled & Deveined, Tail-off
- Butterfly Cut, Peeled & Deveined, Tail-on
- Pin Deveined



Cooked Shrimp

- Cooked tail on
- Cooked tail off
- Cooked in shell
- Cooked headless, easy peel



Value added Shrimp

- Marinated products
- Breaded products
- Skewers
- Shrimp Rings



Our Brands

- One supply chain
- End to end certifications
- Transported, processed and stored in controlled temperatures
- Full traceability
- Approved by USFDA, EU, Korean FDA, Japan and Canada



Certificates



The nodal agency to provide the catch certificate for exporting seafood to EU countries per the EU Regulation 853/2005



International standard defining the requirements for effective control of food safety



Certified for compliance with BAP/BAP part standard.



Certified for meeting the requirements of the Global standard for food safety

HATCHERY

Total
Capacity
400 million
Post Larvae
per annum

In addition to our strong farmer base, extensive dealership network, aquafeed, farms and frozen exports, we have established a state-of-the-art hatchery division in Visakhapatnam district. The facility is situated in Gudiwada village in Andhra Pradesh and has a total capacity of 400 million seeds in the first phase.

Avanti is committed to supplying good quality seed with the best-suited inputs, disease monitoring and biosecurity measures. The hatchery is well equipped with machines for seawater filtration and purification, culture and rearing systems and an in-house laboratory. The hatchery division ensures good quality disease-free post larvae to get a highly successful crop to our farmers, thereby promoting sustainable farming.





Biosecurity, Microbiology and RT-PCR Lab

Stringent biosecurity measures safeguard Avanti's hatchery units. SPF status needs to be retained from the broodstock import to the post-larvae production until the shrimp seeds reach the farm. This is achieved through periodic and systematic screening of all inputs subject to risk. There is also strict implementation of restricted staff movement in the intersections. Moreover, the facility is completely secured with standardised systems and protocols to prevent any breach of biosecurity.

Providing
healthy inputs
to our farmers

Power

Avanti has invested in these power projects

WINDMILL PROJECT

3.2 MW windmill project

Chitradurg (Karnataka)

Power generated

44.73 Lakh units in FY 21



GAS POWER PROJECT

Avanti holds 49.99% equity in

Srivathsa Power Projects (P) Ltd, which runs a

17.2 MW gas-based independent power project

in Andhra Pradesh

Power generated : 81.86 Lakh units



HYDEL POWER PROJECT

Avanti holds 25.88% equity in

Patikari Power (P) Ltd,

which runs a 16 MW hydel power project in Himachal Pradesh

Power generated : 367.72 Lakhs units

during FY 21, yielding a

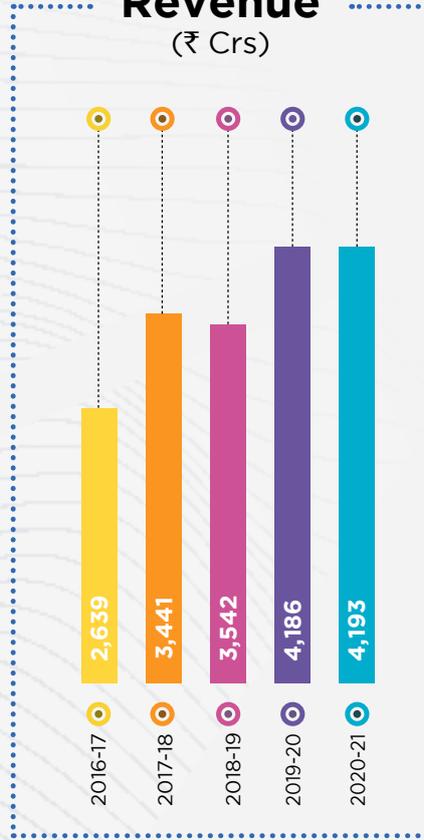
Gross Revenue : ₹ 849.71 Lakhs

Net Profit : ₹ 172.52 Lakhs

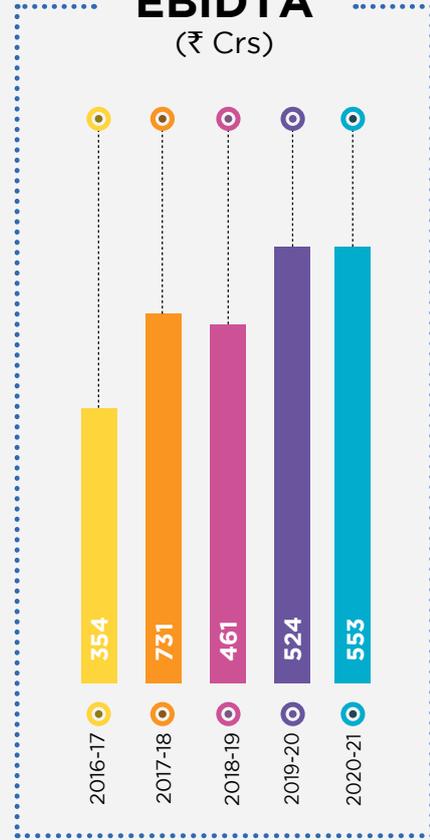


Performance Highlights

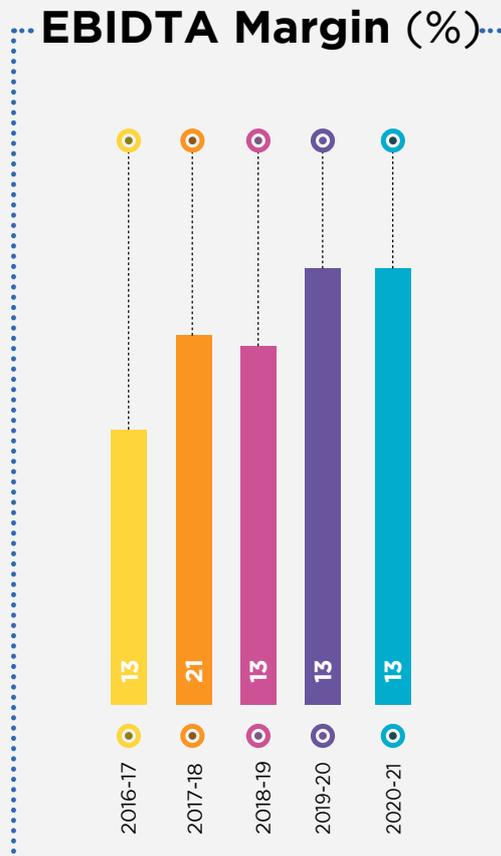
Revenue (₹ Crs)

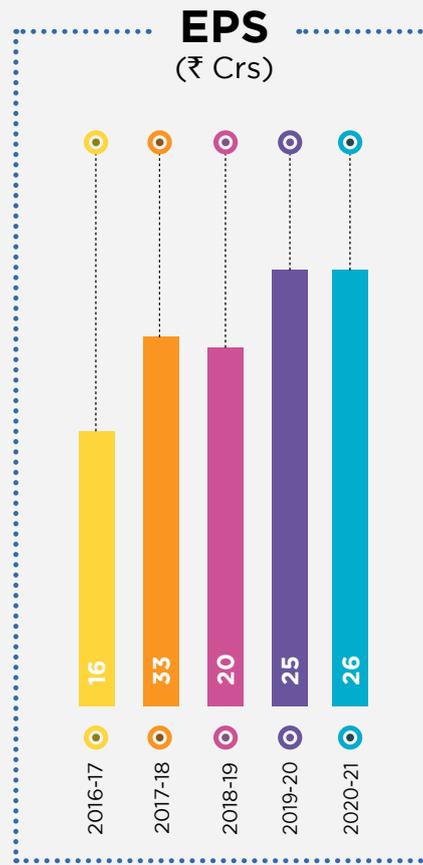
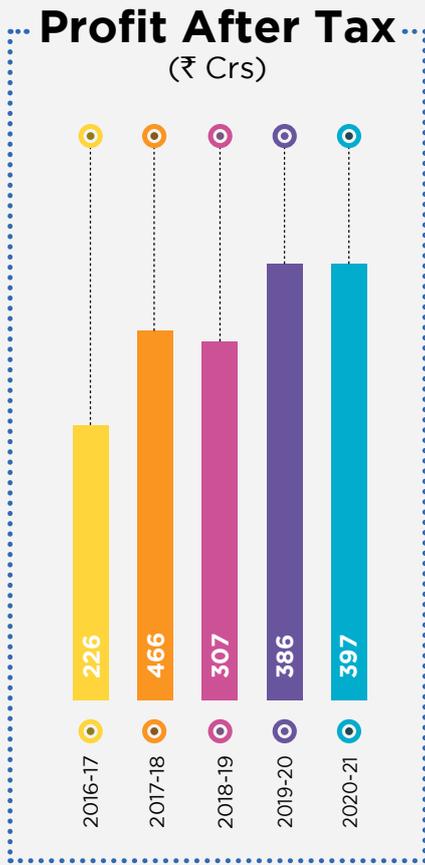


EBIDTA (₹ Crs)



EBIDTA Margin (%)

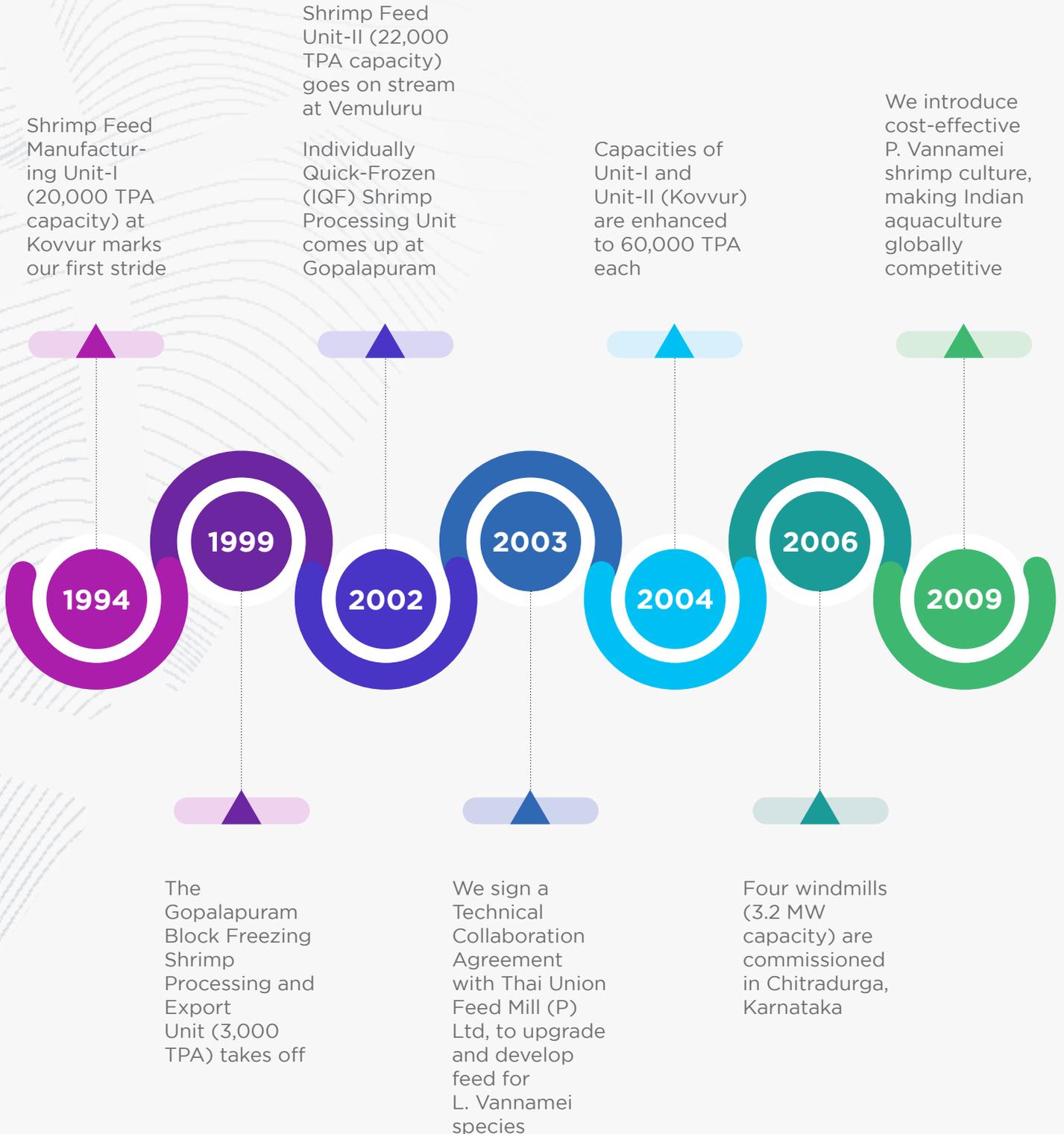




Key Ratios

	2016-17	2017-18	2018-19	2019-20	2020-21
ROCE (%)	47	63	34	33	28
ROE (%)	31	41	23	24	20
Net Debt to Equity	0	0	0	0	0
Inventory Days	57	67	60	52	63
Receivable days	4	4	5	6	7

Milestones in our Journey



To meet the rising demand in Western India, our third shrimp feed plant (60,000 TPA capacity) comes up at Pardi

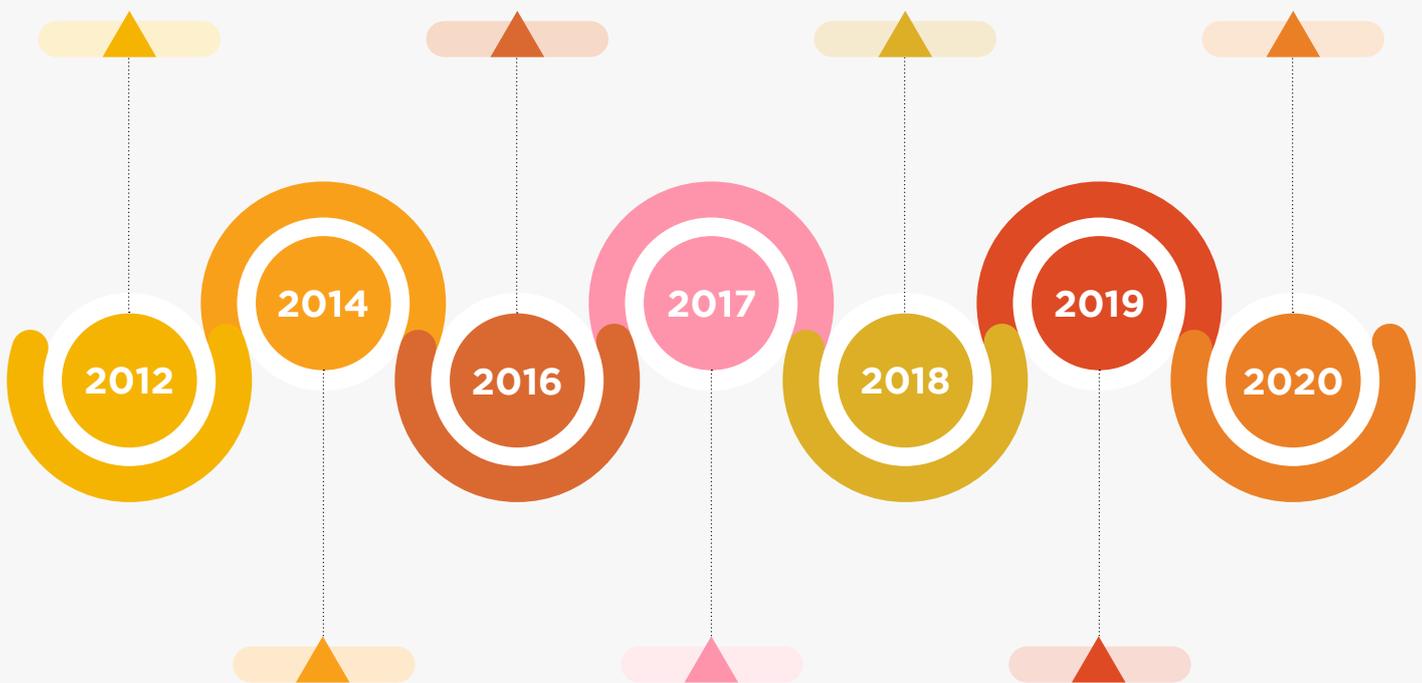
Shrimp processing capacity of our Gopalapuram IQF Unit is augmented to 7,000 TPA

Our shrimp processing and exports business was divested to AFFPL (subsidiary) to secure global recognition

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

AFFPL commissions state-of-the-art shrimp processing and export plant (15000 TPA capacity) at Yerravaram, AP

Hatchery division with 400 mn PL capacity per annum comes up at Gudiwada, Visakhapatnam, AP



Shrimp feed manufacturing Unit-III (70,000 TPA capacity) comes up at Kovvur

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

This was our year of staying strong, and growing stronger...

What aqua farmers say

V SAI KUMAR

SR Fisheries farm, Kaleru village, Kakinada market

For a successful farming we need good quality feed, good seed and good management. Avanti has all the solutions for these. They have the best quality feed. They have a modern lab to test and confirm the good quality of seed. They provide effective technical services so I can practice BMP. I recommend Avanti Feeds and services to all my neighbouring farmers to be successful.



R RUDRA RAJU GOPAL KRISHNAM RAJU

Allavaram

Avanti Feeds quality is undoubtedly the best, that is why they are the market leaders. I am using the feed for the past 20 years and I have never faced any quality and performance issue with Avanti.



K V RAJU

Kalipatnam Mogulur Market

I am a small farmer but Avanti team took care of my farm for the last 5 years and made me successful. I have increased my operations from 3 acres to 10 acres within 3 years, all because of good quality feed from Avanti and very responsive services from Avanti Team.



NAMBURI NITHIN

Komaragiripatnum

I am very satisfied with feed. Avanti has the best quality feed with very good Feed Conversion Ratio and growth.



T MOHAN NAGENDRA REDDY

Pekeru, Near Penugonda, Marteru

My farm is the oldest in this region but I am continuously getting good crop with best FCR due to updated technology and improved infrastructure facility in the farm with the guidance of Avanti team. My continuous success is due to good feed from Avanti and good suggestions from Avanti team.



AFTAB ALI KHAN

Director, APS Sea Feed & Corporate Farmer



Avanti Feed was able help to improve survival rate as well as growth to get good harvesting. I have been using Avanti Feed for several years and getting excellent results in terms of biomass as well as return on investments. Therefore, Avanti Feed has proved to be an efficient, good quality feed for Shrimps to get a successful crop.

SWARUP HUTAIT

Corporate Farmer, Bargabhima

By using Avanti Feed the pond water was well maintained as per required parameters, bottom was healthy with minimum organic matter. The Shrimp was always observed to be of good quality without any deformity at all the samplings during entire period of culture. The Feed Conversion Ratio was good.

After harvesting of Shrimp the bottom of pond was observed to be without any black soil & sediment was clean without any formation of toxic gases.

Based on the results obtained consistently since several years in our farm, I have no hesitation in saying that Avanti Feeds have top/superior quality feed in our entire country.



Giving back to Society...



Avanti Foundation

Avanti Foundation is a Charitable Trust established for undertaking CSR activities of Avanti Group. The Foundation's objective is to undertake various initiatives in health, education, environment, infrastructure and sports, especially in rural areas.

Environment

Several initiatives to reduce the effects of industrialisation on soil, environment and natural habitat:

- Establishment of the Sujalam Safalam Jal Abhiyan 2020 at Paadi Villages by pond excavation.
- Development of Green Belt with extensive plantations on village roads and highways.
- Active participation in the Swachh Bharat Abhiyan alongside various government bodies for sanitation, waste management and cleanliness.
- Provision of effluent discharge solutions to farmers for the careful removal of polluted wastewater from ponds.



Education

Programs to empower young individuals through education oriented initiatives in the rural sector:

- Establishment of AU Avanti Skill Development Center at Vishakhapatnam in collaboration with Andhra University.
- Running of an under-graduate and post-graduate college with a total of 1750 students (60% women) of commerce and science streams.
- Setting up of Mid Day Meal Kitchen in Podagatla Palli, East Godavari in collaboration with Akshaya Patra Foundation for catering to schools in East and West Godavari districts.

Health

Contributions in the form of infrastructure, hospital equipment and medical camps to stamp out hunger, poverty and malnutrition.

- Free medical and eye checkup camps at Kovvur.
- Contributions to Indian Red Cross Society for the establishment of thalassemia, sickle cell and haemophilia Transfusion Centre at Eluru, Andhra Pradesh.
- Contributions to Hrudaya Cure Heart Foundation, a charity that provides medical care to infants with heart diseases from marginalised sections of the society in Andhra Pradesh and Telangana.
- Development of maternity ward in Government Hospital and Government Veterinary Hospital in Kovvur.
- Contributions to Sri Venkateswara Pranadana Trust program which offers free medical facilities to marginalised families.
- Providing food and maintaining Covid Relief Center at Sri CR Reddy College, West Godavari.
- Supplying medicines and oxygen concentrators for Covid patients in East Godavari Districts, Andhra Pradesh, Seafood Association, Andhra Pradesh, Government Hospital, Kovvur
- Distribution of masks in rural areas of Andhra Pradesh, Gujarat, Odisha and Tamil Nadu.
- Distribution of Face Shields, Sanitizers, Thermometer, Pulse oximeters, vaporizers and medicines to Front-line Warriors at Kovvur.
- Contributing financially to District and State Government in undertaking various COVID Relief Activities.
- Setting up of Oxygen Plant at Government General Hospital, Vijayawada in partnership with Siddartha Medical College Allumini and at Sri Padmavathi Medical College for Women Hospital - Tirupati, in partnership with ACT Grants.



Sports

Efforts to promote sporting habits in children and young adults in rural areas that surround our facilities:

- Sponsorship of world ranking Snooker tournament at Visakhapatnam, Federation Cup Volleyball Championship at Bhimavaram, Andhra Pradesh.
- Organisation of coaching camps and tournaments for volleyball, badminton and cricket in and around Kovvur.
- Provision of equipment, sponsorships and skill development programs to young and promising sports persons to enable them to reach national standards.
- Village Cricket Tournament at Kosamba, Gujarat.



AFL Marketing Strategy Meet



**Statutory Reports
2020-21**

Corporate Information

Board of Directors

A. Indra Kumar
Chairman & Managing Director

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

N. Ram Prasad

Bunluesak Sorajjakit

Wai Yat Paco Lee

A.V. Achar (Upto 22.10.2020)

K. Ramamohana Rao

B.V. Kumar

M.S.P. Rao

N.V.D.S. Raju

K. Kiranmayee

J.V. Ramudu

Rajat Bhargava, IAS
Nominee-APIDC (Upto 13.10.2020)

A. Venkata Sanjeev

R. Karikal Valaven, IAS
Nominee - APIDC (From 12.11.2020)

V. Narsi Reddy
(From 12.11.2020)

Auditors

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

Bankers

State Bank of India
HDFC Bank Ltd

Registrars & Share Transfer Agents

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

Registered Office

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

Corporate Office

G-2, Concorde Apartments, 6-3-658,
Somajiguda, Hyderabad - 500082.
Website: www.avantifeeds.com
CIN:L16001AP1993PLC095778

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 28th Annual Report together with the Audited Financial Statements of your Company and its subsidiary for the year ended 31st March, 2021.

1. Financial Summary or Highlights

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

(₹ in Lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Total Revenue	3,24,250.80	3,16,257.16	4,10,056.19	4,11,529.15
Profit / (Loss) Before Interest, Depreciation & Tax (PBITDA)	42,601.03	39,857.28	55,227.60	52,455.49
Finance Charges	49.13	121.23	168.40	198.79
Depreciation	2,132.60	2,098.56	4,092.69	3,770.67
Provision for Income Tax (including for earlier years)	9,882.21	9,039.82	11,229.40	9,857.44
Net Profit / (Loss) After Tax	30,537.09	28,597.67	39,737.11	38,628.59
Profit / (Loss) brought forward from previous year	1,01,028.47	89,800.25	1,21,440.48	1,04,107.24
Profit / (Loss) carried to Balance Sheet	1,28,898.07	1,01,028.47	1,53,693.88	1,21,440.48

2. Summary of Operations & State of Company's Affairs

Your directors are pleased to report that in spite of severe impact on Country's economy and almost all the industries with de-growth to a great extent, your Company has been able to with stand the impact and registered performance at the same level of FY'20.

The profit for the year under consideration i.e. FY 2020-21, before depreciation, finance charges and tax is ₹42,601.83 Lakh as compared to a profit of ₹39,857.28 Lakh in the previous financial year. The profit for the year after tax is ₹30,537.09 Lakh as against a profit of ₹28,597.67 Lakh during the previous financial year.

Your Company reported 4,73,449 MT sales of shrimp feed during 2020-21 as compared to 4,84,669 MT shrimp feed sales in the immediately preceding financial year 2019-20, a marginal decrease of 2% in volume.

The Four Windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 44.73 Lakh units as against 48.09 Lakh units in the previous year. The power generated during the year was sold to Karnataka Power Transmission Corporation Limited under the Power Purchase Agreement.

During the year under review the Company started commercial production of its Hatchery division.

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the dates of this report.

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



3. Impact of COVID-19 on the Business

a. Feed Business:

The feed business of your Company underwent severe stress due to COVID-19 impact, particularly during the first half of 2020. As the intensity of spreading of Corona virus started during March '20 in India, the main season of Aquaculture went totally haywire disturbing the shrimp culture activities in the Country. Due to lockdown and lack of transportation facilities, the Hatcheries could not start in time to provide shrimp seed / larvae, feed production also reduced in the Country due to delay in commencement of shrimp culture. As a result the main season of shrimp culture which contributes as much as 60% of shrimp production underwent significant reduction.

However, in the second half the Shrimp culture picked up and the sales also improved. As a result, your Company could maintain almost the same level of performance in FY'21 as FY'20. Though the feed consumption in India during the year declined by 15%, your Company could manage to restrict it to 2%.

b. Shrimp Processing

As a consequential impact, the shrimp production and processing also declined. There was all round scepticism on future of shrimp culture and exports as the farm gate prices declined and the exports market also show de-growth due to closure of restaurant and food services in most of the Countries.

4. Survey & Search by Income Tax Department

The Investigation wing of the Income Tax Department, Hyderabad conducted search / survey on the premises of the Company and its subsidiary, Avanti Frozen Foods Pvt. Ltd. during November, 2019. Subsequent to search / survey the investigation department called for and scrutinized the information / records submitted by the Company and it is given to understand that their report has been passed on to the Assessing Income Tax Circle. The Company has received notices u/s 153A of Income Tax Act from the department and has filed revised returns in respect of relevant Assessment Years. Accordingly, necessary tax provisions have been made in the accounts of FY '21 which has been reported in the financial statements.

5. Share Capital

During the year under review, there is no change in share capital of the Company. As on 31st March, 2021 the authorized capital of the Company is ₹15,85,00,000 divided into 15,85,00,000 equity shares of ₹1/- each and paid-up capital is ₹13,62,45,630 divided into 13,62,45,630 equity shares of ₹1/- each.

6. Dividend

Your Directors recommend a dividend of ₹6.25 (Rupees Six and Twenty-Five Paise only) per equity share of ₹1/- each fully paid for the FY 2020-21. The dividend if declared by the members at the 28th Annual General Meeting to be held on 14th August, 2021, will be paid within the timeline as prescribed under the Act, subject to deduction of tax at source as applicable.

The dividend, if approved, would result in a cash outflow of approximately ₹8515.35 lakhs resulting in a dividend payout of 625% of the standalone profits of the Company.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Dividend Distribution which is disseminated on the Company's website at www.avantifeeds.com.

7. Reserves

During the year under review, an amount of ₹2500 lakhs were transferred to Reserves out of the current year profits.

8. Credit Rating

During the year under review, India Ratings & Research Private Limited (the 'India Ratings'), Affirmed the Credit rating as under:

Sl. No.	Details	Rating Affirmed
1	Avanti Feeds Ltd – Long Term Issuer Rating	IND AA(-) Stable
2	Fund Based Working Capital Limits ₹50 Crores	IND AA(-) Stable
3	Non-Fund Based Working Capital Limits ₹42.79 Crores	IND A1+

9. Composition of the Board as on 31st March, 2021 and Details of Board meetings:

Sl. No.	Name	Designation
1	Sri A. Indra Kumar	Chairman & Managing Director
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & Chief Financial Officer
3	Sri N. Ram Prasad	Director
4	Mr. Bunluesak Sorajakit	Director
5	Mr. Wai Yat Paco Lee	Director
6	Sri B.V. Kumar	Independent Director
7	Sri M.S.P. Rao	Independent Director
8	Sri K. Ramamohana Rao	Independent Director
9	Sri N.V.D.S. Raju	Independent Director
10	Smt. K. Kiranmayee	Independent Woman Director
11	Sri J.V. Ramudu	Independent Director
12	Sri A. Venkata Sanjeev	Executive Director
13	Sri R. Karikal Valaven, IAS (from 12.11.2020)	Nominee Director (Nominee of Andhra Pradesh Industrial Corporation Limited – represented as equity investor)
14	Sri V. Narsi Reddy (from 12.11.2020)	Independent Director

9.1 Number of Board Meetings

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

Sl. No.	Date of Board Meeting	No of Directors Attended
1	27.06.2020	13
2	27.08.2020	13
3	12.11.2020	13
4	04.02.2021	13

10. Committees of the Board

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

11. Meeting of Independent Directors

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



12. Familiarization Programme for Independent Directors

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

13. Independent Directors

13.01 Declaration by Independent Directors

Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju, Smt K. Kiranmayee, Sri J.V. Ramudu, and Sri V. Narsi Reddy are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfil the conditions specified in Section 149(6) of the Companies Act, 2013 ("the Act") and the Rules made thereunder, and under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 about their status as Independent Directors of the Company.

13.02: Registration of Independent Directors with the Databank in the portal of Indian Institute of Corporate Affairs

Pursuant to notification dt. 22nd October, 2019 of Ministry of Corporate Affairs all the Independent Directors have registered themselves as Independent Director in the portal of Indian Institute for Corporate Affairs (IICA).

14. Changes in Directors and Key Managerial Personnel

Your directors regret to report the unfortunate demise of Sri A.V. Achar on 22nd October, 2020 who served the Company as Director, Independent Director and Chairman of the Audit Committee for over two and half decades. The Board placed on record of its appreciation of his long association and valuable contributions made to the Company during his tenure.

During the year under review, (i) Dr. Rajat Bhargava, IAS, Nominee Director of Andhra Pradesh Industrial Development Corporation Limited resigned on 13th October, 2020, (ii) Sri R. Karikal Valaven, IAS, was appointed, on 12th November, 2020, as Nominee Director of Andhra Pradesh Industrial Development Corporation Limited, and (iii) Sri V. Narsi Reddy was appointed as an Additional Director to hold the office as an Independent Director on 12th November, 2020.

Key Managerial Personnel ("KMP") of the Company:

Sri A. Indra Kumar, Chairman and Managing Director, Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and Chief Financial Officer, and Sri A. Venkata Sanjeev, Executive Director are the KMPs of the Company. During the year, there was no change in the KMPs of the Company.

Re-appointment of Sri A. Indra Kumar

The Nomination & Remuneration Committee and the Board recommend the re-appointment of Sri A. Indra Kumar as Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 1st July, 2021 and remuneration payable to him, as proposed in the resolution in the notice of the ensuing annual general meeting.

Appointment of Independent Director:

During the year, Sri V. Narsi Reddy, was appointed as Additional Director to hold the office as an Independent Director by the Board on 12th November, 2020. The Company received a Notice from a member proposing his appointment. The Board is of the view that Sri V. Narsi Reddy meet the requirement of integrity, expertise and experience (including the proficiency) required for his appointment. The Board recommend members to appoint Sri V. Narsi Reddy as an Independent Director for a period of 5 years w.e.f. 12th November, 2020 at the ensuing AGM.

Retirement of Directors:

In terms of Article 105 and 106 of the Articles of Association of the Company Mr. Wai Yat Paco Lee, Director and Sri A. Venkata Sanjeev, Executive Director retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Nomination & Remuneration Committee and the Board recommended their re-appointment for approval of the members at the ensuing AGM.

15. Policy on Directors Appointment and Remuneration

- 15.1 The details of Policy on Directors appointment and Remuneration (i.e. Nomination and Remuneration Policy), criteria for determining qualifications, positive attributes, independence of directors are included in Report on Corporate Governance forming part of the Board's Report.
- 15.2 The details of the remuneration paid to Sri A. Indra Kumar, Chairman and Managing Director, Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary & CFO and Sri A. Venkata Sanjeev, Executive Director are as under:

(₹ In Lakhs)

Details	Sri A. Indra Kumar, CMD	Sri C. Ramachandra Rao, JMD, CS & CFO	Sri A. Venkata Sanjeev, ED
Salary	342.29	180.60	54.87
Ex-gratia	39.60	21.00	6.58
Superannuation	14.31	7.54	4.94
Perks	2.60	-	-
Commission on Profits	1,547.56	1167.87	-
Total	1,946.36	1,377.01	66.39

16. Transfer of Unpaid / Unclaimed Dividend to IEPF

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, dividend which remain unpaid or unclaimed for a period of 7 consecutive years will be transferred to the Investor Education and Protection Fund of the Central Government.

Shareholders who have not encashed their dividend warrant(s) within 7 years from the date of the declaration of dividend, are requested to make their claim immediately to the Registrars & Transfer Agents i.e., KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited), Hyderabad or to the Company at its Corporate Office. The unclaimed dividend for the financial year 2013-14 will be transferred to IEPF within the time limit prescribed under the provisions of the Act.

The following table provides the details of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Sl. No.	Year	Date of declaration	Dividend per share (₹)	Face Value of equity share (₹)	Due date for transfer	Amount of Unpaid Dividend as on 31.03.2021 (in ₹)
1	2013-14	02.08.2014	15.00	10.00	05.09.2021	15,78,215
2	2014-15	08.08.2015	27.50	10.00	11.09.2022	22,09,412
3	2015-16	13.08.2016	7.00	2.00	17.09.2023	27,43,909
4	2016-17	12.08.2017	9.00	2.00	15.09.2024	33,88,761
5	2017-18	07.08.2018	6.00	1.00	10.09.2025	53,17,032
6	2018-19	09.08.2019	4.00	1.00	12.09.2026	24,28,176
7	2019-20*	24.02.2020	*5.00	1.00	30.03.2027	33,09,620
8	2019-20	29.08.2020	0.10	1.00	02.10.2028	1,33,634

* Interim Dividend.

Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary & CFO is the Nodal Officer for the purpose of IEPF Rules.

17. Transfer of Shares to IEPF

As per Section 124(6) of the Companies Act 2013 all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund of the Central Government. During the year under review, 34,500 equity shares of ₹1/- each were transferred to IEPF which pertains to unclaimed dividend for FY 2012-13.



18. Annual Return

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at www.avantifeeds.com.

19. Loans, Guarantees or Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

The Loans, Guarantees and Investments as on 31st March, 2021 are as under:

a) Loans	:	₹Nil
b) Guarantees	:	₹Nil
c) Investments	:	₹19,703.81 lakhs

		₹19,703.81 lakhs

20. Contracts or arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and are on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. However, the details of all related party transactions are disclosed in the notes to the financial statements.

The Company formulated the Policy on dealing with Related Party Transactions. The policy is placed at the Company's website: www.avantifeeds.com.

21. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out evaluation of (i) its own performance, (ii) the directors individually, and (iii) working of its Committees. The manner in which the evaluation was carried out is reported in the Report on Corporate Governance which forms part of this Report. The performance of Nominee Directors of APIDC (i.e., Dr. Rajat Bhargava, IAS and Sri R. Karikal Valaven, IAS) has not been done as they have not attended any of the meetings of the Board during the year 2020-21.

22. Corporate Social Responsibility Committee

22.1 Composition as on 31st March, 2021

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

22.2 Terms of Reference

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

22.3 CSR Policy

The Company's CSR Policy is disseminated on the Company's website at www.avantifeeds.com. During the year 2020-21, three meetings of the Corporate Social Responsibility Committee were held on 6th November, 2020, 29th January, 2021 and 16th March, 2021.

22.4 Avanti Foundation (AF)

During the FY 19, the Company along with Avanti Frozen Foods Private Limited and Srinivasa Cystine Private Limited, as Settlers, established "Avanti Foundation" a Charitable trust to implement the CSR activities of these Companies. The main objective of the Trust is to carry out CSR activities from contributions received from the settlers.

Avanti Foundation is registered as a Trust under the provisions of the Income Tax Act and as well as under the Companies Act as amended.

Sri A. Indra Kumar, Chairman & Managing Director of Avanti Feeds Ltd (AFL) is the Managing Trustee, Sri C. Ramachandra Rao Trustee on behalf of AFL.

Activities carried out by AF are as under:

- The Trust in collaboration with Andhra University has established an "Aquaculture Skill Development Centres" in the Andhra University Campus to function with joint cooperation from Industry and the university faculty. An MOU has been entered into with Andhra University (AU), Visakhapatnam to this effect and the Skill Development is named as "AU-AVANTI AQUACULTURE SKILL DEVELOPMENT CENTRE".
- The University has provided space in the campus and AF has started construction of class rooms, labs etc. The construction is completed and the building is proposed to be inaugurated coming months and the facility will be operational from first semester 2021-22.
- Setting up of Oxygen Plant at Government General Hospital, Vijayawada in partnership with Siddhartha Medical College Allumini and at Sri Padmavathi Medical College for Womens Hospital - Tirupati, in partnership with ACT Grant's.
- Supplying medicines and oxygen concentrators for COVID patients in East Godavari Districts, Andhra Pradesh, Seafood Association, Andhra Pradesh, Government Hospital, Kovvur.
- Distribution of Face Shields, Sanitizers, Thermometer, Pulse Oximeters, Vaporizers and Medicines to Front-line Warriors at Kovvur.
- Contributing financially to District and State Government in undertaking various Covid Relief Activities.
- Providing Food and maintaining COVID Relief Center at Sri C.R. Reddy College, West Godavari.
- Distribution of masks in Rural areas of Andhra Pradesh, Gujarat, Orissa, Tamilnadu etc.
- Providing computers to educational institutions at Kovvur.
- Undertaking various disaster relief operations during natural calamities like Repairs to Fire Station.
- Providing safe drinking water in villages by setting up RO Water Treatment Plants at Literary Club, Kovvur.
- Undertaking medical Camps in collaboration with Red Cross Society, Eluru.
- Promoting Sports and Arts by sponsoring tournaments, Badminton Tournament's in Kovvur, Sunrisers Youth Cricket Tournament in Kovvur and Avanti Cricket Cup in Kosamba, Gujarat.

The Foundation has been undertaking extensive socio economic activities for the benefit of marginalized communities of the Societies.

22.5 CSR Expenditure during the year 2020-21

As per the Section 135(5) of the Companies Act, 2013, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial Year 2020-21, the amount to be spent towards CSR activities works out to ₹850.92 lakhs. The Company has spent ₹850.94 lakhs towards the CSR activities in the financial year 2020-21. The detailed Report, on the CSR Activities is annexed to Board's Report at Annexure-1.



23. Management Discussion & Analysis

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

24. Business Responsibility Report

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

25. Corporate Governance

Report on the Corporate Governance together with a Certificate on compliance of Corporate Governance by Independent Auditors forms part of this Report.

26. Risk Management Policy

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

The Board oversees Company's processes for determining risk tolerance and review management's action and comparison of overall risk tolerance to established levels. The framework is designed to enable risks to be identified, assessed and mitigated appropriately. Major risks identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis.

26.1 Risk Management Committee

Details of composition, number of meetings held during the year under review and other related details are set out in the Report on Corporate Governance which forms part of this Report.

27. Whistle Blower Policy

The Company established Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and Code of Conduct to regulate, monitor and report trading by Insiders. The practice of Whistle Blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle Blower Policy is available at the Company's website: www.avantifeeds.com.

28. Maintenance of Cost Records

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

29. Subsidiaries and Associate Companies

Report on the Performance of Subsidiaries and Associates

The report on the business of the Subsidiaries and Associate companies as on 31st March, 2021 are as follows:

29.1 Subsidiaries:

(a) Avanti Frozen Foods Private Limited (AFFPL)

During the year AFFPL reported turnover of ₹85,688.66 lakhs and profit before tax is ₹10,825.92 lakhs. The Profit after tax reported by AFFPL is ₹9,478.73 lakhs for the year 2020-21.

The financial statements along with Secretarial Audit Report of the AFFPL are placed on the website of the Company at www.avantifeeds.com.

The Secretarial Audit report of AFFPL as required under regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a separate annexure forming part of this report. Further, the annual report is being sent to the members excluding the aforesaid annexure. The same is available for inspection and any member interested in obtaining a copy of the same may write to the company.

(b) SVIMSAN Exports and Imports Private Limited (SVIMSAN)

SVIMSAN Exports & Imports Pvt. Ltd., ('SVIMSAN') is a wholly owned subsidiary of the Company established in 1998 to carry on the activity of Exports & Imports. However, it had closed the operation 11 years ago.

In accordance with the provisions of Companies Act under section 248(5) of the Companies Act, 2013, the name of SVIMSAN Exports & Imports Private Limited, has been struck off by the Registrar of Companies and the said Company is dissolved with effect from 12th March, 2021.

(c) Avanti Frozen Foods INC. - Step down subsidiary

Avanti Frozen Foods INC. (USA), step down subsidiary of the Company and a wholly owned subsidiary of Avanti Frozen Foods Private Limited was incorporated on 22nd April, 2019 in the State of Delaware in USA.

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

29.3 The Annual financial statements of the subsidiary including step down subsidiary and related detailed information will be kept at the Registered Office and Corporate Office of the Company and also at the Registered Offices of the respective subsidiaries and also available on the website of the Company, www.avantifeeds.com.

29.4 The Company has adopted a Policy for determining Material subsidiaries in terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy approved by the Board is available on the website of the Company at www.avantifeeds.com.

29.5 Joint Ventures:

During the year under review there were no Joint Ventures.

29.6 Associate Companies:**1. Srivathsa Power Projects Private Limited (SPPPL)**

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

During the year 2020-21, the gas supplied by GAIL was only 25,592 SCMD as against the nominated quota of 65,000 SCMD stated to be due to non-availability of APM-Gas. As a result, the power generation was limited to 81.86 lakhs units as against generation capacity of 1,100.00 lakhs units. During the year 2020-21 Plant operated 86 days, the Company reported a turnover of ₹401.11 lakhs and a loss of ₹177.34 lakhs after charging interest and depreciation, as per audited financials.

SPPPL has entered its Power Purchase Agreement (PPA) with AP Transco on 1st January, 2021. W.e.f. 5th January, 2021 SPPPL is supplying power to AFL (the Company) under open access permission given by AP Transco. The cost of power supplied by SPPPL to AFL at arm's length.

2. Patikari Power Private Limited

The Company holds 25.88% equity shares in Patikari Power Private Limited which has a 16 MW Hydel Power Project in Himachal Pradesh. During the year 2020-21 as per audited financials the Company generated 367.62 lakhs saleable energy units, yielding a gross sales income of ₹849.29 lakhs which resulted in a net profit of ₹172.52 lakhs after charging interest, depreciation and tax. The Company has declared dividend of ₹0.25 paise per equity shares for the FY 2020-21, subject to approval of the shareholders.

29.7 Names of companies which have become or ceased to be, its Subsidiaries, joint ventures or Associate companies:

During the year, pursuant to section 248(5) of the Companies Act, 2013, the name of SVIMSAN Exports & Imports Private Limited, has been struck off by the Registrar of Companies and the said Company is dissolved with effect from 12th March, 2021.

Except the above, there were no companies which have become or ceased to be Joint Ventures or associate companies.



29.8 Statement containing salient features of financial statements of subsidiaries and associates.

Pursuant to Section 129(3) of the Act, the statement containing the salient features of the financial statements of Company's subsidiary and associate companies is enclosed at Annexure-2 of Board's Report.

30. Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing fee for the year 2021-22 has been paid to both the stock exchanges.

31. Internal Controls Systems and Adequacy

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

The internal financial controls with reference to the Financial Statements for the year ended 31st March, 2021 commensurate with the size and nature of business of the Company.

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

32. Internal audit

In terms of Section 138 of the Companies Act, 2013 and the relevant Rules, during the year, the Company appointed M/s. Manohar Chowdhry & Associates, Chartered Accountants as an Independent Internal Auditor in place of in house Internal Auditor of the Company. The Internal Auditor directly reports to the Audit Committee.

33. Independent Auditors, their Report and Notes to Financial Statements

At the 24th Annual General Meeting held on 12th August, 2017, Tukaram & Co. LLP, Chartered Accountants, Hyderabad have been appointed as Independent Auditors of the Company for a period of 5 years, to hold the office from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held in the year 2022. The ratification of the appointment of Tukaram & Co LLP, as Independent Auditors for the year 2021-22 is not required as per the Companies (Amendment) Act, 2017 notified on 07th May, 2018.

The report of the Independent Auditors along with notes and Schedules are annexed to this Report.

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

34. Compliance with Secretarial Standards

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

35. Secretarial audit

In terms of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s. V. Bhaskara Rao & Co., Hyderabad, Practising Company Secretaries has been appointed as the Secretarial Auditor of the Company for the year 2020-21. The report of the Secretarial Auditor is annexed to this Report. There were no qualifications, reservations or adverse remarks or disclaimers made by Secretarial Auditors except the Committee could not evaluate the performance of the Nominee Directors of APIDC (i.e., Dr. Rajat Bhargava, IAS and Sri. R. Karikal Valaven, IAS) as they have not attended any of the meetings of the Board during the year 2020-21, as mentioned in the Corporate Governance Report.

36. Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2021, on compliance of all applicable SEBI Regulations and circulars / guidelines, issued by M/s. V. Bhaskara Rao & Co., Company Secretaries, was submitted to BSE Limited and National Stock Exchange of India Limited.

37. Director's Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

a) Conservation of Energy:

(i)	The steps taken or impact on conservation of energy	Arranged L.D.R (Light Dependent Resistor) Control system to Plant and Street lighting to switch NO / OFF Lighting in auto mode depend on "sun" Light intensity. Dumping Blower shoot altered and connected with Hammer Mill Blower (I10) and succeed process operation. Permanently Switched off Dumping Blower.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Company is studying feasibility of installing solar panels on roof top of its factory godowns to harness solar power.
(iii)	The capital investment on energy conservation Equipments	LED lights ₹12 Lakhs

b) Technology absorption: Not applicable.

c) Foreign Exchange Earnings and Outgo:

During the year under review, the details of Foreign Exchange Earnings and outgo are as under:

Inflow - ₹771.92 lakhs

Outflow - ₹28,024.96 lakhs

39. Public Deposits

The Company has not accepted any Public Deposits from public and as such no principal or interest on deposits from public outstanding as on date of the Balance Sheet.

40. Significant and Material Orders Passed by the Regulators

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

41. Human Resources

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



42. Particulars of Employees

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-3 of this report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company at avantih@avantifeeds.com

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

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

During the year ended 31st March, 2021, the Company has not received any complaints pertaining to Sexual harassment of Women at the Workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

44. General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No instances of frauds reported by Auditors under section 143(12) of the Act.
- There are no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one time settlement with any Bank or Financial Institution.

Acknowledgements

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

For and on behalf of the Board
Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168

Chairman & Managing Director

Place : Hyderabad
Date : 22nd June, 2021

Annexure - 1

THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2021

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

1.	Brief outline on CSR Policy of the Company.	The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programmes / activities, excluding activities in its normal course of business.		
2.	Composition of CSR Committee: As on 31 st March, 2021			
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year
	1	Sri A. Indra Kumar	Chairman / Chairman and Managing Director	3
	2	Sri N. Ram Prasad	Member / Non-Executive Director	3
	3	Sri B.V. Kumar	Member / Independent Director	3
	4	Smt K. Kiranmayee	Member / Independent Director	3
	5	Sri C. Ramachandra Rao	Member / Joint Managing Director, Company Secretary & CFO	3
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.		http://www.avantifeeds.com	
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).		Not Applicable	
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.			
	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	1	2017-18	Not Applicable	Not Applicable
	2	2018-19	Not Applicable	Not Applicable
	3	2019-20	Not Applicable	Not Applicable
		Total	Not Applicable	Not Applicable
6.	Average net profit of the company as per section 135(5).			₹425.46 crore
7.	(a)	Two percent of average net profit of the company as per section 135(5)		₹8.51 crore
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		Nil
	(c)	Amount required to be set off for the financial year, if any		Nil
	(d)	Total CSR obligation for the financial year (7a+7b-7c).		₹8.51 crore



8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)		Amount Unspent (in ₹)			
Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
₹8.51 crore	Nil	Not Applicable	Nil	Not Applicable	

b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)						Location of the project	Amount allocated for the project (in ₹)
Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration number
	Total											

Not Applicable

Not Applicable

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Item from the list of activities in schedule VII to the Act	Local area (Yes/No)			Location of the project	Amount spent for the project (₹ In Lakhs)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the project (₹ In Lakhs)	Mode of implementation - Direct (Yes/No)	Name	CSR registration number
1.	Health care, Relief activities	Disaster management	Yes	West Bengal, Gujarat, Maharashtra, Andhra Pradesh, Goa, Orissa, Tamil Nadu		47.54	Yes	N.A.	N.A.
2.	Drinking water facilities	Providing Health care	Yes	Andhra Pradesh	Visakhapatnam	10.00	No	Pragathi Bharath Foundation	N.A.
3.	Promoting Education among children	Promoting Education among children	No	Andhra Pradesh	Anantapur	7.00	No	Jasti Venkataiah Memorial Rural Development Trust	N.A.
4.	Road work	Rural development projects	Yes	Andhra Pradesh	East Godavari	6.70	Yes	N.A.	N.A.
5.	Village Pond Excavation Under "Sujalam Safalam Jal Abhiyan - 2020	Environmental Sustainability	Yes	Gujarat	Valsad	1.06	Yes	N.A.	N.A.

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (₹ In Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
6.	Scholarships to meritorious students below poverty line	Promoting Education among Children	No	Andhra Pradesh (not specific to a district)		51.00	No	Sri Venkateswara Vidyadana Trust	N.A.
7.	Providing Health care	Providing Health care	No	Andhra Pradesh (not specific to a district)		51.00	No	Sri Venkateswara Pranadana Trust	N.A.
8.	For the disabled	Providing Health care	Yes	Andhra Pradesh	West Godavari, Eluru	50.00	No	Sri Venkateswara Institute of Research and Rehabilitation	N.A.
9.	Promoting Sports	Promoting Sports	Yes	Gujarat	Valsad	2.00	Yes	Tandel Group Kosamba Apar Charitable Trust	N.A.
10.	Care of aged and disabled	Old age home	Yes	Andhra Pradesh	West Godavari	5.00	Yes	Sowbhagya Durga Old Age Home	N.A.
11.	Promoting Education among Children	Promoting Education among children	Yes	Andhra Pradesh	West Godavari	50.00	Yes	AVR Trust	N.A.
12.	Free medical treatment to the children with heart problems from economically poor families	Providing health care	Yes	Telangana	Hyderabad	25.00	No	Hrudaya Cure A Little Heart Foundation	N.A.
13.	Promoting Sports	Promoting Sports	Yes	Andhra Pradesh	West Godavari	0.45	Yes	N.A.	N.A.
14.	Promoting Education, Healthcare, Rural Development, Disaster Relief Technological Advancement etc. and objects of the Avanti Foundation (AF)	All the activities specified under schedule VII of the Act	All over India, including local areas	All over India, including local areas	All over India, including local areas	544.20	No	Avanti Foundation	N.A.
	Total					850.94			



d)	Amount spent in Administrative Overheads	Nil
e)	Amount spent on Impact Assessment, if applicable	Not Applicable
f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹8.51 crore
g)	Excess amount for set off, if any	

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹8.51 crore
(ii)	Total amount spent for the Financial Year	₹8.51 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-18	Nil	Nil	N.A.	Nil	N.A.	Nil
2.	2018-19	N.A.	Nil	N.A.	Nil	N.A.	₹2.60 crore
3.	2019-20	Nil	Nil	N.A.	Nil	N.A.	Nil
	Total	Nil	Nil	N.A.	Nil	N.A.	Nil

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).	
(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

For and on behalf of the Board
For Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director and
Chairman of the CSR Committee

Place: Hyderabad
Date : 22nd June, 2021

Annexure - 2

Form No. AOC-1
[Pursuant to first provision to sub-section(3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part “A”: Subsidiary

(₹ in Lakh)

Name of the subsidiary	Avanti Frozen Foods Private Limited	Avanti Frozen Foods INC (Stepdown subsidiary)
1. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-Not applicable -	-Not applicable -
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-Not applicable -	-Not applicable -
3. Share capital	₹1001.67	₹0.07
4. Reserves & Surplus	₹56,037.44	₹(154.68)
5. Total Assets	₹61,366.35	₹501.48
6. Total Liabilities	₹4,327.24	₹648.80
7. Investments	NIL	NIL
8. Turnover	₹85,688.66	₹605.34
9. Profit before Taxation	₹10,825.93	₹(154.68)
10. Provision for Taxation	₹1,347.20	NIL
11. Profit after Taxation	₹9,478.73	NIL
12. Proposed Dividend	50%	NIL
13. % of shareholding	60%	60%

Part “B”: Associates

(₹ in Lakh)

Name of Associates	Srivathsa Power Projects Private Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31.03.2021	31.03.2021
2. Shares of Associate held by the Company on the year end	1,66,93,630	1,06,45,200
Amount of Investment in Associates	₹166.94	₹1064.52
Extent of Holding %	49.99%	25.89%
Description of how there is significant influence	Two directors nominated	Two directors nominated
3. Reason why the associate is not consolidated	Not Applicable	Not Applicable
4. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹1,942.00	₹1,201.90
5. Profit / (Loss) for the year		
i. Considered in Consolidation	₹(88.64)	₹44.66
ii. Not Considered in Consolidation	NIL	NIL

For and on behalf of the Board
For Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place : Hyderabad
Date : 22nd June, 2021



Annexure - 3

Statement of disclosure of remuneration under section 197 of the companies act, 2013 and rule 5(1) of companies (appointment and remuneration of managerial personnel) rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	A. Indra Kumar : 563 : 1 C. Ramachandra Rao : 399: 1 A. Venkata Sanjeev : 19 : 1
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	A. Indra Kumar : 0.26% C. Ramachandra Rao : 0.78% A. Venkata Sanjeev : 54.50%
The percentage increase in the median remuneration of employees in the financial year;	16.45%
The number of permanent employees on the rolls of Company;	1092 employees
a) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year b) its comparison with the percentile increase in the managerial remuneration c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	11.18% Managerial Remuneration increased by less than 1% because: i) A part of managerial remuneration is based on Profits of the Company ii) The PBT of the Company increased by 7.39% as compared to previous year.
Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes.

For and on behalf of the Board
For Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place : Hyderabad
Date : 22nd June, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAVEAT

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

Industry Overview

Global Aquaculture Demand and Production

The year 2020 witnessed severe impact of COVID-19 on global economy and almost all Industries across the globe. The Aqua culture demand and production was no exception. The global Shrimp demand decreased in 2020, driven by Foods Service Closure across the globe. Retail and in-home consumption increased, however, it was not enough to compensate for the losses made by the food service sector. The Shrimp culture seasoned in Asia was delayed by 3-4 months due to COVID-19 outbreak resulting in imposition of lockdowns and disruptions in Shrimp culture activities on account of non-availability of Shrimp larvae in time, reducing the farming days and production volume.

The Indian Scenario

The majority of Shrimp production in India is driven by Vannamei, accounting for 90% of total production. COVID-19 induced lockdowns and disruptions in supply chain affected the entire Shrimp culture activities right from availability of Shrimp larvae, commencement of Shrimp culture non availability of raw materials in time for Feed production, fall in attendance of labour etc. In addition, the global Shrimp prices reduced due to reduction in demand in overseas markets like USA. As a result, the Shrimp exports from India went down by about 10%-12% compared to the FY 2019-20.

The Shrimp culture in India commenced with a sound note in the year 2021 as main season started late January and early February under favorable climatic conditions, availability of seed in time, stable farm gate prices and export prices. The production during the main season in 2021 is expected to be significantly higher than corresponding season in 2020.

Strengths, Weaknesses, Opportunities, Threats.

Strengths

It may not be out of place to mention that with 27 years of proven track record, Avanti is acknowledged pioneer in the Indian shrimp industry. It has gained technical expertise in developing need-based feed formulation to suit various climatic and other conditions of shrimp culture, with assured yield to farmers. Avanti's collaboration with Thai Union Group, a multinational Company engaged in Global Sea Food Industry has further strengthen Avanti's capabilities often bringing into India, global technological developments in Shrimp culture, Feed manufacture, Shrimp processing etc.

With its strong, pan-India dealership network with channel partners, Avanti caters comprehensively to the farmers' every requirement. To keep pace with the industry's ever-changing needs, Avanti is in continuous R&D collaboration with the Thai Union Group. Avanti also has the capacity to rapidly scale up its production with high-value capital-expenditure (capex) investments.

Avanti has always maintained great rapport with aqua-farmers supporting the farmers with its strong, qualified and experience technical staff making available their services 24/7 to the farmers.





In FY 2021, it not only retained its customer-base, but also added new farmers and new areas to its countrywide sales network. This has enabled the company to sustain its strong 48% market share in India in Shrimp feed, and keep itself poised to consolidate its position even further. Avanti also has the ability to withstand sharp volatilities in shrimp prices, as well as unpredictable swings in profitability. It can draw up and implement its long-term strategies, well-planned expansion moves, and its technological advantage over other players.

Weaknesses

Notwithstanding its steady year-on-year growth, the Indian aquaculture industry continues to grapple with challenges like inadequate infrastructure facilities, particularly 1) power supply to aquaculture farms, 2) lack of adequate cold chain to store produce, and 3) affordable financial support to aqua-farmers.

The Government of India, recognizing the need to support Sea Food Industry as a potential sustainable foreign exchange earner and source of employment generation has initiated steps to encourage Sea Food Industry. To mitigate the hardship caused to the Industry by impact of COVID-19 the Government has announced recovery package in 2020. The Pradhan Mantri Matsya Sampada Yojana (PMMSY), which announced a ₹20,500 Crore package in June 2020 under the 'Atmanirbhar' Scheme will hopefully provide some much-awaited relief to this sector. The government of India has recently announced Production Linked Incentive Scheme (PLI Scheme) proposing specified percentage of incentive on incremental sales, year on year basis starting from year 2021-22 for 6 years.

Opportunities

The world over, seafood demand and market have been growing steadily. The general perception that seafood offers better nutrition with excellent protein content and white meat is safer than red meat, is also pushing up its consumption. By adopting a planned development model, India can create excellent opportunities for itself in the seafood industry. The Marine Products Export Development Authority (**MPEDA**) has drawn up a plan to achieve marine products export of ₹One Lakh Crore by 2025.

The second wave of the COVID-19 pandemic in many countries underlines the continuing threat to market stability. On the positive side, product innovations, new distribution channels, e-commerce and home deliveries, and the shortening of supply chains that have coincided with this upheaval are likely to benefit the seafood industry for many years to come.

The global perception is that though 3rd wave of COVID-19 is anticipated world over, the countries confident that the negative impact of Third wave of COVID-19 may not be as severe as first and second wave due to the fact that the Countries have geared up to face third wave to minimize its impact on the people and the economies.

Threats

Aquaculture is heavily dependent on climatic conditions; floods, cyclones and other natural calamities can wreak havoc on the industry. Shrimp farming has two major seasons in India; the summer crop (March-July) accounts for 60% production, while the winter crop (July-November) accounts for the rest. India's heavy dependence on imported Specific Pathogen-Free (SPF) Vannamei brood-stock will have a long-term impact if embargos on international cargo movements continue. Other areas of concern are 1) volatility of international prices of shrimps, 2) fluctuating foreign exchange rates, and 3) the US Anti-Dumping Duty.

However, exploring the opportunities in development of potential domestic market to support exports, strict adherence of traceability, scientific pond management, a judicious approach on prices and forex management is expected to reduce the impact of threats to a great extent.

Future Outlook for India's Aquaculture Sector

The outlook for Indian Aqua Culture Sector is promising and expected to recover significantly in FY 2021-22. The fact that the main season of Shrimp culture took off well in Jan / Feb '21 and progressed steadily registering considerable growth in Shrimp production during first half of 2021 over corresponding period of 2020 indicates the positive growth of Shrimp culture sector in FY 21-22. USA continues to be the major importer of processed shrimps from India constituting as much as 70%-75% in value terms of Indian Shrimp exports. The demand for Shrimps consumption is growing in USA and other markets in year after year.

India still has a long coast line ideally suited for Shrimp culture which provides potential opportunities for increasing Shrimp culture in future. The Government of India and the State Governments have also recognized Shrimp culture sector for focusing on development. The Aqua culture sector therefore is poised for a sustainable growth in future. India was the highest supplier of Shrimps to USA during Jan-Dec 2020

Power

The Company has investment in the following power projects:

(a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State is operational and has generated 44.73 lac units during the year.

(b) **Srivathsa Power Projects Private Limited:**

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

During the year 2020-21, the gas supplied by GAIL was only 25,592 SCMD as against the nominated quota of 65,000 SCMD stated to be due to non-availability of APM-Gas. As a result, the power generation was limited to 81.86 lakhs units as against generation capacity of 1,100.00 lakhs units.

During the year 2020-21 Plant operated 86 days, the Company reported a turnover of ₹401.11 lakhs and a loss of ₹177.34 lakhs after charging interest and depreciation, as per audited financials

(c) **Patikari Power Private Limited**

The Company holds 25.88% equity shares in Patikari Power Private Limited which has a 16 MW Hydel Power Project in Himachal Pradesh. During the year 2020-21 as per audited financials the Company generated 367.62 lakhs saleable energy units, yielding a gross sales income of ₹849.71 lakhs which resulted in a net profit of ₹172.52 lakhs after charging interest, depreciation and tax.

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.

The Company had an Independent Internal Audit department headed by the Chief Internal Auditor reporting to Audit Committee and submitting periodic Internal Audit Report till March '20 and subsequently, an Independent Chartered Accountant firm has been engaged as Internal Auditor w.e.f. April '20. This Department is responsible to ensure compliance of all the statutory requirements by the Company. This Department is also responsible for Internal Audit and periodical risk appraisal, internal as well as external, of all the functional departments in the organization. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

Discussion on Financial performance with respect to operational performance

(i) **Operational Performance**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Indian Accounting Standards in India. During the year under review, your company reported profit of ₹40,419.31 Lakhs before tax adjustments as compared to profit of ₹37,637.50 Lakhs in the previous year.

(ii) **Segment-wise Performance**

The segment-wise performance of the Company during the year 2020-21 is disclosed in the Notes to Accounts at Schedule No. 40.



Key Financial Ratios

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

Particulars	2021	2020
Operating Profit Margin (%)	10.48%	9.98%
Net Profit Margin (%)	9.23%	8.87%
Debtors Turnover – Based on Gross Sales Value (No of times)	124.40	132.26
Inventory Turnover	9.73	8.70
Current Ratio	5.69	4.99
Return on Net worth (%)	20.31%	23.80%

Notes:

1. Debtors Turnover ratio has been computed for both years on the basis of Gross Sales Value (net of rebates and discounts) instead of Net Revenue.
2. Net Profit Margin and Return on Net worth ratios have been computed based on Profit After Tax (before exceptional items).
3. Interest Coverage Ratio and Debt Equity ratio are not relevant for the Company as it has negligible debt.

Human Resources / Industrial Relations

The process of shrimp feed production involves specialization in procurement of suitable raw materials, feed formulation, production to suit the needs of shrimp culture, which needs qualified and trained staff for these operations. The marketing staff has to be well trained in techniques of shrimp culture to assist to the farmers. In this direction, the Company imparts expert training in the respective field and develops Human Resource capabilities. The periodical trainings, incentives, increments and other welfare measures ensure healthy industrial relations. The total number of employees as on 31st March, 2021 is 1092 employees.

For and on behalf of the Board
Avanti Feeds Limited

Place : Hyderabad
Date : 22nd June, 2021

A. Indra Kumar
DIN 00190168
Chairman & Managing Director

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : L16001AP1993PLC095778
2. Name of the Company : Avanti Feeds Limited
3. Registered address : Flat No.103, Ground Floor, 'R' Square,
Pandurangapuram,
Visakhapatnam-530003, Andhra Pradesh
Corporate Office Address : G-2, Concorde Apartments, 6-3-658,
Somajiguda, Hyderabad-500082.
4. Website : www.avantifeeds.com
5. E-mail id : avantiho@avantifeeds.com
6. Financial Year reported : 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
 - a) 2309.90.00 Shrimp Feed
 - b) 8502.31.00 Power from wind mills
8. List three key products / services that the Company manufactures / provides (as in balance sheet)
 - a) Shrimp feed
 - b) Power from Wind mills
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations : NIL
 - ii. Number of National Locations : Five (5) Shrimp Feed manufacturing plants, One (1) Hatchery and One (1) Wind Power Generation having 3.2 MW capacity and Two (2) offices.
10. Markets served by the Company – Local / State / National / International:

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

International: Bangladesh and Srilanka through dealer.

Section B: Financial Details of the Company

1. Paid up Capital (INR): 1362.46 Lakhs
2. Total Turnover (INR): 3,24,250.79 Lakhs
3. Total profit after taxes (INR): 30,536.85 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%).
The Company has spent ₹850.94 lakhs towards CSR in the year 2020-21 and this is 2.79 % of profit after tax for the year 2020-21.
5. List of activities in which expenditure in 4 above has been incurred:
 - a. Promoting education by improving infrastructure in schools in rural areas.
 - b. Contribution to trust for providing quality education to disadvantaged girl children from marginalized and economically poor families.



- c. Donation to trust towards medical and health activities.
- d. Promoting Environmental Sustainability.
- e. Promoting sports among youth.
- f. Contribution to Old Age Home to take care of inmates who are old and deserved.
- g. Relief to COVID-19 effected people and frontline workers.

Section C: Other Details

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

Yes. Company has two subsidiaries and 1 step down subsidiary.

- 1) Avanti Frozen Foods Private Limited.
- 2) SVIMSAN Exports and Imports Private Limited (dissolved w.e.f. 12th March, 2021).
- 3) Avanti Frozen Foods INC. (step down subsidiary).

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

No. Avanti Frozen Foods Private Limited takes up CSR activities on its own.

During the year under review pursuant to Section 248(5) of the Companies Act, 2013, the name of SVIMSAN Exports and Imports Private Limited, wholly owned subsidiary of the Company has been struck off by the Registrar of Companies and the said Company is dissolved with effect from 12th March, 2021.

Avanti Frozen Foods INC.- Not applicable

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

The major entities that the Company does business with consist of significant number of raw materials suppliers for feed business and shrimp processing and dealers, distributors and farmers in the case of feed business and overseas importers of shrimps for shrimp processing business.

The suppliers of raw materials support the Company by strictly adhering to the quality standards of raw materials, committed delivery schedules enabling the Company to honour its commitments to its Customers i.e. dealers and distributors of feed. Similarly, in the case of processing the Company procures its raw shrimps requirements from shrimp farmers with stringent quality of shrimps such as non-presence of Antibiotic traces in shrimps to cater to the conditions of overseas customers. Thus these channel partners participate in BR initiatives of the Company.

Section D: BR Information

1. Details of Director / Directors responsible for BR

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

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

- b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number	00026010
2.	Name	Sri C. Ramachandra Rao
3.	Designation	Joint Managing Director, Company Secretary & CFO
4.	Telephone number	040-23310260
5.	e-mail id	avantiho@avantifeeds.com

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

a) Details of Compliance:

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

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

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

Governance related to BR

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



Section E: Principle-wise performance

Principle 1

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

The Company has a code of conduct applicable for all the executive and field staff of the Company irrespective of their designation or nature of job. The group Companies have also a similar code of conduct for their employees. As regards the joint ventures, the code of conduct of the Company does not extend to them. However, they do have their own code of conduct applicable to their organisations. The channel partners such as suppliers, distributors, contractors etc. are obliged to fall in line with the code of conduct of the Company concern in respect of their dealing with the Company.

There are no complaints received during the year relating to ethics, bribery or corruption from any stakeholders.

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

The Company has in place SOP for dealing with the complaints from the stakeholders in respect of each of its activities. For instance, there is SOP to deal with complaints on feed quality and performance which requires that the complaints should be addressed within 48 hours. Similarly, in the case of complaints from raw material suppliers, same should be addressed within 72 hours of receiving the material and quality check or payment. In respect of complaints from investors the Company has Stakeholder Relationship Committee to address and resolved the complaints. Since there are several types of complaints and separate complaint addressing mechanism, operating throughout the year it can be stated that almost all the complaints are properly addressed and resolved during the financial year. To be precise the total complaint received is 338 and all of them have been resolved.

Principle 2

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

Feed:

The major raw materials are fish meal, soyabean meal, wheat flour and others are fish oil soya lecithin, vitamin and minerals premixes. The major raw materials are sourced through natural availability such as fish, soyabean and wheat. Fish oil and soya lecithin or the associated products of fish and soyabean respectively. Vitamins and premixes are available through organic or inorganic sources.

The required water is used from ground water and water supplied by the Government. The power consumed is from government supply, under open access procurement from associate Company (gas based), partially through diesel Generators when others sources of supply is not available.

Shrimp processing:

The raw material for shrimp processing cultured raw shrimps from the farmers.

The water required for processing is drawn from ground water and partially from government supply of water.

The source of power consumed is from government supply partially through diesel Generators when others sources of supply is not available.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details there out 50 words or so.
 - A. The water sourcing is from ground water and partially through government supply. The sustainability of ground water is ensure by having adequate rain harvest facility and in respect of government supply by following prescribed norms of the government for water supply.
 - B. The major raw materials, as stated earlier, are from natural sources. The Company has SOP in place to identify and register potential vendors for supply of raw materials like fish meal, soyabean meal, wheat flour etc. The Company undertakes periodical review of such vendors to ensure sustainable supply.
 - C. Power: As stated earlier, major source of power supply is from the Government. The Company has longterm approvals for supply of power by the government. In the event of failure / non-availability of supply of power from the government, the company has stand by diesel Generators to provide uninterrupted power supply for operations of the Company.
4. Has the company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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

The products which can be recycled including waste is less than 5% of the production.

Principle 3

1. Please indicate the Total number of employees: 1092 employees. (PY 1084).
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 63 employees (PY 160).
3. Please indicate the number of permanent women employees: 20 employees (PY 23).
4. Please indicate the Number of permanent employees with disabilities: 2 employees (PY 2)
5. Do you have an employee association that is recognized by management.: No.
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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



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

- a) Permanent Employees : 57%
- b) Permanent Women Employees : 22%
- c) Casual / Temporary / Contractual Employees : 45%
- d) Employees with Disabilities : NA

Principle 4

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

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

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

The Company strives to be transparent in its communications and continual improvement. Company engages with the identified stakeholders on an ongoing basis through constructive consultation process and follows a timely feedback and response to ensure that stakeholder remains informed.

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

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

The Company continuously reviews and identifies disadvantaged, vulnerable and marginalized stakeholders and proposes to take initiative based on the need of such stakeholders.

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

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

Principle 5

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

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

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

There are no complaints regarding human rights violation from any quarter during the financial year 2020-21.

Principle 6

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

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

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?

Company has a well laid down energy strategies / initiatives to address global environmental issues such as climatic change, global warming etc.

The Company has five Shrimp feed manufacturing, two shrimp processing, a Hatchery to produce Shrimp larvae and a shrimp culture farm.

The feed manufacturing facilities have been installed with energy conservation and efficiency enhancement equipment. The Company undertakes periodical energy audit to ensure that these equipments are operational and yielding the desired results. Similarly, the Shrimp processing facilities, Hatchery and Farm also follow the same practice.

All these facilities have solar lights and solar energy supported devices wherever possible. In addition the Company has wind mills for power generation at Chitradurga.

Further, to conserve and recharge ground water, all the manufacturing units are equipped with rain water harvesting systems.

There is no Air pollution by any of the facilities of the Company. However, the processed water which does not contain any hazardous chemicals, treated in the effluent treatment plant and used for in-house plantation. The facilities adhere strictly to the pollution control norms prescribed by the Government Pollution Control Board.

To increase greenery, company has done extensive plantation in its factories and also planted trees in the nearby vicinity and villages. Company was also encouraging nearby villages to plant trees by providing saplings and tree guards for all such initiatives.

As part of regular education / training sessions conducted for the farmers on best practices in shrimp farming, the Company undertake training of farmers on waste management and filtration of sediments from water before releasing it to the exit drain. Post culture harvest farmer is trained by the Company's technical team to do proper water treatment and all solid waste is drained and disposed so as to maintain ocean sustainability.

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

It is part of Company's environmental policy to assess, periodically, any potential environmental risk and take appropriate steps to address such risks.

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

The Company, after assessing the emission of Green House gases by the facilities of the Company, considers that the Company is not obligated to undertake CDM mechanism.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.

As stated earlier, the Company undertakes to adopt and implement clean technology, energy efficient equipment processes from time to time depending upon the circumstances and feasibility.

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

All the factories of the Company comply with the prescribed emission norms of State Pollution Control Boards and during the financial year 2020-21 the emissions and waste generated by the Company are within the permissible limits given by SPCB.

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

No show-cause or legal notices from the pollution control authorities are pending as at the end of financial year 2020-21.

Principle 7

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

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



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

The Company has been representing the issues relating to the Aquaculture industry such as sustainable growth and steps to be taken by the Governments in consultation with stakeholders, in various forums organised by the above mentioned Trade Associations. Some of the issues which have been taken up by the Company are as under:

- i. Implementation of Best Aquaculture Practices (BAP) at different stages of Aqua culture such as Hatchery, Shrimp culture, Feed production and Processing of Shrimps. The Company has evolved the SOPs for implementation of BAP in association with the Trade organisation and stakeholders.
- ii. The Company undertakes imparting training to Shrimp farmers through its network of qualified, experienced and trained technical staff to ensure implementation of BAP such as pond preparation, feeding of shrimps, health management to get optimum yields.
- iii. The Company has been associated actively with the MPEDA by CMD as Chairman of AP region, assisting the Ministries of Commerce and Fisheries, MPEDA, CAA, EIA, EIC, State governments in framing the regulatory procedures to be followed by the Aquaculture industry.
- iv. The Company actively associates with the Government of India in formulating the regulations for export of Aquaculture products by participating in bi-lateral negotiations with other countries.
- v. In a nut shell, the company plays a compressive role in sustainable development of Aquaculture industries.

Principle 8

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

A. Shrimp Feed:

Your Company's policy has always been an inclusive growth and equitable development of the rural masses, in general, small and medium Shrimp farmers in specific. In the supply channel, the Company has small and medium sized dealers for distribution of feed.

The Company involves to a great extent in supporting the shrimp farmer to carry on shrimp farming successfully by assisting him in shrimp pond preparation, selection of good seed, adoption of Best Aquaculture Practices (BAP) to enable the farmers to get best results in shrimp farming. The Company has more than 20,000 small and medium shrimp farmers spread over PAN-India depending solely on shrimp culture for their livelihood.

In addition, the Company takes initiatives to develop new areas for undertaking shrimp culture situated all along coast line by educating and training enterprising youth among fisherman and other communities residing along the coast line. This initiative provides rural employment.

The Company also undertakes educating and training enterprising youth to undertake dealership / distribution of feed and to earn their livelihood.

B. Shrimp Processing:

The Subsidiary, Avanti Frozen Foods Pvt. Ltd. (AFFPL), engaged in shrimp processing procures a significant volume of raw shrimps from small and medium farmers. Being a market leader of shrimp feed business in India the Company established a well connected network between shrimp feed, shrimp farmer and shrimp processing and provides a kind of compressive services of supplying good larvae, support during shrimp culture and procurement of the produce i.e. Shrimp which ultimately aims at wellbeing of the shrimp farmer.

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

All the programmes are undertaken through in-house. However, recently the Company along with its subsidiary and associate Company formed a Trust, mainly to implement CSR activities of these Companies. This Trust has started an Aquaculture Skill Development Centre in association with Andhra University, AP to impart skills relating to Aquaculture such as Shrimp farming. Through this organisation

the company undertakes class room and practical training to youth interested in chosen shrimp culture as their livelihood. It also provides updation of technological advancement in shrimp culture activities across the globe to make the benefit of advancement at the door step in Indian shrimp farmer. This organisation also provides job opportunities in the field of Aquaculture such as Hatchery, feed manufacturing plants, processing plants etc.

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

Yes, the projects have been extremely useful to the shrimp farmers in improving their skills and also provide job opportunities.

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

The Company has been directly as well as through its Charitable institution established for CSR activities contributing to community development projects. Details given in Report on CSR Expenditure annexed to Board's Report.

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

The above stated community activities are taken up in consultation with village elders and residents. They are periodically reviewed for effective functioning and mid-course correction is made as and when needed.

Principle 9

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

The Company has a robust system to track customer feedback by an on field technical audit team "Technical After Sales Service". During the year Company received 68 customer complaints, out of which none are pending for resolution as at the year end.

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

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

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year.

There are no cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as at end of financial year 2020-21.

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

Every year at the end of shrimp crop season, customer satisfaction survey is conducted in many of the key market areas and steps are taken to improve the quality of feed and technical services based on the findings of these surveys. Further at the end of farmers meet undertaken regularly throughout the year, by the Company, feedback on performance of the feed, quality of services rendered by the Technical Staff are ascertain along with suggestion for improvement and these suggestions are taken up seriously and solution evolved for improvement. Such a feedback is obtained from the dealers also for formulating strategies of the Company for future. The Company believes that the satisfaction of the Customer is of the paramount importance.

For and on behalf of the Board
Avanti Feeds Limited

A. Indra Kumar

DIN: 00190168

Chairman & Managing Director

Place : Hyderabad

Date : 22nd June, 2021



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

The Company's policy is to have optimum combination of Executive and Non- Executive Directors, to ensure independent functioning of the Board. The Board consists of both promoters, external and Independent Directors and include a Woman Director. The functions, responsibility, role and accountability of the Board are well defined. The detailed reports of the Company's activities and performances are periodically placed before the Board for effective decision making.

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

2.01 The names and categories of the Directors on the Board, their attendance at Board Meetings held during FY 2020-21 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2021 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Sl No	Name of Director / Director Identification Number (DIN)	Category*	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 29 th August, 2020	Directorship in Other Public Companies	Number of Committee Positions Held in Other Public Companies	
							Member	Chairman
1	Sri A. Indra Kumar, DIN:00190168	Chairman & Managing Director - Promoter	4	4	Yes	3	1	-
2	Sri C. Ramachandra Rao, DIN:00026010	Joint Managing Director, Company Secretary & Chief Financial Officer	4	4	Yes	1	1	-
3	Sri N. Ram Prasad DIN:00145558	NED	4	4	Yes	1	-	-

SI No	Name of Director / Director Identification Number (DIN)	Category*	Number of Board Meetings Held	Number of Board Meetings Attended	Attendance in Last AGM on 29 th August, 2020	Directorship in Other Public Companies	Number of Committee Positions Held in Other Public Companies	
4	Mr. Bunluesak Sorajjakit DIN:02822828	NED	4	4	Yes	1	-	-
5	Mr. Wai Yat Paco Lee DIN:02931372	NED	4	4	Yes	1	-	-
6	Sri A.V. Achar** DIN:00325886	NED / ID	2	2	Yes	1	-	-
7	Sri K. Ramamohana Rao DIN:02384687	NED / ID	4	4	Yes	1	1	-
8	Sri B.V. Kumar DIN:005521139	NED / ID	4	4	Yes	-	-	-
9	Sri M.S.P. Rao DIN:00482071	NED / ID	4	4	Yes	3	1	-
10	Sri N.V.D.S. Raju DIN:05183133	NED / ID	4	4	Yes	-	1	-
11	Smt K. Kiranmayee DIN:07117423	NEWD / ID	4	4	Yes	-	-	-
12	Sri J.V. Ramudu DIN:03055480	NED / ID	4	4	Yes	2	2	1
13	Sri A. Venkata Sanjeev DIN:07717691	ED	4	4	Yes	-	-	-
14	Dr. Rajat Bhargava IAS DIN:08529091 (upto 03.10.2020) Nominee of A.P.I.D.C - represented as Equity Investor	ND	4	0	No	3	-	-
15	Sri R. Karikal Valaven, IAS DIN: 01519945 (From 12.11.2020) Nominee of A.P.I.D.C - represented as Equity Investor	ND	2	0	NA	14	-	-
16	Sri V. Narsi Reddy\$ DIN: 08685359	NED / ID	2	2	NA	1	2	-

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

** Passed away on 22.10.2020

\$ Appointed w.e.f. 12.11.2020



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

SI No	Name	Name of the Listed entities	Category
1	Sri A. Indra Kumar	Nava Bharat Ventures Limited	Independent Director
2	Sri C. Ramachandra Rao	-	-
3	Sri N. Ram Prasad	-	-
4	Mr. Bunluesak Sorajjakit	-	-
5	Mr. Wai Yat Paco Lee	-	-
6	Sri A.V. Achar*	-	-
7	Sri K. Ramamohana Rao	-	-
8	Sri B. V. Kumar	-	-
9	Sri M. S. P. Rao	-	-
10	Sri N.V. D.S. Raju	-	-
11	Smt K. Kiranmayee	-	-
12	Sri J.V. Ramudu	Suven Pharmaceuticals Limited Krishna Institute of Medical Sciences Limited	Non-Executive Director
13	Sri A. Venkata Sanjeev	-	-
14	Dr. Rajat Bhargava, IAS	-	-
15	Sri R. Karikal Valaven, IAS	The Andhra Petrochemicals Limited	-
16	Sri V. Narsi Reddy\$		-

* Passed away on 22.10.2020

\$ Appointed w.e.f. 12.11.2020

None of the Directors on the Board:

- Holds directorships in more than ten public companies;
- Serves as Director or as Independent Directors (ID) in more than seven listed entities; and
- Who are the Executive Directors serves as IDs in more than three listed entities

Necessary disclosures have been obtained from the Directors regarding their Directorship(s) and have been taken on record by the Board.

2.03 Disclosure of relationship between Directors inter-se

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

2.04 Details of Meetings of Board of Directors held during the financial year 2020-21

Four (4) Meetings of Board of Directors were held during the year 2020-21. The time gap between two Board meetings not exceeded by more than one hundred and twenty days (120 days) except considering the COVID-19 pandemic as permitted by SEBI and Ministry of Corporate Affairs.

Meetings were held during 2020-21 are as follows:

SI. No.	Date of Board Meeting
1	27.06.2020
2	27.08.2020
3	12.11.2020
4	04.02.2021

The necessary quorum was present for all the meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 were held through Video Conferencing.

2.05 Statement showing number of Equity Shares held by the Non-Executive Directors as on 31.03.2021:

SI No	Name of the Non-Executive Directors / Sri	Number of Equity Shares
1	Sri N. Ram Prasad	2,29,701
2	Mr. Bunluesak Sorajjakit	--
3	Mr. Wai Yat Paco Lee	--
4	Sri A.V. Achar*	--
5	Sri B.V. Kumar	--
6	Sri M.S.P. Rao	--
7	Sri K. Ramamohana Rao	--
8	Sri N.V.D.S. Raju	--
9	Smt K. Kiranmayee	5,550
10	Sri J.V. Ramudu	--
11	Dr. Rajat Bhargava, IAS	--
12	Sri R. Karikal Valaven, IAS	--
13	Sri V. Narsi Reddy \$	--

* Passed away on 22.10.2020

\$ Appointed w.e.f. 12.11.2020

2.06 Independent Directors

Sri B.V. Kumar, Sri M.S.P. Rao, Sri K. Ramamohana Rao, Sri N.V.D.S. Raju, Smt K. Kiranmayee, Sri J.V. Ramudu and Sri V. Narsi Reddy are Non-Executive Independent Directors of the Company. All Independent Directors possess the requisite qualifications and are very experienced in their own fields. The letter(s) of appointment of the above Independent Directors were issued by the Company after their appointment and the same are disseminated on the website of the Company i.e. www.avantifeeds.com.

2.07 Criteria of Independence of Independent Directors

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

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

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

2.08 Familiarization Programme for Independent Directors

The Company familiarizes the Independent Directors of the Company on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc., through various programmes. The details of the familiarization programme held on 21st January, 2021 is disseminated on the website of the Company at www.avantifeeds.com.



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

SI No	Name of the Director	Category	Skills / Expertise / Competence of the Directors				
			Technical	Financial	Administrative / HR	Legal	Aquaculture
1	Sri A. Indra Kumar	Chairman & Managing Director	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
3	Sri N. Ram Prasad	Non-Executive Director	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
4	Mr. Bunluesak Sorajjakit	Non-Executive Director	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
5	Mr. Wai Yat Paco Lee	Non-Executive Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
6	Sri A.V. Achar*	Non-Executive Independent Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
7	Sri K. Ramamohana Rao	Non-Executive Independent Director			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
8	Sri B.V. Kumar	Non-Executive Independent Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
9	Sri M.S.P Rao	Non-Executive Independent Director	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
10	Sri N.V.D.S. Raju	Non-Executive Independent Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
11	Smt K. Kiranmayee	Non-Executive Independent Women Director			<input checked="" type="checkbox"/>		
12	Sri J.V. Ramudu	Non-Executive Independent Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
13	Sri A. Venkata Sanjeev	Executive Director	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
14	Dr. Rajat Bhargava, IAS, (Nominee of A.P.I.D.C - represented as Equity Investor	Nominee Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
15	Sri R Karikal Valaven (Nominee of A.P.I.D.C - represented as Equity Investor	Nominee Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
16	Sri V. Narsi Reddy**	Non-Executive Independent Director		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

* Passed away on 22.10.2020

** Appointed w.e.f. 12.11.2020

3. Changes in Directors

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

4. Audit Committee

4.01 Brief description and terms of reference

In addition to the matters provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of Companies Act, 2013, the Audit Committee reviews reports of the Internal Auditor, meets Independent Auditors i.e. Tukaram & Company LLP, Chartered Accountants, Hyderabad as and when required and discuss their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Audit Committee comprises entirely of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in their respective fields.

4.02 Composition & Attendance at the Meeting

During the financial year 2020-21, the Committee met five times on (i) 20th June, 2020, (ii) 11th July, 2020, (iii) 21st August, 2020, (iv) 6th November, 2020 and (v) 29th January, 2021 and the time gap between two Audit Committee meetings not exceeded by more than one hundred and twenty days (120 days) except considering the COVID-19 pandemic as permitted by SEBI and Ministry of Corporate Affairs. Due to exceptional circumstances caused by COVID-19 pandemic all committee meetings in FY 2021 were held through video conferencing. The Chairman attended the last annual general meeting to answer shareholders' queries. The composition of the Audit Committee and details of meetings attended by the Members of the Audit Committee during the financial year ended 31st March, 2021 are as under:

Name	Category	Designation	Meetings Held During the Year	Meetings Attended During the Year
Sri A.V. Achar*	Independent Director	Chairman	5	3
Sri B.V. Kumar**	Independent Director	Chairman	5	5
Sri M.S.P. Rao	Independent Director	Member	5	5
Sri J.V. Ramudu	Independent Director	Member	5	5
Sri K. Ramamohana Rao	Independent Director	Member	5	5
Sri N.V.D.S Raju#	Independent Director	Member	5	1
Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Compliance Officer	5	5

* Passed away on 22.10.2020

** Appointed w.e.f 06.11.2020

Appointed w.e.f. 12.11.2020

During the year the Audit Committee was re-constituted in the Board Meeting held on 12th November, 2020.

4.03 General

The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note. The Audit Committee considered and reviewed the accounts for the year 2020-21, before it was placed before the Board. The Committee periodically interacts with the independent auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

The Internal Auditor reports directly to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 29th August, 2020.



5. Nomination & Remuneration Committee

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

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

5.02 Composition & Attendance at the Meeting:

The composition of the Nomination and Remuneration Committee and details of the Committee Meetings held on 20th June, 2020 and 6th November, 2020 are given below:

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

* Passed away on 22.10.2020

** Appointed w.e.f. 30.10.2020

During the year the Audit Committee was re-constituted vide Circular resolution passed on 30th October, 2020.

5.03 Performance Evaluation Criteria for Directors

The Nomination and Remuneration Committee at its meeting held on 25th March, 2017 decided to implement internal assessment method of evaluation and formulated criteria for evaluation of Directors, Committees and Board taking in to account the criteria indicated by SEBI in its Guidance Note circulated on 5th January, 2017.

6. Evaluation

6.01 Nomination & Remuneration Committee

Pursuant to the provisions of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee evaluated the performance of the Directors on 17th June, 2021 on the basis of criteria for evaluation of Directors formulated by it. The Committee could not evaluate the performance of the Nominee Directors of APIDC (i.e. Dr. Rajat Bhargava, IAS and Sri R. Karikal Valaven, IAS) as they have not attended any of the meetings of the Board during the year 2020-21. The evaluation of the other Directors was made on the basis of structured questionnaire taking into account the indicative criteria prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge and competency, ability to function as a team, availability and attendance etc. The Director being evaluated did not participate in the evaluation process.

6.02 Separate Meeting of Independent Directors

A separate Meeting of the Independent Directors without the attendance of Non-Independent Directors and members of the management, was held on 5th June, 2021. The Independent Directors (a) reviewed the performance of the Non-Independent Directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation was made on the basis of structured questionnaire taking into account the indicative criteria prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge and competency, ability to function as a team, availability and attendance etc. The Independent Directors evaluated the performance of non-Independent Directors (except the Nominee Director of APIDC) as they have not attended any of the meetings of the board during the year 2020-21, Chairman and the Board.

6.03 Evaluation by Board

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

7. Remuneration of Directors

7.01 Criteria for making payments to Non-Executive Directors

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

7.02 Non-Executive Directors' Compensation & Disclosures

The Non-Executive Directors are entitled for (i) Sitting fee of ₹40,000/- (Rupees Forty thousand only) and (ii) reimbursement of travel and hotel accommodation and other expenses incurred by them, for attending Board / Committee Meetings. Pursuant to Reg.34(3) and Schedule V of the SEBI(LODR) Regulations, 2015.

7.03 Nomination & Remuneration Policy & Policy on Board Diversity

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

7.04 Details of remuneration paid / payable to the Non-Executive Directors for the financial year 2020-21 are as follows:

(₹ in Lakhs)

Sl. No.	Name	Sitting Fees	Commission
1	Sri N. Ram Prasad	3.60	--
2	Mr. Bunluesak Sorajjakit	1.60	--
3	Mr. Wai Yat Paco Lee	1.60	--
4	Sri A.V. Achar*	2.80	--
5	Sri B.V. Kumar	6.00	--
6	Sri M.S.P. Rao	4.00	--
7	Sri K. Ramamohana Rao	5.60	--



Sl. No.	Name	Sitting Fees	Commission
8	Sri N.V.D.S. Raju	2.80	--
9	Smt K. Kiranmayee	4.40	--
10	Sri J.V. Ramudu	4.40	--
11	Dr. Rajat Bhargava, IAS	--	--
12	Sri R. Karikal Valaven, IAS	--	--
13	Sri V. Narsi Reddy \$	0.80	--
14	Total	37.60	--

* Passed away on 22.10.2020

\$ Appointed w.e.f. 12.11.2020

Notes:

The remuneration paid to Non-Executive Directors is sitting fees paid towards attending the Board Meeting and Committee Meetings held during the year.

There are no material pecuniary relationships or transactions of the Non-Executive Directors with the Company, except those disclosed in the Annual Report, if any.

Further, the Company had not granted any Employee Stock Option to its Non-Executive Independent Directors. Hence, the disclosure of the same is not applicable.

7.05 The remuneration paid / payable to the Managing Director, Joint Managing Director, Company Secretary & CFO and Executive Director of the Company for the year ended 31st March, 2021 is as under

(₹ in Lakhs)

Details	Sri A. Indra Kumar, CMD	Sri C. Ramachandra Rao, JMD, CS & CFO	Sri A. Venkata Sanjeev, ED
Salary	342.29	180.6	54.87
Ex-gratia	39.60	21.00	6.58
Superannuation	14.31	7.54	4.94
Perks	2.60	-	-
Commission on Profits	1,547.56	1167.87	-
Total	1,946.36	1,377.01	66.39

Service Contracts, Severance Fees and Notice Period: The tenure of the office of Managing Director, Joint Managing Director and Whole time Directors is 5 (five) years from respective dates of their appointment and the notice period for terminating the service contract of Managing Director, Joint Managing Director and Whole-Time Director is based on Company's HR Policy. Further, there is no separate provision for payment of severance fees.

The Company had not granted any Employee Stock Option to any Directors. Hence, the disclosure of the same is not applicable.

8. Corporate Social Responsibility Committee

8.01 Composition & Attendance at the Meeting

The composition of the Corporate Social Responsibility Committee and details of the Committee Meetings held on 6th November, 2020, 29th January, 2021 and 16th March, 2021 are given below:

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

* Passed away on 22.10.2020

8.02 Terms of Reference

The Committee is primarily responsible for formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

8.03 CSR Policy

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

8.04 The detailed report on CSR activities is disclosed in the Annexure-3 to the Board's Report.

9. Stakeholders relationship committee

9.01 Composition & Attendance at the Meeting

The composition of the Stakeholder Relationship Committee and details of the Committee Meetings held on 27.06.2020, 27.08.2020, 12.11.2020 and 04.02.2021 are given below:

SI No	Name	Category	Designation	No. of meetings held	No. of Meetings attended
1	Sri N. Ram Prasad	Director	Chairman	4	4
2	Sri K Ramamohana Rao	Independent Director	Member	4	4
3	Smt K. Kiranmayee	Independent Director	Member	2	2
4	Sri A.V. Achar*	Independent Director	Member	2	2
5	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Compliance Officer	4	4

* Passed away on 22.10.2020.

During the year the Stakeholder Relationship Committee was re-constituted vide Circular resolution passed by the board on 30th October, 2020.

9.02 Terms of Reference:

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.
- review of measures taken for effective exercise of voting rights by shareholders.



9.03 Details of shareholders' requests / complaints received and resolved during the year ended 31st March, 2021 are as under

a. No. of requests / complaints Received	: 270
b. No. of requests / complaints Resolved	: 270
c. No. of requests / complaints not solved to the satisfaction of the Shareholders.	: NIL
d. No. of pending requests / complaints	: NIL

**10. Risk Management Committee
Composition & Attendance at the Meeting**

The composition of the Risk Management Committee and details of the Committee Meeting held on 29th January, 2021 is given below:

Sl No	Name	Category	Designation	No. of meetings held	No. of Meetings attended
1	Sri A. Indra Kumar	Chairman & Managing Director	Chairman	1	1
2	Sri C. Ramachandra Rao	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer	1	1
3	Sri N.V.D.S Raju	Independent Director	Member	1	1
4	Sri A.V. Achar*	Independent Director	Member	-	-
5	Smt. K. Kiranmayee	Independent Director	Member	1	1
6	Sri A. Venkata Sanjeev	Executive Director	Member	1	1

* Passed away on 22.10.2020

Terms of Reference

- To identify and assess all the risks that the organization faces and establish a risk management framework capable of addressing those risks.
- To oversee in conjunction with the board risks such as strategic, financial, market, Foreign exchange, security, IT, legal, regulatory, reputational and other risks.
- To monitor and review the risk management plan of the Company including cyber security.

11. General Body Meetings

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

Year	Location	Date	Time
2019-20	Through Video Conferencing (VC) / other Audio Visual Means (OAVM)	29.08.2020	11:00 A.M
2018-19	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam - 530 020. Andhra Pradesh	09.08.2019	11.00 A.M
2017-18	Vedika Hall, Hotel Daspalla, Jagdamba Junction, Visakhapatnam - 530 020. Andhra Pradesh	07.08.2018	11.00 A.M

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

Sl. No.	Date of AGM	Details of Special Resolution passed
1.	29.08.2020	No special resolution passed.

Sl. No.	Date of AGM		Details of Special Resolution passed
2.	09.08.2019	(i)	Appointment of Sri A. Venkata Sanjeev (DIN: 07717691) as Whole-time Director designated as Executive Director for a period of 5 years.
		(ii)	Payment of remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of the limits prescribed under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
		(iii)	Re-appointment of Sri A.V. Achar (DIN:00325886) as Independent Director.
		(iv)	Re-appointment of Sri B.V. Kumar (DIN:00521139) as Independent Director.
		(v)	Re-appointment of Sri M.S.P. Rao (DIN:00482071) as Independent Director.
		(vi)	Re-appointment of Sri K. Ramamohana Rao (DIN: 02384687) as Independent Director
		(vii)	Re-appointment of Sri N.V.D.S. Raju (DIN: 05183133) as Independent Director
		(viii)	Re-appointment of Smt K. Kiranmayee (DIN: 07117423) as Independent Director.
3.	07.08.2018		No special resolution passed.

12. Extraordinary General Meeting

There were no Extraordinary General Meetings held during the year 2020-21.

13. Postal Ballot Resolutions

13.01 Details of Postal Ballot Resolutions passed during the year 2020-21.

There were no Postal Ballot Resolutions passed during the year 2020-21.

13.02 Whether any Special Resolution to be passed through postal ballot - Nil.

13.03 Procedure for Postal Ballot - Not Applicable.

14. Means of Communication

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



15. General Shareholders' Information

Sl. No.	Item	Details
(i)	Annual General Meeting Date, Time and venue	14 th August, 2021 at 11.00 AM through Video Conferencing (VC) / other Audio Visual Means (OAVM)
(ii)	Financial Year	2020-21
(iii)	Dividend payment date	The Board, at its meeting held on 22 nd June 2021, recommended a Dividend of ₹6.25 (Rupees Six and Twenty Five Paise only) per equity share of ₹1/- each fully paid for the Financial Year 2020-21. On approval of the members at the AGM to be held on Saturday 14 th August, 2021, the Dividend will be paid within the timelines prescribed, under the Companies Act, 2013.
(iv)	Dates of book closure	9 th August, 2021 to 14 th August, 2021 (Both days inclusive).
(v)	Name and address of Stock Exchange(s) at which the equity shares are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges.	<p>The Company's Shares are listed on BSE and National Stock Exchange of India Ltd. The Address of these Exchanges is as under:</p> <ol style="list-style-type: none"> 1. BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, Dalaal Street, Mumbai - 400 001. 2. National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051. <p>The Company has duly paid the Listing fees for the year 2021-22 to BSE Limited (Bombay Stock Exchange) and National Stock Exchange of India Ltd where the shares of the Company are Listed.</p>
(vi)	Stock Code	BSE : 512573 NSE : AVANTIFEED NSDL / CSDL ISIN No. : INE871C01038
(vii)	Whether the securities are suspended from trading during the year 2020-21	The equity shares of the Company were not suspended at any point of time during the year 2020-21 and also till the date of the Report.
(viii)	Financial Calendar for the year 2021-22 (tentative)	First Quarter Results - By 14 th August, 2021. Second Quarter / Half Year Results - By 14 th November, 2021 Third Quarter / Nine Months Results - By 14 th February, 2022 Fourth Quarter / Year end Results - By 30 th May, 2022
(ix)	Corporate Identity Number (CIN) of the Company	L16001AP1993PLC095778

16. Market Price Data

- (i) The Market price details month wise (from 1st April, 2020 to 31st March, 2021) movement of equity shares of ₹1/- each fully paid at BSE Limited are as under:

(₹)

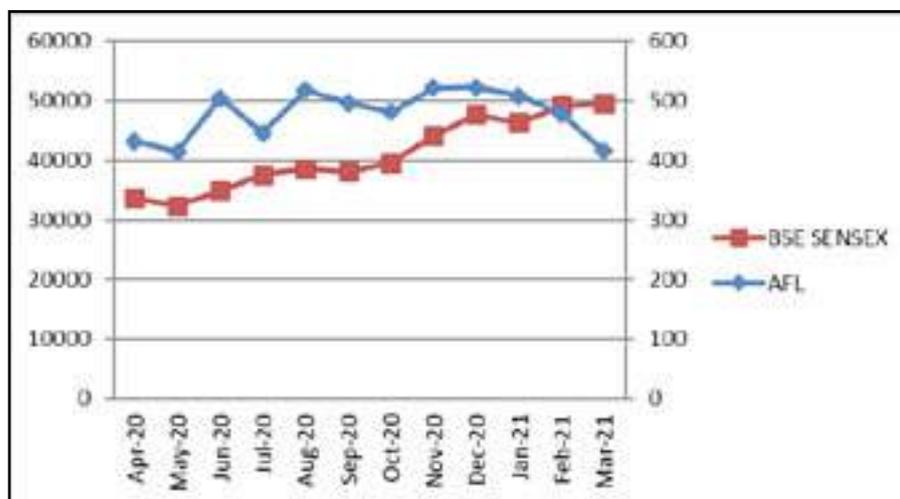
Month and Year	Open Price	High Price	Low Price	Close Price
Apr-20	299.85	447.05	281.15	432.35
May-20	410.15	435.00	370.00	413.85
Jun-20	417.80	547.60	417.80	504.40
Jul-20	504.40	510.20	429.00	446.50
Aug-20	454.90	587.35	440.00	517.70
Sep-20	515.10	561.00	456.25	496.45
Oct-20	501.60	529.00	480.30	481.70
Nov-20	483.40	529.95	459.00	521.95
Dec-20	523.00	564.00	496.20	522.60
Jan-21	527.80	532.10	500.00	508.70
Feb-21	511.40	531.25	467.00	478.30
Mar-21	480.55	516.00	411.85	414.80

Performance comparison to BSE Sensex

Sl. No	Name of the month and year	BSE Sensex	Avanti Feeds Market Price - Closing (₹)
1	Apr-20	33717.62	432.35
2	May-20	32424.10	413.85
3	Jun-20	34915.80	504.40
4	Jul-20	37606.89	446.50
5	Aug-20	38628.29	517.70
6	Sep-20	38067.93	496.45
7	Oct-20	39614.07	481.70
8	Nov-20	44149.72	521.95
9	Dec-20	47751.33	522.60
10	Jan-21	46285.77	508.70
11	Feb-21	49099.99	478.30
12	Mar-21	49509.15	414.80

Price Movement Graph (BSE)

1st April, 2020 to 31st March, 2021 (Equity share of ₹1/-each)



- (ii) The Market price details month wise (from 01.04.2020 to 31.03.2021) movement of equity shares of ₹1/- each fully paid at National Stock Exchange of India Ltd are as under:

(₹)

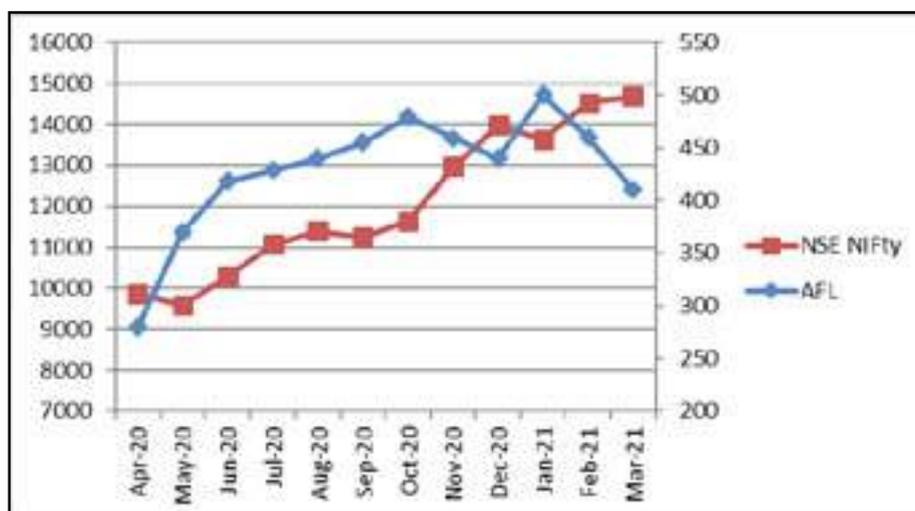
Month & Year	Open Price	High Price	Low Price	Close Price
Apr-20	291.00	432.65	447.60	280.00
May-20	412.00	414.10	437.80	370.00
Jun-20	418.00	504.50	544.75	418.00
Jul-20	504.00	446.70	509.95	428.70
Aug-20	447.00	518.50	587.00	440.20
Sep-20	513.20	497.35	561.90	455.30
Oct-20	501.95	481.80	530.00	479.15
Nov-20	484.25	521.60	529.70	459.00
Dec-20	528.00	522.70	564.00	440.10
Jan-21	524.90	508.75	531.90	500.00
Feb-21	509.00	478.00	534.95	459.80
Mar-21	486.00	414.45	504.90	410.00

Performance Comparison to NSE Nifty

Sl. No	Name of the Month and Year	NIFTY 50	Avanti Feeds Market Price - Closing
1	Apr-20	9859.90	280.00
2	May-20	9580.30	370.00
3	Jun-20	10302.10	418.00
4	Jul-20	11073.45	428.70
5	Aug-20	11387.50	440.20
6	Sep-20	11247.55	455.30
7	Oct-20	11642.40	479.15
8	Nov-20	12968.95	459.00
9	Dec-20	13981.75	440.10
10	Jan-21	13634.60	500.00
11	Feb-21	14529.15	459.80
12	Mar-21	14690.70	410.00

Price Movement Graph (NSE)

1st April, 2020 to 31st March, 2021 (Equity share of ₹1/-each)



17. Registrars and Transfer Agents

The address of KFin Technologies Private Limited, Registrars and Transfer Agents of the Company is as under:

KFin Technologies Pvt. Ltd.

Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad - 500 032, Telangana

Email id - einward.ris@kfintech.com

Website: <https://www.kfintech.com> and / or <https://ris.kfintech.com/>

Toll free number - 1- 800-309-4001

18. Share Transfer System

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

19. Scores

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

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

Name : Sri Rajeev Kumar

Designation : Manager, KFin Technologies Private Limited

Email id : einward.ris@kfintech.com

Tele. No. : 1800-309-4001

20. Distribution Schedule as on 31st March, 2021

The details of Distribution Schedule of equity shares as on 31st March, 2021 are as under:

Sl. No.	Category	No. of Holders	% To Holders	No. of Shares	% To Equity
1	0001-5000	117297	99.51	14922935	10.95
2	5001-10000	242	0.21	1741358	1.28
3	10001-20000	156	0.13	2163702	1.59
4	20001-30000	49	0.04	1229628	0.90
5	30001-40000	23	0.02	810921	0.60
6	40001-50000	19	0.02	862787	0.63
7	50001-100000	28	0.02	2015284	1.48
8	100001 & Above	56	0.05	112499015	82.57
	Total:	117870	100	136245630	100



21. Dematerialization of Shares and Liquidity

The details of dematerialization of shares as on 31st March, 2021 is as under:

Sl. No.	Description	No of Holders	Equity Shares of ₹1/- each.	% To Equity
1	Physical	388	1320856	0.97
2	NSDL	44918	126211103	92.63
3	CDSL	72564	8713671	6.40
	Total	117870	136245630	100.00

The Company has entered into a tripartite agreement with NSDL and CDSL to establish electronic connectivity through Company's Electronic Registrar i.e. KFin Technologies Pvt. Ltd. (Formerly Karvy Fintech Private Limited), Hyderabad and facilitate scrip less trading. Trading in the equity shares of the Company shall be in dematerialized form for all investors. Investors are therefore advised to open a demat account with the Depository participant of their choice, if not already done, to trade in the equity shares of the Company. The list of depository participants is available with NSDL and CDSL. The ISIN allotted Company's scrip equity shares of ₹1/- each, is INE871C01038.

22. Reconciliation of Share Capital and Dematerialization of Shares

A quarterly audit was conducted by Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by Investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March, 2021, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 13,49,24,774 equity shares of ₹1/- (Rupees One only) representing 99.03% (Previous year 13,48,59,774 equity shares of ₹1/- each representing 98.98%) of the paid-up equity capital of the Company have been dematerialized as on 31st March, 2021. Pursuant to Reg.40(9) of SEBI (LODR) Regulations, 2015, certificates have been issued on a half-yearly basis by Sri V. Bhaskara Rao, Practicing Company Secretary certifying due compliance of share transfer formalities by the Company and the Certificates filed by the Company with the BSE Ltd and National Stock Exchange of India Ltd.

23. Outstanding GDRs or ADRs or warrants or convertible instruments

There were no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments during the year 2020-21.

24. Commodity Price Risk or Foreign Exchange Risk and hedging activities

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

25. Plant locations

The Shrimp Feed Production Plants at Kovvur, Vemuluru and Bandapuram West Godavari District of Andhra Pradesh and Plant at Valsad, Balda Village, Pardi Tq., Gujarat are ISO 9001:2015 (for Quality Management Systems) and certified for implementing Best Aqua Culture Practices (BAP) by Global Aquaculture Alliance, USA and Shrimp Hatchery in Visakhapatnam.

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

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

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

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

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

Shrimp Hatchery
Gudiwada Village, S. Rayavaram Mandal,
Visakhapatnam District - 531083,
Andhra Pradesh.

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

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

26. Registered Office and Corporate Office:

The address of the Registered Office and Corporate office is as under:

Registered Office

Flat No: 103, Ground Floor,
"R" Square, Pandurangapuram,
Visakhapatnam - 530 003,
Andhra Pradesh, India.

Corporate Office & address for correspondence:

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



27. Other Disclosures

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

Sl. No.	Details	Remarks												
10.	Web link where the dividend distribution policy of the Company is disseminated.	www.avantifeeds.com												
11	Disclosure of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Reg.32(7A)	Not Applicable												
12	Where the Board had not accepted any recommendation of any Committee of the Board is mandatorily required, in the relevant financial year, details and the reasons for such non-acceptance.	The Board has accepted the recommendations of all the Committees during the year 2020-21.												
13	Total fee for all services paid by the listed entity and its subsidiaries to the Statutory Auditor.	M/s Tukaram & Co., LLP, Chartered Accountants, are the Independent Auditors only for Avanti Feeds Limited. The remuneration paid to Tukarm & Co LLP for the company is as under: Audit Fee ₹20 lakhs plus applicable taxes and out of pocket expenses.												
14	Credit Ratings obtained during the year under review for all debt instruments or any fixed programme or any scheme or proposal involving mobilization of funds whether in India or abroad.	<p>During the year under review, India Ratings & Research Private Limited (the 'India Ratings'), Affirmed the Credit rating as under:</p> <table border="1"> <thead> <tr> <th>Sl No</th> <th>Details</th> <th>Rating Affirmed</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Avanti Feeds Ltd - Long Term Issuer Rating</td> <td>IND AA(-) Stable</td> </tr> <tr> <td>2</td> <td>Long term Fund Based Working Capital Limits (₹50 Crores)</td> <td>IND AA(-) Stable</td> </tr> <tr> <td>3</td> <td>Short term Non-Fund Based Working Capital Limits (₹42.79 Crores)</td> <td>IND A1+</td> </tr> </tbody> </table> <p>The company has not mobilized any funds during the year under review.</p>	Sl No	Details	Rating Affirmed	1	Avanti Feeds Ltd - Long Term Issuer Rating	IND AA(-) Stable	2	Long term Fund Based Working Capital Limits (₹50 Crores)	IND AA(-) Stable	3	Short term Non-Fund Based Working Capital Limits (₹42.79 Crores)	IND A1+
Sl No	Details	Rating Affirmed												
1	Avanti Feeds Ltd - Long Term Issuer Rating	IND AA(-) Stable												
2	Long term Fund Based Working Capital Limits (₹50 Crores)	IND AA(-) Stable												
3	Short term Non-Fund Based Working Capital Limits (₹42.79 Crores)	IND A1+												
15	Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.	No. of complaints filed during the Year 2020-21: NIL No. of complaints disposed of during the year 2020-21: NIL No. of complaints pending as on 31 st March, 2021: NIL												
16	Certificate from a Company Secretary in practice that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.	Sri V. Bhaskara Rao, Practicing Company Secretary Hyderabad has issued a Certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority.												



28. Disclosure in respect of demat suspense account / unclaimed suspense account as on 31st March, 2021.

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

29. Code for prohibition of Insider Trading

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

30. Disclosure of Accounting Treatment

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

31. Management Discussion and Analysis Report

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

32. Business Responsibility Report

The Business Responsibility Report in terms of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 is Annexed which forms part of this Report.

33. Scheduling and Selection of Agenda items for Board Meetings

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

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

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

34. Orderly Succession for appointments to the Board and to Senior Management

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

35. Compliance Certificate from the Independent Auditors

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

36. Subsidiary Companies

The Company has two subsidiaries companies, including one step down subsidiary Viz., Avanti Frozen Foods Pvt. Ltd. and Avanti Frozen Foods Inc. (step down subsidiary). Avanti Frozen Foods Pvt. Ltd., is a material subsidiary of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year pursuant to Section 248(5) of the Companies Act, 2013, the name of SVIMSAN Exports & Imports Private Limited, wholly owned subsidiary of the Company has been struck off by the Registrar of Companies and the said Company is dissolved with effect from 12th March, 2021.

A separate note regarding details of operations of subsidiaries is included in Board's Report.

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

The minutes of the meetings of the Board of Directors of Subsidiaries along with a report on the significant transactions with the subsidiaries during the year 2020-21 are placed before the meetings of the Audit Committee once in a quarter. The Company has formulated a policy for determining the Material subsidiary and the policy is disseminated on the website of the Company at www.avantifeeds.com.

37. Declaration on Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company which has been disseminated on the web site of the Company at www.avantifeeds.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2021, as envisaged in Reg.26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For and on behalf of the Board
Avanti Feeds Limited

A. Indra Kumar
Chairman & Managing Director
DIN: 00190168

Place: Hyderabad
Date: 22nd June, 2021





COMPLIANCE CERTIFICATE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

A. Indra Kumar
Chairman & Managing Director
DIN:00190168

C. Ramachandra Rao
Joint Managing Director,
Company Secretary & CFO
DIN:00026010

Place: Hyderabad
Date: 22nd June, 2021

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of AVANTI FEEDS LIMITED

1. We, M/s.TUKARAM & CO LLP., Chartered Accountants, the Statutory Auditors of Avanti Feeds Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Managements’ Responsibility

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

Auditors’ Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For TUKARAM & CO LLP

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

(RAJENDER REDDY K)

Partner

Membership No.231384

UDIN: 21231834AAAABW9266

Place: Hyderabad

Date: 22nd June, 2021



Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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

To,
The Members of
Avanti Feeds Limited
CIN: L16001AP1993PLC095778
Flat No. 103, Ground Floor,
“R” Square, Pandurangapuram
Visakhapatnam, Andhra Pradesh - 530003.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Avanti Feeds Limited (“the Company”) for the financial year ended on 31.03.2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -viz
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable

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

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



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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the Committee could not evaluate the performance of the Nominee Directors of APIDC (i.e. Dr. Rajat Bhargava, IAS and Sri. R. Karikal Valaven, IAS) as they have not attended any of the meetings of the Board during the year 2020-21, as mentioned in the Corporate Governance Report.

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

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

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

We further report that there are adequate systems and processes in the Company Commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

V. Bhaskara Rao and Co
Company Secretaries

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

Place : Hyderabad
Date : 22nd June, 2021

UDIN: F005939C000490940

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

‘ANNEXURE- A’

To,
The Members of
Avanti Feeds Limited
CIN: L16001AP1993PLCO95778
Flat No. 103, Ground Floor,
“R” Square Pandurangapuram
Visakhapatnam, Andhra Pradesh - 530003

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

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

V. Bhaskara Rao and Co
Company Secretaries

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

UDIN: F005939C000490940

Place : Hyderabad
Date : 22nd June, 2021



Standalone Financials
2020-21

INDEPENDENT AUDITORS' REPORT

To the Members of Avanti Feeds Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Avanti Feeds Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



S. No	Key Audit Matters	
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 “Revenue from Contracts with Customers” (revenue accounting standard)</p> <p>The application of the accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 2.4c and 22 to the Standalone Financial Statements</p>	<p>We assessed the Company’s process to identify the impact of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</p> <p>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>Tested the relevant information technology systems’ access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the relevant accounting standard.</p> <p>Selected a sample of continuing and new contracts and performed the following procedures:</p> <p>Read, analyzed and identified the distinct performance obligations in these contracts.</p> <p>Compared these performance obligations with that identified and recorded by the Company.</p> <p>Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</p> <p>Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, were tested using a combination of DCs, Sales orders, weighment slips and non-returnable gate passes including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p> <p>We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>

S. No	Key Audit Matters	Auditor's Response
2.	<p>The Company enters into various financial instruments such as investments in quoted and unquoted equity instruments, quoted mutual funds and quoted non-convertible debentures. As at 31st March, 2021, financial instruments carried at fair value through profit and loss totaled ₹1,01,344.70 lakhs (current investments of ₹93,344.26 lakhs and non-current investments of ₹8,000.44 lakhs) as disclosed in Note 6 to the Standalone Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <p>Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</p> <p>We also tested on a sample basis the existence and valuation of such financial instruments as at 31st March, 2021. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and</p> <p>Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</p> <p>We have also assessed the appropriateness of the disclosures included in Note 30 to the Standalone Financial Statements.</p>
3.	<p>Inventory valuation and existence</p> <p>At the balance sheet date the value of inventory amounted to ₹31, 333.73 lakhs representing 17.71% of total assets. Inventories were considered as key audit matter due to the size of the balance and because inventory valuation involves management judgment.</p> <p>As described in note 2.4.j of the financial statements, inventories are carried at the lower of cost and net realizable value on a weighted average basis.</p> <p>The company has segment specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <p>Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.</p> <p>Observed the stock take process at Factory locations during the year and at the end of the year and undertook our test counts where ever necessary.</p> <p>Compared the Quantities we counted with Quantities recorded.</p> <p>Analyzing, the Inventory Ageing reports and Net realizable value of inventories</p> <p>Tested that inventory on hand at the end of the period was recorded at the lower of cost and net realizable value by testing a sample of inventory items to the most recent selling price.</p>

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

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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





Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance Sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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



- 
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note 34 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For TUKARAM & CO LLP

Chartered Accountants

ICAI Firm Regn. 004436S/S200135

(RAJENDER REDDY K)

PARTNER

Membership No: 231834

UDIN: 21231834AAAABU6081

Place: Hyderabad

Date : 22/06/2021

“Annexure – A” to the Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2021, we report that:

Re: Avanti Feeds Limited (‘the Company’)

- i. In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The company has maintained proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, Investments made and guarantees given.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act, related to generation of electricity and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues:
 - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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

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

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, governments and financial institutions. The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. 004436S/S200135

(RAJENDER REDDY. K)
PARTNER
Membership No. 231834
UDIN: 21231834AAAABU6081

Place: Hyderabad
Date : 22nd June, 2021

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Avanti Feeds Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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





Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For TUKARAM & CO LLP

Chartered Accountants
ICAI Firm Regn. 004436S/S200135

(RAJENDER REDDY. K)

PARTNER
Membership No: 231834
UDIN: 21231834AAAABU6081

Place : Hyderabad
Date : 22nd June, 2021

Balance Sheet as at 31st March, 2021

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

	Note	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-current Assets			
Property, plant, and equipment	3	15,586.59	14,573.47
Capital work-in-progress	3	12.26	2,335.20
Intangible assets	4	11.27	14.26
Right of use Assets	5(a)	132.05	31.37
Financial assets			
Investments	6	19,703.81	11,622.46
Loans	7(a)	72.97	67.63
Other financial assets	8	570.88	517.10
Non-current tax assets (net)	21(b)	1,589.54	1,140.87
Other non-current assets	9 (a)	2.94	71.22
Total Non-current Assets		37,682.31	30,373.58
Current Assets			
Inventories	10 (a)	31,333.73	37,036.25
Biological Assets	10 (b)	66.25	-
Financial assets			
Investments	6	99,530.76	56,637.15
Trade receivables	11	2,040.26	3,172.94
Cash and cash equivalents	12	3,376.30	646.67
Other bank balances	13	1,342.56	16,120.97
Loans	7(b)	95.29	107.15
Other current assets	9(b)	1,451.93	1,203.82
Total Current Assets		1,39,237.08	1,14,924.95
Total Assets		1,76,919.39	1,45,298.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,362.46	1,362.46
Other equity	15	1,48,963.79	1,18,594.19
Total Equity		1,50,326.25	1,19,956.65
Liabilities			
Non-current Liabilities			
Financial liabilities			
Lease Liabilities	5(b)(i)	90.19	16.42
Other financial liabilities	16(a)	372.00	374.50
Provisions	17(a)	-	85.58
Deferred tax liabilities (net)	21(a)	1,655.59	1,825.39
Total non-current liabilities		2,117.78	2,301.89
Current liabilities			
Financial liabilities			
Borrowings	19	-	-
Trade payables:			
i) Total outstanding dues of Micro enterprises and small enterprises	20	1,444.64	638.54
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	20	19,909.83	19,110.20
Lease Liabilities	5(b)(ii)	37.59	12.51
Other financial liabilities	16(b)	211.06	279.88
Other current liabilities	18	2,703.24	2,775.04
Provisions	17(b)	169.00	223.82
Total Current Liabilities		24,475.36	23,039.99
Notes forming part of the Financial Statements	1-43		
Total Equity and Liabilities		1,76,919.39	1,45,298.53

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for **TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 004436S / S200135

(RAJENDER REDDY. K)

Partner

Membership No. 231834

Place : Hyderabad

Date : 22nd June, 2021

For and on behalf of the Board of Directors

A. Indra Kumar

DIN: 00190168

Chairman & Managing Director

C. Ramachandra Rao

DIN:00026010

Jt. Managing Director,

Company Secretary & CFO

N. Ram Prasad

DIN:00145558

Director



Statement of Profit & Loss for the year ended 31st March, 2021

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

	Note	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Income			
Revenue from operations	22	3,24,250.80	3,16,257.16
Other Income (net)	23	6,436.85	6,061.81
Total Income		3,30,687.65	3,22,318.97
Expenses			
Cost of materials consumed	24	2,61,521.49	2,60,384.01
Purchase of bearer biological assets	24	108.26	-
Changes in inventories of Finished Goods, work In Progress & biological assets	25	511.58	(1,585.67)
Employee benefits expense	26	10,359.19	9,339.93
Finance costs	27	49.13	121.23
Depreciation and amortisation expense	28	2,132.60	2,098.56
Other expenses	29	15,586.10	14,323.42
Total expenses		2,90,268.35	2,84,681.48
Profit before tax		40,419.30	37,637.49
Tax Expense			
Current tax	21(c)	10,052.01	9,321.45
Deferred tax	21(c)	(169.80)	(281.63)
Total tax expenses		9,882.21	9,039.82
Profit for the year		30,537.09	28,597.67
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Pre-measurement of the defined benefit plans		(31.24)	(84.44)
Total comprehensive income for the period (Comprising Profit / (Loss) and other Comprehensive Income for the period)		30,505.85	28,513.23
Earnings per equity share (EPS)			
(Equity shares, par value of ₹1/- each)	37		
Basic and diluted EPS (in ₹)			
Basic		22.41	20.99
Diluted		22.41	20.99

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for TUKARAM & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 004436S / S200135

For and on behalf of the Board of Directors

A. Indra Kumar

DIN: 00190168

Chairman & Managing Director

(RAJENDER REDDY. K)

Partner

Membership No. 231834

C. Ramachandra Rao

DIN:00026010

Jt. Managing Director,

Company Secretary & CFO

N. Ram Prasad

DIN:00145558

Director

Place : Hyderabad

Date : 22nd June, 2021

Statement of Changes in Equity for the year ended 31st March, 2021

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

a. Equity Share Capital

Particulars	Number of Shares	Amount
Balance at 1st April, 2019	13,62,45,630	1,362.46
Changes in equity share capital during the year	-	-
Balance at 31st March, 2020	13,62,45,630	1,362.46
Changes in equity share capital during the year	-	-
Balance at 31st March, 2021	13,62,45,630	1,362.46

b. Other Equity

Particulars	Reserves And Surplus			
	General Reserve	Securities Premium	Retained Earnings	Total
Balance at 1st April, 2019	15,065.72	-	89,800.25	1,04,865.97
Profit for the year			28,597.67	28,597.67
Other comprehensive income			(84.44)	(84.44)
Adjustment on adoption of INDAS 116			(2.39)	(2.39)
Dividends (including corporate dividend tax)			(14,782.62)	(14,782.62)
Transfer from retained earnings to general reserve	2,500.00		(2,500.00)	-
Balance at 31st March, 2020	17,565.72	-	1,01,028.47	1,18,594.19
Profit for the year			30,537.09	30,537.10
Other comprehensive income			(31.24)	(31.24)
Adjustment on adoption of INDAS 116			-	-
Dividends (including corporate dividend tax)			(136.25)	(136.25)
Transfer from retained earnings to general reserve	2,500.00		(2,500.00)	-
Balance at 31st March, 2021	20,065.72	-	1,28,898.07	1,48,963.80

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for TUKARAM & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 004436S / S200135

For and on behalf of the Board of Directors

A. Indra Kumar

DIN: 00190168

Chairman & Managing Director

(RAJENDER REDDY K.)

Partner

Membership No. 231834

C. Ramachandra Rao

DIN:00026010

Jt. Managing Director,

Company Secretary & CFO

N. Ram Prasad

DIN:00145558

Director

Place : Hyderabad

Date : 22nd June, 2021



Statement of Cash Flows for the year ended 31st March, 2021

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

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	40,419.30	37,637.49
Adjustments for:		
Depreciation and amortisation expense	2,132.60	2,098.56
Finance costs	49.13	121.23
Loss on sale of property, plant and equipment	6.76	189.00
Interest income	(613.75)	(969.88)
Dividend income	(120.20)	(2,224.09)
Gain / Loss from sale of financial assets measured at fair value through profit and loss	(4,993.30)	(920.59)
Fair valuation of financial assets measured at fair value through profit and loss	73.27	(1,524.01)
Provision for employee benefits	169.00	309.40
Exchange differences	(271.82)	(52.07)
Operating profit before working capital changes	36,850.99	34,665.04
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	1,132.68	(1,563.53)
Other financial assets	(301.89)	(693.37)
Inventories	5,702.52	(14,553.20)
Other bank balances	(36.04)	(16.97)
Other assets	22.52	123.42
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,605.73	3,827.39
Other financial liabilities	(71.32)	80.58
Other current liabilities	(412.44)	(175.86)
Cash generated from operations	44,492.76	21,693.51
Income taxes paid, net	(10,500.68)	(8,642.41)
Net cash from operating activities (A)	33,992.08	13,051.10
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Capital expenditure on Property plant and equipment, including capital advances	(858.99)	(2,738.67)
Proceeds from sale of fixed assets	38.44	3.12
Change in Investments	(31,278.45)	861.81
Interest received	613.75	969.88
Dividend income received	120.20	2,224.09
Net cash from / (used in) investing activities (B)	(31,365.05)	1,320.23

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Finance costs	(42.97)	(118.95)
Repayment of lease liabilities	(27.97)	(12.37)
Dividends paid	(98.28)	(14,851.37)
Exchange differences	271.82	52.07
Net cash from/(used in) financing activities (C)	102.60	(14,930.62)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	2,729.63	(559.27)
Cash and cash equivalents at the beginning of the year	646.67	1,205.94
Cash and cash equivalents at the end of the year (Refer Note (i) below)	3,376.30	646.67
Note (i): Cash and cash equivalents comprises of:		
Cash in hand	5.98	12.99
Balances with Banks	3,370.32	633.68
	3,376.30	646.67

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

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

Figures in brackets indicate cash outflows.

As per our Report of even date

for TUKARAM & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 004436S / S200135

For and on behalf of the Board of Directors
A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

(RAJENDER REDDY. K)
Partner
Membership No. 231834

C. Ramachandra Rao
DIN:00026010
Jt. Managing Director,
Company Secretary & CFO

N. Ram Prasad
DIN:00145558
Director

Place : Hyderabad
Date : 22nd June, 2021





Notes forming part of the Financial Statements

1. Corporate information

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

The financial statements are approved for issue by the Company’s Board of Directors on 22nd June, 2021.

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

2.1 Basis of preparation and measurement

(i) Basis of preparation

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

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

(ii) Basis of measurement

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

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

2.2 Measurement of fair values

The Company’s accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2.3 Use of estimates and judgements

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

- Estimation of defined benefit obligation, refer note 42
- Useful life of fixed assets, refer note 2.4 (o)
- Fair value of biological asset refer note 2.4 (k)

2.4 Significant accounting policies

a. Segment reporting

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

The Chairman and Managing Director (CMD) of the Company has been identified as the chief operating decision maker. Refer Note 41 for the segment information presented.

b. Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of its primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is the Company's functional and presentation currency.

ii) Transactions and translations

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

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

c. Revenue recognition

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

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





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

d. Government grant

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

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

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

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

e. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

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

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

f. Ind AS 116 - Leases

As a lessee

“The Company’s lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.”

Effective 1st April, 2019 the Company adopted IND AS 116, Leases and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset as its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting polices included as part of our Annual Report for the year 31st March, 2019

g. Impairment of assets

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



h. Cash and cash equivalents

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

i. Trade receivables

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

j. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

k. Biological assets

The Company recognises biological assets of only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company. Biological assets of the Company are in the nature of Consumable Biological Assets. It is bifurcated into Brood Stock, (the Parents) and harvested species which undergo biological transformation under different stages as Nauplius, Zoea, Mysis and Post Larvae. The Company sells the biological assets harvested from brood stock at Nauplius and Post Larvae Stages. The Brood Stock has a maximum useful life of 6 months for laying eggs and thereafter these are destroyed.

The valuation of the Brood stock biological assets are determined on the following basis: Brood stock are used for captive consumption or to support farmers, it can not be sold before the end of its useful life and as such, there is no active market. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, brood stock and Shrimp seed (Different stages) are measured at cost, less depreciation and impairment losses.

The transmission phase from Nauplius to Zoea and Mysis are not considered as significant transformation of biological asset and hence Zoea and Mysis are not valued as per Ind AS-41.

The Company recognises other biological assets at the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

Management estimates the fair value less costs to sell of biological assets, taking into account the most reliable evidence available at each reporting date. The future realization of these biological assets may be affected by their survival rate, age and / or other market-driven changes that may reduce the future economic benefits associated with such assets. The fair value is arrived at based on the observable market prices of biological assets adjusted for cost to sells, as applicable.

I. Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in Statement of Profit and Loss as other income when the Company right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

“A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.”

v) Income recognition

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

vi) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

m. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains / (losses).

n. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

o. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value Depreciation on tangible assets is calculated on a straight-line basis so as to expense the cost less residual value over the estimated useful life's prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. Assets costing individually rupee equivalent of INR 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

p. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

ii) Amortisation methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (6 years in case of computer softwares) on a straight line basis.

q. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the year end which are unpaid . The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



r. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

s. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

u. Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees

render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The Company operates the following post-employment schemes:

- a) defined benefit plans such as gratuity; and
- b) defined contribution plans such as Provident fund, Employee State Insurance and Superannuation fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered Provident funds and Employee State Insurance funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Company) is a defined contribution plans, where the Company has no further obligations under the plan beyond its monthly / quarterly contributions.



- iv) **Bonus plans**
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.
- v) **Contributed Equity**
Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.
- w. Dividends**
Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.
- x. Earnings per share**
- i) **Basic earnings per share**
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.
- ii) **Diluted earnings per share**
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
 - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
- y. Rounding of amounts**
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.5. Recent accounting pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.”

Notes to Financial statements for the year ended 31st March, 2021

3. Property, Plant and Equipment and Capital Work-in-Progress

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

	Land - Free Hold	Buildings	Roads	Plant & Machinery	Wind Mills	Electrical Installation	Lab Equipments	Office Equipment	Computers	Furniture And Fixtures	Motor Vehicles	Total Tangible Assets	Capital Work-in-Progress
Gross Carrying amount													
As at 31 st March, 2019	1,906.76	3,324.53	230.33	10,442.50	649.31	2,005.52	301.45	168.93	123.92	145.44	845.71	20,144.41	792.44
Additions	250.78	-	-	533.45	-	30.24	40.60	35.96	38.77	4.07	330.85	1,264.72	1,795.51
Disposals	-	-	-	319.98	-	0.60	1.51	3.33	2.72	0.04	6.04	334.22	252.75
As at 31st March, 2020	2,157.54	3,324.53	230.33	10,655.97	649.31	2,035.16	340.54	201.56	159.97	149.47	1,170.52	21,074.91	2,335.20
Additions	137.87	2,128.34	136.25	368.54	-	191.51	80.17	32.77	31.05	25.76	28.77	3,161.03	820.97
Disposals	-	-	-	0.34	-	3.47	17.28	0.78	4.11	0.02	49.83	75.83	3,143.91
As at 31st March, 2021	2,295.41	5,452.87	366.58	11,024.17	649.31	2,223.20	403.43	233.55	186.91	175.21	1,149.46	24,160.11	12.26
Depreciation													
Upto 31 st March, 2019	-	297.81	73.46	3,041.35	162.36	512.84	81.51	68.39	64.06	44.40	213.26	4,559.44	-
Charge for the year	-	108.15	28.44	1,427.25	54.12	224.35	34.46	36.06	36.77	17.50	117.00	2,084.10	-
Disposals	-	-	-	134.65	-	0.42	0.94	1.72	2.55	0.04	1.78	142.10	-
Upto 31st March, 2020	-	405.96	101.90	4,333.95	216.48	736.77	115.03	102.73	98.28	61.86	328.48	6,501.44	-
Charge for the year	-	130.81	31.97	1,380.59	54.14	234.82	39.91	34.55	43.30	18.24	134.38	2,102.71	-
Disposals	-	-	-	0.34	-	1.39	3.76	0.76	3.83	0.02	20.53	30.63	-
Upto 31st March, 2021	-	536.77	133.87	5,714.20	270.62	970.20	151.18	136.52	137.75	80.08	442.33	8,573.52	-
Net block													
As at 31 st March, 2020	2,157.54	2,918.57	128.43	6,322.02	432.83	1,298.39	225.51	98.83	61.69	87.61	842.04	14,573.47	2,335.20
As at 31 st March, 2021	2,295.41	4,916.10	232.71	5,309.97	378.69	1,253.00	252.25	97.03	49.16	95.13	707.13	15,586.59	12.26

Notes:

- Refer to note 19 for information on property, plant and equipment pledged as security by the company.
- Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



Notes to Financial statements for the year ended 31st March, 2021

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

4. Intangible Assets

Description of Assets	Computer Software
Gross carrying amount	
As at 31st March, 2019	25.77
Additions	-
Disposals	-
As at 31st March, 2020	25.77
Additions	0.59
Disposals	-
As at 31st March, 2021	26.36
Depreciation	
Balance as at 31st March, 2019	7.81
Amortisation expense for the year	3.70
Disposals	-
Balance as at 31st March, 2020	11.51
Amortisation expense for the year	3.58
Disposals	-
Balance as at 31st March, 2021	15.09
Net Block	
Balance as at 31st March, 2020	14.26
Balance as at 31st March, 2021	11.27

5. Right of Use Asset

(a) ROU as at 31st March, 2021

Particulars	Category of ROU Asset	Total
	Buildings	
Balance as at 1st April, 2019	24.78	24.78
Additions	17.35	17.35
Deletion	-	-
Depreciation	10.76	10.76
Balance as at 31st March, 2020	31.37	31.37
Additions	126.99	126.99
Deletion	-	-
Depreciation	26.31	26.31
Balance as at 31st March, 2021	132.05	132.05

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Lease liabilities as at 31st March, 2021

	As at 31 st March, 2021	As at 31 st March, 2020
i) Non-Current	90.19	16.42
ii) Current	37.59	12.51
Total	127.78	28.93

The movement in lease liabilities during the year ended 31st March, 2021 is as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance as at 1st April, 2020	28.93	27.16
Additions	120.67	11.86
Finance cost accrued during the year	6.16	2.28
Deletions	-	-
Payment of lease liabilities	27.98	12.37
Balance as at 31st March, 2021	127.78	28.93

Rental expenses recorded on short-term leases was ₹201.24 Lakhs

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis are as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Less than one year	37.59	14.37
One year to three years	66.71	12.51
More than three years	23.48	2.05
Total	127.78	28.93

6. Investments

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non-Current investments (Refer note i below)		
Investments carried at cost		
(i) Equity instruments of subsidiaries (unquoted)	8,461.00	8,461.00
(ii) Equity instruments of associated companies (unquoted)	2,735.06	2,735.06
(iii) Equity instruments of other entities (unquoted)	507.31	425.13
Investment carried at fair value through profit and loss		
(iv) Equity instruments of other entities (quoted)	1.97	1.27
(v) Investments in Non Convertible Debentures (quoted)	7,998.47	-
Total	19,703.81	11,622.46
b) Current investments (Refer note ii below)		
Investment carried at fair value through profit and loss		
(i) Investments in Mutual Funds (quoted)	93,344.26	37,336.22
(ii) Investments in Non Convertible Debentures (quoted)	-	17,202.51
Investment carried at amortised cost		
(i) Investments in Secured Bonds - quoted		
LIC Housing Finance Ltd 2019 (secured) bonds	1,053.95	-
Term deposits	5,132.55	2,098.42



	As at 31 st March, 2021	As at 31 st March, 2020
Total	99,530.76	56,637.15
Note i: Details of non-current investments		
Equity instruments of subsidiaries (unquoted)		
Avanti Frozen Foods Private Limited		
60,10,000 (31 st March, 2020: 60,10,000) equity shares of ₹10/- each fully paid up)	8,461.00	8,461.00
Total a(i)	8,461.00	8,461.00
Equity instruments of associate companies (unquoted)		
Srivathsa Power Projects Limited		
1,66,93,630 (31 st March, 2020: 1,66,93,630) equity shares of ₹10/- each fully paid up	1,670.54	1,670.54
Patikari Power Private Limited		
1,06,45,200 (31 st March, 2020: 1,06,45,200) equity shares of ₹10/- each fully paid up	1,064.52	1,064.52
Total a(ii)	2,735.06	2,735.06
Equity instruments of other entities (quoted)		
IDBI Bank Limited		
2,880 (31 st March, 2020: 2,880) equity shares of ₹10/- each fully paid up	1.11	0.56
UCO Bank Limited		
7,800 (31 st March, 2020: 7,800) equity shares of ₹10/- each fully paid up	0.86	0.71
Total a(iii)	1.97	1.27
Equity instruments of other entities (unquoted)		
Bhimavaram Hospitals Limited		
1,20,000 (31 st March, 2020: 1,20,000) equity shares of ₹10/- each fully paid up	12.00	12.00
PT Thai Union Kharisma Lestari		
9,99,600 (31 st March, 2020: 8,33,000) equity shares of IDR 10,000/- each fully paid up	495.31	413.13
Total a(iv)	507.31	425.13
Investments in Non Convertible Debentures (quoted)		
5.23% LIC HOUSING JULY 2023	1,015.58	-
5.40% HDFC AUG 2023	1,043.99	-
5.70% BAJAJ FINANCE AUG 2023	1,047.89	-
7.2871% HDB FINANCIAL JULY 2023	2,187.44	-
RELIANCE INDUSTRIES LTD - 09-APRIL 2023	1,060.50	-
RELIANCE INDUSTRIES LTD - 16-APRIL 2023	1,139.43	-
SHRIRAM CITY UNION FINANCE MLD	503.64	-
Total a(v)	7,998.47	-
Total a(i+ii+iii+iv+v)	19,703.81	11,622.46
Aggregate amount of quoted investments and market value thereof	8,000.44	1.27
Aggregate amount of unquoted investments	11,703.37	11,621.19
Aggregate amount of impairment in the value of investments in unquoted equity shares	-	-
	19,703.81	11,622.46

	As at 31 st March, 2021	As at 31 st March, 2020
Note: ii Current investments		
Investment in quoted mutual funds		
HDFC Floating Rate debt Fund - Regular plan - Growth - 51,52,012.143 units of ₹37.9118 each (31 st March, 2020: 51,52,012.143 units of ₹32.5031 each)	1,953.22	1,809.01
Franklin Ultra Short Bond Fund - SIP - Growth - 1,09,20,638.596 units of ₹29.72593 each (31 st March, 2020: 2,16,36,685.433 units of ₹26.2888 each)	3,246.19	5,951.32
Franklin Ultra Short Bond Fund - SIP - Segregated Portfolio 1 Growth - Nil units of ₹Nil each (31 st March, 2020: 2,16,36,685.433 units of ₹Nil each)		
IDFC Low duration Fund - Growth Regular plan - 63,05,779.878 units of ₹30.2444 each (31 st March, 2020: 63,05,779.878 units of ₹26.4976 each)	1,907.15	1,801.38
Kotak Low Duration Fund - Standard growth Regular Plan - NIL (31 st March, 2020: 2,19,345.131 units of ₹2,464.3644 each)	-	5,405.46
SBI Magnum Ultra Short Duration Fund Direct daily dividend- NIL (31 st March, 2020: 60298.571 units of ₹1675.03 each)	-	1,010.02
IDFC Arbitrage Fund Monthly Dividend - Direct Plan - NIL (31 st March, 2020 - 6,83,71,856.645 units of ₹13.2292 each)	-	9,045.05
Axis Banking & PSU Debt Fund - Direct Plan - Growth - 3,99,401.665 units of ₹2097.79 each (31 st March, 2020 - 105755.214 units of each ₹1040.9982)	8,378.61	2,052.71
IDFC Banking & PSU Debt Fund - Direct Plan - Growth - 3,25,81564.193 units of ₹19.5405 each (31 st March, 2020 - 11492553.156 units of ₹17.9641 each)	6,366.65	2,064.53
Nippon India Arbitrage Fund - Direct Monthly Dividend Plan - NIL (31 st March, 2020 - 7,35,74,695.526 units of ₹11.1407 each)	-	8,196.74
NIPPON INDIA ARBITRAGE FUND - DIRECT GROWTH PLAN - 3,91,62,197.787 units of ₹21.827 each (31 st March, 2020 - NIL)	8,547.93	-
NIPPON INDIA FLOATING RATE FUND - DIRECT - GROWTH - 1,56,82,177.46 units of ₹35.988 each (31 st March, 2020 - NIL)	5,643.70	-
SBI BANKING AND PSU DEBT FUND - 3,68,267.002 units of ₹2554.0099 each (31 st March, 2020 - NIL)	9,405.79	-
SBI MAGNUM ULTRA SHORT DURATION FUND DIRECT GROWTH - 3,17,031.691 units of ₹4718.9734 each (31 st March, 2020 - NIL)	14,960.37	-
IDFC CORPORATE BOND FUND - DIRECT - GROWTH - 4,01,28,672.543 units of ₹15.2677 each (31 st March, 2020 - NIL)	6,126.73	-
IDFC ARBITRAGE FUND - GROWTH - DIRECT PLAN - 3,51,52,104.694 units of ₹26.7596 each (31 st March, 2020 - NIL)	9,406.56	-
ICICI PRU CORPORATE BOND FUND - DIRECT - GROWTH - 3,26,90,929.564 units of ₹23.5067 each (31 st March, 2020 - NIL)	7,684.56	-
HDFC CORPORATE BOND FUND - DIRECT - GROWTH - 3,85,83,986.108 units of ₹25.1835 each (31 st March, 2020 - NIL)	9,716.80	-
	93,344.26	37,336.22
Investments in Non Convertible Debentures (quoted) - Current		
HDB Financial Services Ltd Sr A/O(MI)/1 Br NCD	-	1,097.09
HDFC LTD SR-T-001 7.9 NCD	-	2,499.14
Tata Capital Financial Services Ltd Sr Tr A 2018-19 Tr I BR NCD	-	5,466.77
Mahindra And Mahindra Financial Services Ltd As2018 BR NCD	-	5,507.52





	As at 31 st March, 2021	As at 31 st March, 2020
Fullerton India Credit Company Limited	-	2,631.99
	-	17,202.51
Term deposit with LIC of India		
Term deposit with LIC of India	5,132.55	2,098.42
	5,132.55	2,098.42
Aggregate amount of quoted investments and market value thereof	94,398.21	37,336.22
Aggregate amount of unquoted investments	5,132.55	2,098.42
Aggregate amount of impairment in the value of investments		

The Company has invested an amount of ₹50 crores in “Franklin India Ultra Short Bond Fund” (FT) in September, 2017 purchasing 2,16,36,685 units at an NAV of ₹23.11 per unit. During the financial year 2019-20, CRISIL downgraded its rating of one of the portfolio investment of the FT. As per SEBI Regulations, any investment by a MF rated below investment grade (i.e. below BBB), can be segregated at the option of the AMC.

Accordingly, in January 2020 FT has reduced NAV of the above fund held by the Company and allotted equal quantity of units (i.e., 2,16,36,685 units) of “Franklin India Ultra Short Bond Fund – Super Institutional Plan - Segregated Portfolio - 1 GROWTH, with NAV value of ₹Nil on 24th January, 2020 with a different account number. Hence, the same is recorded in the books of accounts of the company as at 31st March, 2020.

During the Financial Year 2020-21, we have received a total of ₹34.59 crores against investment of ₹50.00 crores. Detailed are as follows:

30th July, 2020, received an amount of ₹3.08 crores against segregated units of 2,16,36,685.433

15th February, 2021, received an amount of ₹31.51 crores against SIP Growth units of 1,07,60,460.84

As at 31st March, 2021 the balance units of 1,09,20,638.596 are carrying at NAV of ₹29.72593.

7. Loans

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non-Current		
Unsecured, considered good Loans to employees	72.97	67.63
	72.97	67.63
b) Current		
Unsecured, considered good Loans to employees	95.29	107.15
Unsecured, considered doubtful	-	-
	95.29	107.15

8. Other Financial Assets

	As at 31 st March, 2021	As at 31 st March, 2020
Non Current		
Unsecured, considered good		
Margin Money Accounts*	2.75	15.55
Security deposits	568.13	501.55
	570.88	517.10

* Margin Money deposits with bank of a carrying amount of Rs.2.75 lakhs (31st March, 2020: Rs. 15.55 lakhs) are lien marked for import L.Cs.

9. Other Assets

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non Current		
Unsecured, considered good		
Taxes paid under protest	2.94	2.94
Unsecured, considered doubtful		
Capital Advances	16.00	68.28
Less: Provision for Bad and doubtful advances	(16.00)	-
	2.94	71.22
b) Current		
Unsecured, considered good		
Prepaid expenses	282.67	182.51
Advance for expenses	60.55	34.91
Export Incentives Receivables	1.38	28.95
MEIS Licenses on hand	-	456.21
GST Receivable	29.79	-
Advance to suppliers	1,016.24	473.49
Interest accrued on electricity deposits	19.51	21.82
Captive power settlement from APEPDCL	39.13	-
PT Thai Union Kharisma Lestari	2.66	5.93
	1,451.93	1,203.82

10(a) Inventories (valued at lower of cost or net realizable value)

	As at 31 st March, 2021	As at 31 st March, 2020
Raw materials		
- in godown	23,258.37	28,809.89
- stock in transit	1,131.69	672.46
Packing materials	428.72	582.87
Work-in-progress	619.67	586.52
Finished goods	4,119.10	4,730.08
Stores and spares	1,664.43	1,654.43
Stores and spares - in transit	111.75	-
	31,333.73	37,036.25
Biological Assets		-
Brood stock - Level 1	66.25	-
Post Larval - Level 2	-	-
	66.25	-

10(b) Reconciliation of changes in the carrying amount of biological assets

	As at 31 st March, 2021	As at 31 st March, 2020
As at beginning of the year	-	-
Increase due to purchase / production / physical change	1,182.44	-
Decrease due to Physical change / sales	1,116.19	-
Net change in the Fair value less estimated cost to sell	66.25	-



11. Trade Receivables

	As at 31 st March, 2021	As at 31 st March, 2020
Secured, considered good	1,738.72	2,336.50
Unsecured, considered good	301.54	836.44
	2,040.26	3,172.94

12. Cash and Cash Equivalents

	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks:		
- in current accounts	3,370.32	633.68
Cash in hand	5.98	12.99
	3,376.30	646.67

13. Other Bank Balances

	As at 31 st March, 2021	As at 31 st March, 2020
- Deposit Accounts	508.61	15,285.09
- Unpaid dividend accounts	211.06	249.03
- Margin money accounts *	622.89	586.85
	1,342.56	16,120.97

* Margin money deposits given as security

Margin Money deposits with bank of a carrying amount of Rs. 622.89 lakhs (31st March, 2020: Rs. 586.85 lakhs) are lien marked for, import L.Cs, BG and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

14. Equity Share Capital

	As at 31 st March, 2021	As at 31 st March, 2020
Authorised share capital:		
15,85,00,000 equity shares of ₹1/- each (31 st March, 2020: 15,85,00,000 equity shares of ₹1/- each)	1,585.00	1,585.00
Issued, subscribed and fully paid up capital:		
13,62,45,630 equity shares of ₹1/- each (March 31, 2020: 13,62,45,630 equity shares of ₹1/- each)	1,362.46	1,362.46
Total:	1,362.46	1,362.46

Notes:

(a) Reconciliation of the Number of Shares Outstanding

	No. of Shares	Amount
Balance at 1 st April, 2019	13,62,45,630	1,362.46
Shares issued during the year	-	-
Balance at 31 st March, 2020	13,62,45,630	1,362.46
Shares issued during the year	-	-
Balance at 31 st March, 2021	13,62,45,630	1,362.46

(b) Details of Shareholders Holding More than 5% Shares in the Company

Name of the shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of Shares Held	% Holding of Equity Shares	Number of Shares Held	% Holding of Equity Shares
Equity shares of ₹1/- each fully paid up (31st March, 2020: ₹1/- each)				
1. Srinivasa Cystine Private Limited	3,62,99,115	26.64	3,62,99,115	26.64
2. Thai Union Group Public Company Limited	2,10,30,630	15.44	2,10,30,630	15.44
3. Thai Union Asia Investment Holding Limited	1,19,54,826	8.77	1,19,54,826	8.77
4. Alluri Indra Kumar	83,30,700	6.11	83,30,700	6.11
5. Alluri Indra Kumar (HUF)	81,89,250	6.01	81,89,250	6.01

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

(c) Rights Attached to Equity Shares

The Company has only one class of equity shares having par value of ₹1/- per share (31st March, 2020: ₹1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Equity Shares Movement During the 5 Years Preceding 31st March, 2021 on Account of Equity Shares Issued as Bonus

The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹438.00 lakhs and general reserve amounting to 16.15 lakhs, which was approved by the shareholders by means of a special resolution through E.G.M. held on 14th June, 2018.

15. Other Equity

	As at 31 st March, 2021	As at 31 st March, 2020
General reserve	20,065.72	17,565.72
Retained earnings	1,28,898.07	1,01,028.47
Total Other Equity	1,48,963.79	1,18,594.19
General Reserve		
Balance at beginning of year	17,565.72	15,065.72
Less: Utilised for Bonus	-	-
Transferred from Surplus in Retained earnings	2,500.00	2,500.00
Balance at end of year	20,065.72	17,565.72
Retained earnings		
Balance at beginning of year	1,01,028.47	89,800.25
Adjustment on adoption of INDAS 116	-	(2.39)
Profit attributable to owners of the Company	30,537.09	28,597.67
Other comprehensive income	(31.24)	(84.44)
Transfer to general reserve	(2,500.00)	(2,500.00)





	As at 31 st March, 2021	As at 31 st March, 2020
Dividend (including dividend distribution tax)	(136.25)	(14,782.62)
Balance at end of year	1,28,898.07	1,01,028.47

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The reserve is utilised for Bonus issue in accordance with the provisions of Companies Act 2013.

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised for Bonus issue in accordance with the provisions of Companies Act 2013.

16. Other Financial Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non-Current		
Security deposits*	372.00	374.50
Total	372.00	374.50
b) Current		
Unpaid dividend	211.06	249.03
Creditors for capital works	-	30.85
Total	211.06	279.88

*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31st March, 2020: 9% p.a.)

17. Provisions

	As at 31 st March, 2021	As at 31 st March, 2020
Provisions (refer note 39)		
Provision for gratuity	104.55	185.92
Provision for leave encashment	64.45	123.48
	169.00	309.40
a. Non-Current portion	-	85.58
b. Current portion	169.00	223.82
Total	169.00	309.40

18. Other Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
Current		
Advance from customers	2,469.16	2,633.32
Statutory dues	234.08	141.72
Total	2,703.24	2,775.04

19. Current Borrowings

Secured:

	As at 31 st March, 2021	As at 31 st March, 2020
Working capital loan from State Bank of India	-	-
Working capital loan from HDFC Bank	-	-
Total	-	-

The working capital limits, sanctioned by State Bank of India (SBI) and HDFC Bank as at 31st March, 2021, are ₹3,000.00 lakhs and ₹2,000.00 lakhs, respectively (31st March, 2020: ₹3,000.00 lakhs and ₹Nil respectively).

The working capital limits from SBI is secured by first charge on all current assets, Collateral Second charge on fixed assets of the company. The same is repayable on demand and carries interest @ 7.10% p.a.

The working capital limits from HDFC Bank is secured by first charge on all current assets, Collateral Second charge on fixed assets of the company. The same is repayable on demand and carries interest @ 7.50% p.a.

Note: Debit balance in cash credit accounts as at 31st March, 2021 (and 31st March, 2020) have been grouped under the head "Cash and Cash equivalents"

20. Trade Payables

	As at 31 st March, 2021	As at 31 st March, 2020
Dues to micro enterprises and small enterprises (Refer Note below)	1,444.64	638.54
Dues to creditors other than micro enterprises and small enterprises	19,909.83	19,110.20
	21,354.47	19,748.74

Dues to Micro and Small Enterprises

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

	As at 31 st March, 2021	As at 31 st March, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,444.64	638.54
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	0.31
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-



21. Income Taxes

21(a) Deferred Taxes

For the Year Ended 31st March, 2021

	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liabilities / (assets) in relation to				
Depreciation and amortisation	835.12	(126.43)	-	708.69
Fair valuation of Investments	997.50	(18.56)	-	978.94
Fair valuation of derivative instruments	-	-	-	-
Lease Liabilities	(7.28)	(24.88)	-	(32.16)
Others	0.05	0.07	-	0.12
Total	1,825.39	(169.80)	-	1,655.59

For the year ended 31st March, 2020

	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liabilities / (assets) in relation to				
Depreciation and amortisation	1,257.77	(422.65)	-	835.12
Fair valuation of Investments	852.32	145.18	-	997.50
Fair valuation of derivative instruments	(3.54)	3.54	-	-
Lease Liabilities	-	(7.28)	-	(7.28)
Others	0.47	(0.42)	-	0.05
Total	2,107.02	(281.63)	-	1,825.39

21 (b) Non-current Tax Assets

	As at 31 st March, 2021	As at 31 st March, 2020
Non-current tax assets (net of provision for tax)	1,589.54	1,140.87
Total	1,589.54	1,140.87

21 (c) Tax expense recognised in Statement of Profit and Loss

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current tax		
In respect of the current year	10,071.02	8,891.24
In respect of the earlier years	(19.01)	430.21
	10,052.01	9,321.45
Deferred tax		
In respect of the current year	(169.80)	(281.63)
	(169.80)	(281.63)
Total tax expense	9,882.21	9,039.82

21(d) Tax Expense Recognised in Other Comprehensive Income

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred tax		
In respect of the current year	-	-
	-	-

21(e) Reconciliation of Tax Expense and the Accounting Profit Multiplied by India's Tax Rate

	As at 31 st March, 2021	As at 31 st March, 2020
Profit before tax	40,388.06	37,553.05
Income tax expense calculated at 25.168%	10,164.87	9,451.35
Impact of expenses that are not deductible (taxable) in determining taxable profit		
Exempt income	-	(559.76)
Deduction u/s 80M	(30.25)	-
Interest on Income tax	-	4.93
Corporate Social Responsibility & Donations	117.86	136.88
Earlier taxes	(19.01)	430.21
Interest on MSMED	-	0.08
Opening DTL on impact of rate change	-	(589.46)
14A disallowance	-	107.82
Others	(351.26)	57.77
Income tax expense recognised in profit or loss	9,882.21	9,039.82

22. Revenue from Operations

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Sale of Products (Manufactured)		
Finished goods - Domestic	323,474.13	315,459.44
Finished goods - Exports	775.57	773.51
Other Operating Revenue		
Export Incentives	1.10	24.21
Total	324,250.80	316,257.16
Reconciliation of Revenue from sale of products with contracted price		
Contracted Price	401,143.75	391,548.88
Less : Sales Returns	(73.13)	(70.93)
Less : Trade and other Discounts	(76,820.92)	(75,245.00)
Sale of Products	324,249.70	316,232.95
Finished goods sold		
Shrimp Feed		
i) Domestic	322,316.50	315,293.70
ii) Exports	775.57	773.51
Shrimp Seed	1,001.80	-
Power	151.96	163.34
Other sales	3.87	2.40
	324,249.70	316,232.95



23. Other Income (net)

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Interest Income on Financial Assets carried at amortized cost:		
Bank deposits	526.70	760.08
Secured Bonds	65.32	155.99
Others	21.73	53.81
Dividend Income:		
Received from Subsidiary	120.20	-
From investments mandatorily measured at FVTPL	-	2,224.09
Net gain on sale of investments:		
On sale of non-convertible debentures	1,476.47	-
On sale of Mutual Funds	3,516.83	920.59
MTM gain on investments carried at fair value through profit or loss	(73.27)	1,524.01
Exchange gains / (losses) on translation of assets and liabilities	271.82	52.07
Other non-operating income	511.05	371.17
Total	6,436.85	6,061.81

24. Cost of Materials Consumed

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Inventory at the beginning of the year	30,065.22	16,910.53
Add: Purchases	256,275.05	273,538.70
	286,340.27	290,449.23
Less: Inventory at the end of the year	(24,818.78)	(30,065.22)
Cost of materials consumed	261,521.49	260,384.01
Purchase of bearer biological Assets:		
Purchase brood stock	108.26	-
Less: Inventory at the end of the year	(66.25)	-
	42.01	-

25. Changes in inventories of finished goods and work-in-progress and Biological Assets

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Closing Stock:		
Finished goods	4,119.10	4,730.08
Work-in-progress	619.67	586.53
Biological assets	66.25	-
	4,805.02	5,316.61
Opening Stock:		
Finished goods	4,730.08	3,215.81
Work-in-progress	586.52	515.13
Biological assets	-	-

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
	5,316.60	3,730.94
Net (increase) /decrease	511.58	(1,585.67)

26. Employee Benefits Expense

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Salaries, wages and bonus	9,311.72	8,690.36
Contribution to provident and other funds	417.13	403.06
Gratuity expense	459.93	101.47
Staff welfare expenses	170.41	145.04
	10,359.19	9,339.93

27. Finance Costs

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Interest expense		
- Interest on bank overdrafts and loans	3.30	18.70
- Interest on income tax	-	19.60
- Interest on Lease Liability	6.16	2.28
Other borrowing costs	39.67	80.65
Total	49.13	121.23

28. Depreciation and Amortisation Expense

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Depreciation of property, plant and equipment	2,102.71	2,084.10
Depreciation of ROU Assets	26.31	10.76
Amortisation of intangible assets	3.58	3.70
	2,132.60	2,098.56

29. Other Expenses

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Rent (refer note (i))	201.24	190.02
Power & fuel	4,333.55	4,066.66
Repairs & maintenance		
- Buildings	52.56	82.72
- Plant & machinery	176.31	200.38
- Others	11.95	12.71
Consumable stores	1,057.10	1,179.96



Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Other manufacturing expenses	2,481.65	2,334.20
Rates & taxes	180.16	161.14
Insurance	260.88	151.10
Electricity charges	6.86	9.95
Vehicle maintenance	93.38	78.54
Travelling & conveyance	435.34	603.47
Communication costs	41.43	40.50
Printing & stationery	29.63	37.20
Directors' sitting fees	37.60	39.20
Auditors Remuneration (refer note (ii))	32.56	34.47
Professional charges	253.04	145.96
Corporate Social Responsibility	850.94	1,070.06
Donations	21.68	186.99
Bank charges	93.70	58.79
Assets written off	2.29	187.87
Investment in Svimsan Exports & Imports Pvt. Ltd Written off	-	100.00
Less: Reversal of Provision for Impairment in Investments	-	(100.00)
Loan of Svimsan Exports & Imports Pvt. Ltd. Written off	-	92.14
Less: Reversal of provision for bad and doubtful advances	-	(92.14)
Advertisement charges	8.83	9.85
Carriage outward	560.55	584.41
Marketing expenses	3,005.97	1,405.19
Royalty	932.30	954.04
Loss on sale of Fixed Assets	4.47	1.13
Bad and doubtful debts written off	-	17.00
Provision for doubtful advance	16.00	
General expenses	404.12	479.92
Total	15,586.10	14,323.42

Notes:

i) Operating Leases

Lease payments made under operating leases aggregating to ₹201.24 lakhs (31st March, 2020: ₹190.02 lakhs) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil.

ii) Auditors' Remuneration Comprises of:

Particulars	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
As Auditors	23.60	23.60
Tax Matters	-	-
Other Services	5.02	5.79
Reimbursement of expenses	3.94	5.08
Total	32.56	34.47

30. Fair Value Measurements

Financial instruments by category	31 st March, 2021		31 st March, 2020	
	Amortised Cost	FVPL	Amortised Cost	FVPL
Financial Assets				
Investments				
- in equity instruments				
- Quoted	-	1.97	-	1.27
- Unquoted	11,703.37	-	11,621.19	-
- in mutual funds	-	93,344.26	-	37,336.22
- in Secured Bonds	1,053.95	-	-	-
- Non Convertible debentures	-	7,998.47	-	17,202.51
Trade receivables	2,040.26	-	3,172.94	-
Cash and cash equivalents	3,376.30	-	646.67	-
Other bank Balances	1,345.31	-	16,136.52	-
Loans	168.26	-	174.78	-
Security deposits	568.13	-	501.55	-
Total Financial Assets	20,255.58	1,01,344.70	32,253.65	54,540.00
Financial Liabilities				
Borrowings	-	-	-	-
Current maturities of long term debt from banks	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-
Security deposits	372.00	-	374.50	-
Trade payables	21,354.47	-	19,748.74	-
Derivative financial instrument	-	-	-	-
Unpaid dividend	211.06	-	249.03	-
Lease Liabilities	127.78	-	28.93	-
Capital creditors	-	-	30.85	-
Total Financial Liabilities	22,065.31	-	20,432.05	-

(i) Fair Value Hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits, are considered to be same as their fair values.

With respect to Corporate Guarantees, the management has determined the fair value of such guarantee contracts as 'Nil' as the subsidiary company is not being benefited significantly from such guarantees.

The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unquoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'.



31. Financial Risk Management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis Credit ratings of customers and subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD)	Working capital management by General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Joint Managing Director. The capital requirements are managed by analysing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/payables)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The Company's risk management is carried out by the JMD under policies approved by the Risk Management Committee a sub-committee of the Board of Directors. The Committee provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

Credit Risk

(i) Credit Risk Management

Credit risk arises from cash and cash equivalents, loans, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed by the Marketing General Manager of the Avanti Feeds Limited. The Company provides a credit period of 60-90 days which is in line with the normal industry practice.

The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- actual or expected significant changes in the operating results of the borrower.
- significant increase in credit risk on other financial instruments of the same borrower.

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

(ii) Provision for Expected Credit Losses

The Company provides for expected credit loss based on the following:

Category	Description of Category	Basis for Recognition of Expected Credit Loss Provision		
		Investments	Loans and Deposits	Trade Receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong.	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off		

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Year Ended 31st March, 2021

Particulars	Asset Group	Estimated Gross Carrying Amount at Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount Net of Impairment Provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	1,345.31	0%	-	1,345.31
	Loans and advances	168.26	0%	-	168.26
	Security deposits	568.13	0%	-	568.13



Year Ended 31st March, 2020

Particulars	Asset Group	Estimated Gross Carrying Amount at Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount Net of Impairment Provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	16,136.52	0%	-	16,136.52
	Loans and advances	174.78	0%	-	174.78
	Security deposits	501.55	0%	-	501.55

Expected credit loss for trade receivables under simplified approach

Year ended 31st March, 2021

Ageing	Not Due	1-90 Days	91-180 Days	181-365 Days	More than 365 Days	Total
Gross carrying amount	1,832.65	-	58.20	99.48	49.94	2,040.26
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,832.65	-	58.20	99.48	49.94	2,040.26

Year ended March 31, 2020

Ageing	Not Due	0-90 Days	91-180 Days	181-365 Days	More than 365 Days	Total
Gross carrying amount	2,744.79	-	270.77	157.38	-	3,172.94
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	2,744.79	-	270.77	157.38	-	3,172.94

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Joint Managing Director monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess / short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds.

(i) Maturities Of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual Cash Flows

31 st March, 2021	Carrying Amount	Total	0-1 Year	1-2 Years	2-5 Years	More than 5 Years
Borrowings	-	-	-	-	-	-
Trade payables	21,354.47	21,354.47	21,354.47	-	-	-
Derivative financial instrument	-	-	-	-	-	-
Capital creditors	-	-	-	-	-	-
Security deposits	372.00	372.00	-	-	-	372.00
	21,726.47	21,726.47	21,354.47	-	-	372.00

Contractual Cash Flows

31 st March, 2020	Carrying Amount	Total	0-1 Year	1-2 Years	2-5 Years	Morethan 5 Years
Borrowings	-	-	-	-	-	-
Trade payables	19,748.74	19,748.74	19,748.74	-	-	-
Derivative financial instrument	-	-	-	-	-	-
Capital creditors	30.85	30.85	30.85	-	-	-
Security deposits	374.50	374.50	-	-	-	374.50
	20,154.10	20,154.10	19,779.60	-	-	374.50

Market Risk - Interest Risk

The Company's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

	31 st March, 2021	31 st March, 2020
Variable rate borrowings	-	-
Total	-	-

At the end of the reporting period, the Company had the following variable rate borrowings and receivables:

	31 st March, 2021			31 st March, 2020		
	Weighted Average Interest Rate %	Balance	% of Total Outstanding Payable / Receivable	Weighted Average Interest Rate %	Balance	% of Total Outstanding Payable / Receivable
Financial Liabilities						
Current borrowings	-	-			-	
	-	-			-	

Sensitivity

The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

Particulars	Impact on Profit After Tax	
	31 st March, 2021	31 st March, 2020
Interest rate - Increases by 100 basis points	-	-
Interest rate - Decreases by 100 basis points	-	-



Market Risk - Price Risk

The Company's investments in quoted equity securities is very minimal, hence there is limited exposure to price risk.

Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Company does not hedge any of its exposure to foreign currency. The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

	As at 31 st March, 2021		As at 31 st March 2020	
	Amount in Foreign Currency	Amount in ₹ (Lakhs)	Amount in Foreign Currency	Amount in ₹ (Lakhs)
Trade and other payables				
USD	7,34,497.77	537.40	1,41,227.00	106.47
Euro	-	-	1,000.00	0.83
Advance to suppliers				
USD	-	-	5,37,514.40	405.21
Euro	-	-	-	-
Trade Receivables				
USD	87,089.63	63.72	84,960.00	61.64
Euro	-	-	-	-
Balance in EEFC A/c-USD	105.17	0.08	105.17	0.08
Derivatives outstanding				
Forward contracts				
To buy USD	-	-	-	-
To sell USD	-	-	-	-
Share application money pending allotment				
IDR	5,27,88,000.00	2.66	12,83,40,000.00	5.93
Net exposure (Receivable / (Payable))	5,21,40,697.03	(470.94)	12,88,21,352.57	366.39
Net exposure in USD	(6,47,302.97)	(473.60)	4,81,352.57	360.46

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Increase in USD rate by 1%	(4.74)	3.60
Decrease in USD rate by 1%	4.74	(3.60)

32. Capital management

(a) Risk Management

The Company's objectives when managing capital are to

- > Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company has been maintaining a steady dividend.

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Net debt	-	-
Total equity	1,50,326.25	1,19,956.65
Net debt to equity ratio	0%	0%

(b) Dividends

Particulars	31 st March, 2021	31 st March, 2020
Equity shares		
i) Final dividend for the year ended 31 st March, 2020 of ₹0.10 (31 st March, 2019 ₹4.00) per fully paid share.	136.25	5,449.83
ii) Interim dividend for the year ended 31 st March, 2021 of ₹NIL (31 st March 2020: ₹5/-) per fully paid share.	-	6,812.28
Dividends not recognised at the end of the reporting period		
i) In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹6.25 per fully paid equity share (31 st March, 2020 - ₹0.10). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8,515.35	136.25

33. Contingent Liabilities

	31 st March, 2021	31 st March, 2020
Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company *	90.04	90.04
Corporate guarantee given under a Multiple Banking Arrangement to SBI and Axis Bank in favour of loan taken by Avanti Frozen Foods Private Limited **	-	15,000.00

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

Name of the Statute	Nature of the Dues	Amount	Period to which the Amount Relates	Forum where Dispute is Pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009-2010 to 2011-2012	CESTAT, Chennai
		90.04		

** During the year subsidiary company (AFFPL) got the sanctions from banks without corporate guarantee. Accordingly we have withdrawn the corporate guarantee

- i) The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13th December, 2004 and Commercial Tax department took the view that the soya bean purchased prior to 13th December, 2004 will attract tax



at old rates and a demand to ₹29.22 lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

- ii) Company is importing Squid Liver Powder (SLP) which was one of the raw materials for manufacturing of shrimp feed. SLP was imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

- 2) The Company has given corporate guarantee of ₹Nil as on 31st March, 2021 (₹15,000.00 Lakhs as on 31st March, 2020) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad and Axis Bank Limited, Begumpet, Hyderabad for loan facilities availed by Avanti Frozen Foods Private Limited. During the year subsidiary company (AFFPL) got the sanction from banks without corporate guarantee. Accordingly we have withdrawn the corporate guarantee.

34. Commitments

Estimated amount of contracts remaining to be executed to the extent not provided for (net of advances) ₹Nil (31st March, 2020: ₹19.89 Lakhs).

35. In November '19 The Income Tax Department., Hyderabad conducted Search / Survey, on the premises of the Company and its subsidiary (i.e., Avanti Frozen Foods Private Limited). Subsequently during the current financial year, the Company has filed the Income tax returns in response to the notices issued U/s 153A of Income Tax Act, 1961. Accordingly, the provision made in the previous year has been reversed and the actual liability based on the Income tax returns filed and the resultant amount has been accounted as Earlier Years Taxes.

- 36 The Company has taken into account the possible impact of COVID-19 in preparation of the audited financial statements including its assessment of recoverable value of its assets based on internal and external information for the year ended 31st March, 2021. Based on the assessment done by the management of the Company, there is not much impact of COVID-19 on the results for the year ended 31st March, 2021. The Company will be closely monitoring any material changes to future economic conditions.

37. Earnings per Share

	March 31, 2021	March 31, 2020
Profit after Tax (PAT)(A)	30,537.09	28,597.67
Weighted average number of equity shares for Basic EPS (B)	136,245,630	13,62,45,630
Basic earnings per share (A/B)	22.41	20.99

Note:

There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares.

38. Corporate Social Responsibility Expenditure

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹850.92 Lakhs (31st March 2020: ₹809.70/- Lakhs) in accordance with Section 135 of the Act. The following amounts were actually spent during the current & previous year:

b) Amount Spent During the Year on:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
i) Amount spent other than for construction / acquisition of any asset	850.94	1,070.06
ii) Amount spent for construction / acquisition of any asset	-	-
iii) Amount accrued and not spent	-	-
Total	850.94	1,070.06

39. Removal of the name of the wholly owned subsidiary of the Company “SVIMSAN Exports & Imports Pvt Ltd” u/s 248(2) of the Companies Act, 2013: SVIMSAN Export & Import Pvt Ltd., ('SVIMSAN') is a wholly owned subsidiary of the Company established in 1998 to carry on the activity of Export & Imports. After carrying on business for about 11 years i.e., till 2009, stopped business activity as the activity found to be not viable and remained non-operative for the past 11 years. The Board has decided to wind up SVIMSAN by extinguishing all the liabilities. Accordingly, the Company has written off the investment of ₹100 lakhs in the equity along with un-secured loan of ₹92.14 lakhs during the year as there is no possibility of recovery of the investment and the un-secured loan. The SVIMSAN has approached ROC for removal of its name from Register of Companies u/s 248(2). Accordingly on 12th March, 2021 ROC has struck off the name and the company stands dissolved.

40. Segment Reporting

The Company is predominantly engaged in the business of Shrimp feeds and power generation. The Chairman and Managing Director (CMD) has been identified as the Chief Operating Decision maker (CODM). There is only one segment in the Company which is Shrimp Feed.

As the Company does not have revenue from any significant external customer amounting to 10% or more of the Company's total revenue, the related information as required under paragraph 34 of Ind AS 108 has not been disclosed.

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp.

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

Segment Revenue and Results

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

Segment Assets and Liabilities

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



	Shrimp Feed		Wind Mills		Un-allocated		Total	
	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Revenue								
External Sales	3,23,097.04	3,16,093.82	151.96	163.34	1,001.80	-	3,24,250.80	3,16,257.16
Inter-segment sales	-	-	-	-	-	-	-	-
Total Revenue	3,23,097.04	3,16,093.82	151.96	163.34	1,001.80	-	3,24,250.80	3,16,257.16
Segment Result								
Operating Profit	33,559.01	31,658.58	17.04	38.33	455.54	-	34,031.59	31,696.92
Other Income	801.88	428.21	-	1.80	5,634.97	5,631.80	6,436.85	6,061.81
Interest Expense	49.13	121.23	-	-			49.13	121.23
Income tax - Current year & previous year	-	-	-	-	10,052.01	9,321.45	10,052.01	9,321.45
-Deferred Tax	-	-	-	-	(169.80)	(281.63)	(169.80)	(281.63)
Net Profit	34,311.76	31,965.56	17.04	40.13	(3,791.70)	(3,408.02)	30,537.10	28,597.68
Other Information								
Segment Assets	57,507.99	82,331.03	469.51	528.69	1,18,941.88	62,438.81	1,76,919.38	1,45,298.53
Segment Liabilities	21,047.62	19,563.37	0.57	31.25	5,544.90	5,747.28	26,593.09	25,341.90
Capital Employed	36,460.37	62,767.66	468.94	497.44	1,13,396.98	56,691.53	1,50,326.29	1,19,956.63

41. Related Party Disclosures

1. Names of Related Parties and Related Party Relationship

Related parties where control exists	
Subsidiary Companies	Avanti Frozen Foods Private Limited
Key Managerial Personnel (KMP)	Sri A. Indra Kumar, Chairman and Managing Director
	Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
	Sri A. Venkata Sanjeev, Executive Director
Relatives of Key Managerial Personnel	Sri A. Nikhilesh Chowdary
	Sri N. Ramprasad
Associate Companies	Srivathsa Power Projects Limited
	Patikari Power Private Limited
Entities over which KMP has significant influence	
	SCL Trading Private Limited
	Sanjeev Agro Vet Private Limited
	Sri Sai Srinivasa Agro Farms & Developers Private Limited
	Avanti Foundation - Trust
	A.V.R. Trust
	Sakuntala Professional Associates LLP
Entities having significant influence over the Company	Srinivasa Cystine Private Limited
	Thai Union Feed Mill Co. Ltd Thailand

2. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties:

Particulars	Relatives of Key Management Personnel		Entities Having Significant Influence Over the Company		Subsidiary		Associated Companies		Entities Over Which KMP Has Significant Influence	
	For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Remuneration	3,389.76	3,350.70			-	-			-	-
Rent paid	6.96	5.16	2.55	2.55	-	-			-	-
Rent Received	-	-	0.60	0.50	-	-	1.20	1.20	0.48	0.07
Contributions towards corporate social responsibility	-	-	-	-	-	-	-	-	594.19	708.28
Royalty paid	-	-	932.30	954.04	-	-	-	-	-	-
Dividend paid	17.92	1,613.28	36.30	3,266.92	-	-	-	-	4.24	381.17
Dividend Received	-	-	-	-	120.20	-	-	-	-	-
Power purchase	-	-	-	-	-	-	194.46	-	-	-
Legal Services received	-	-	5.31	-	-	-	-	-	-	-
Purchase of MEIS & others	-	-	-	-	1,153.15	2,993.18	-	-	-	-
Sale of Goods	-	-	-	-	510.95	218.43	-	-	-	-
Lab services	-	-	-	-	1.08	0.44	-	-	-	-
Commission on corporate guarantee	-	-	-	-	27.94	37.60	-	-	-	-
Corporate Guarantee **	-	-	-	-	-	15,000.00	-	-	-	-

* below the rounding off norm adopted by the Company

Year End Balances

Particulars	Key Management Personnel		Entities Having Significant Influence Over the Company		Subsidiary		Associated Companies	
	As at		As at		As at		As at	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Investment	-	-	-	-	8,461.00	8,461.00	2,735.06	2,735.06
Remuneration	2,782.61	2,784.33	-	-	-	-	-	-
Royalty	-	-	227.16	199.32	-	-	-	-
Loans and advances outstanding	-	-	-	-	-	-	-	-
Power purchase	-	-	-	-	-	-	76.67	-
Purchase of MEIS & others	-	-	-	-	20.42	150.86	-	-
Corporate Guarantee **	-	-	-	-	-	15,000.00	-	-

* Below the rounding off norm adopted by the Company

** During the year subsidiary company (AFFPL) got the sanctions from banks without corporate guarantee. Accordingly we have withdrawn the corporate guarantee



42. Employee Benefits

(i) Leave Obligations

The leave obligations cover the Company's liability earned leave.

Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

	31 st March, 2021	31 st March, 2020
Current leave obligations expected to be settled within the next 12 months	158.85	140.78

(ii) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary); Employee State Insurance and Superannuation Fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹309.76 lakhs (31st March, 2020 - ₹287.31 lakhs).

(iii) Post Employment Benefit Obligation Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

Particulars	31 st March, 2021			31 st March, 2020		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
Opening balance	860.82	674.90	185.92	663.25	520.70	142.55
Current Service Cost	129.02	-	129.02	90.48	-	90.48
Past Service Cost	318.38		318.38	-		-
Interest expense	58.06		58.06	51.18		51.18
Interest income	-	45.53	(45.53)	-	40.18	(40.18)
Contributions	-		-	-		-
Total amount recognised in profit or loss	505.46	45.53	459.93	141.66	40.18	101.48
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)	-	14.76	(14.76)	-	1.82	(1.82)
(Gain)/loss from change in demographic assumptions	-		-	0.40		0.40
(Gain)/loss from change in financial assumptions	-		-	72.88		72.88
Experience (gains)/losses	46.00		46.00	12.98		12.98

Particulars	31 st March, 2021			31 st March, 2020		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
Total amount recognised in other comprehensive income	46.00	14.76	31.24	86.26	1.82	84.44
Employer contributions		572.54	(572.54)		142.55	(142.55)
Benefit payments	(29.01)	(29.01)	-	(30.35)	(30.35)	-
Closing Balance	1,383.27	1,278.72	104.55	860.82	674.90	185.92

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 st March, 2021	31 st March, 2020
Present value of funded obligations	1,383.27	860.82
Fair value of plan assets	1,278.72	674.90
Deficit of funded plan	104.55	185.92
Unfunded plans	-	-
Deficit of gratuity plan	104.55	185.92

(ii) Significant Estimates: Actuarial Assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	31 st March, 2021	31 st March, 2020
Discount rate	6.75%	6.75%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	5.00%	5.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics	IALM (2012-14) Ult.	IALM (2012-14) Ult.

(iii) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. In lakhs

Particulars	Change In Assumption			Impact on defined benefit obligation				
	31 st March, 2021	31 st March, 2020		Increase in Assumption			Decrease in Assumption	
				31 st March, 2021	31 st March, 2020		31 st March, 2021	31 st March, 2020
Discount rate	1.00%	1.00%	Decrease by	97.27	76.94	Increase by	114.09	90.55
Attrition rate	50.00%	50.00%	Decrease by	49.32	37.40	Increase by	68.73	51.84
Salary escalation rate	1.00%	1.00%	Increase by	109.36	81.00	Decrease by	95.41	70.76

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.



The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The Major Categories of Plan Assets are as Follows:

Particulars	31 st March, 2021	31 st March, 2020
Funds managed by SBI Life Insurance Company Limited	1,278.72	674.90
Total	1,278.72	674.90

(v) Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. The Company's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Company ensures that it has enough reserves to fund the liability

(vi) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending 31st March 2022 is ₹232.40 Lakhs

Particulars	Less than a Year	Between 2-5 Years	Between 6-10 Years	More than 10 Years
31 st March, 2021				
Gratuity	451.39	277.73	464.13	1,542.61
Total	451.39	277.73	464.13	1,542.61

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

Consolidated Financials
2020-21



INDEPENDENT AUDITORS' REPORT

To the Members of
Avanti Feeds Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Avanti Feeds Limited** ('the Company') and its subsidiaries (collectively referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note No. 46 of the Consolidated Financial statements, wherein it has stated that the Statutory auditors of one of the associate company, Srivathsa Power Projects Private Limited has expressed that they are unable to form an opinion with respect to the extent of recoverability of an intercorporate deposit given by the said associate company amounting to ₹1,592.00 lakhs (as at 31st March, 2020- ₹1,592.00 lakhs) and interest accrued thereon of ₹579.61 lakhs (as at 31st March, 2020: ₹579.61 lakhs). As the management of the associate company has not received any response from the ICD holder, the associate company has approached NCLT and initiated insolvency proceedings against Coastal Infrastructure Private Limited under section 7 of the Insolvency and Bankruptcy Code, 2016.

Without qualifying our opinion, we draw attention to Note No. 46 of the Consolidated Financial statements, wherein it has stated that the Statutory auditors of one of the associate company, Srivathsa Power Projects Private Limited has expressed that in absence of sufficient and appropriate information, they are unable to comment on the carrying value of the non-current investments amounting to ₹100.00 lakhs and the consequent impact thereof on the financial statements. In respect of its non-current investments, the associate company is unable to determine the cost of its investment in unquoted equity shares of Hasan Biomass Pvt Ltd (₹100.00 lakhs) as at 31st March, 2021.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matters	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers" (revenue accounting standard)</p> <p>The application of the accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 2.5c and 24 to the Consolidated Financial Statements.</p>	<p>We assessed the Company's process to identify the impact of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</p> <p>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the relevant accounting standard.</p> <p>Selected a sample of continuing and new contracts and performed the following procedures:</p> <p>Read, analyzed and identified the distinct performance obligations in these contracts.</p> <p>Compared these performance obligations with that identified and recorded by the Company.</p> <p>Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</p> <p>Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, were tested using a combination of DCs, Sales orders, weighment slips and non-returnable gate passes including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <p>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p> <p>We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>





S. No	Key Audit Matters	Auditor's Response
2.	<p>The Group enters into various financial instruments such as derivative financial instruments to hedge the Company's exposure to variability in foreign exchange movements, including investments in quoted and unquoted equity instruments, quoted and unquoted mutual funds and quoted non-convertible debentures. As at 31st March, 2021, financial instruments carried at fair value through profit and loss totaled ₹112,508.26 lakhs (current investments of ₹104,305.78 lakhs and non-current investments of ₹8,202.48 lakhs) as disclosed in Note 7 to the Consolidated Financial Statements and derivative financial assets totaled ₹93.90 lakhs as disclosed in Note 9 to the Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <p>Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</p> <p>We also tested on a sample basis the existence and valuation of such financial instruments as at 31st March, 2021. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and</p> <p>Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</p> <p>We have also assessed the appropriateness of the disclosures included in Note 33 to the Consolidated Financial Statements.</p>
3.	<p>Inventory valuation and existence</p> <p>At the balance sheet date the value of inventory amounted to ₹55,323.42 lakhs representing 24.24% of total assets. Inventories were considered as key audit matter due to the size of the balance and because inventory valuation involves management judgment.</p> <p>As described in note 2.5.j of the financial statements, inventories are carried at the lower of cost and net realizable value on a weighted average basis</p> <p>The company has segment specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ul style="list-style-type: none"> • Assessing the compliance of company's accounting policies over inventory with applicable accounting standards. • Observed the stock take process at Factory locations during the year and at the end of the year and undertook our test counts where ever necessary. • Compared the Quantities we counted with Quantities recorded. • Analyzing, the Inventory Ageing reports and Net realizable value of inventories. • Tested that inventory on hand at the end of the period was recorded at the lower of cost and net realizable value by testing a sample of inventory items to the most recent selling price.

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

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company, its subsidiary companies and associate companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions





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

Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the Consolidated Financial Statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit financial information of the subsidiary and stepdown subsidiary included in the consolidated financial results, whose financial information reflect total assets of ₹61,867.82 lakhs as at 31st March, 2021 and total revenues of ₹89,377.19 lakhs for the year ended 31st March, 2021, total net profit after tax of ₹9,324.82 lakhs for year ended 31st March, 2021 and total comprehensive income of ₹9,314.56 lakhs for the year ended 31st March, 2021 and net cash flows of ₹385.66 lakhs for the year ended 31st March, 2021, as considered in the Statement. The consolidated financial results also include the Group's share of profit after tax of ₹(45.34) lakhs for the year ended 31st March, 2021 and Total comprehensive income of ₹(43.98) lakhs for the year ended 31st March, 2021, as considered in the Statement, in respect of associates whose financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and its associates, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the Directors of the Group companies and associate companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure-A**” which is based on the auditor’s reports of the Company, its subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note 36 to the Consolidated Financial Statements;

The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates incorporated in India.

For TUKARAM & CO LLP.

Chartered Accountants

ICAI Firm Regn. 004436S/S200135

(RAJENDER REDDY. K)

PARTNER

Membership No: 231834

UDIN: 21231834AAAABV5144

Place: Hyderabad

Date : 22nd June, 2021





Annexure - A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Avanti Feeds Limited

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

In conjunction with our audit of the Consolidated Financial Statements of Avanti Feeds Limited as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of **Avanti Feeds Limited** (hereinafter referred to as the "Company"), its subsidiary companies and associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies and associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the on the internal financial controls system over financial reporting of the Company, its subsidiary companies and associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For TUKARAM & CO LLP

Chartered Accountants
ICAI Firm Regn. 004436S/S200135

(RAJENDER REDDY. K)

PARTNER
Membership No: 231834
UDIN: 21231834AAAABV5144

Place: Hyderabad
Date: 22nd June, 2021



Consolidated Balance Sheet as at 31st March, 2021

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

	Notes	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-current Assets			
Property, plant, and equipment	3	28,178.72	26,649.60
Capital work-in-progress	3	604.09	2,588.71
Intangible assets	4	412.13	23.66
Right of use assets	5	652.06	413.96
Investments accounted for using the equity method	6	3,143.90	3,187.88
Financial assets			
Investments	7	8,709.79	426.40
Loans	8(a)	86.59	88.12
Other financial assets	9(a)	878.75	804.36
Deferred tax Asset (net)	23(a)	261.40	-
Non-current tax assets (net)	23(b)	2,348.52	1,731.60
Other non-current assets	10(a)	193.36	553.85
Total Non-Current Assets		45,469.31	36,468.14
Current Assets			
Inventories	11(a)	55,323.42	54,350.65
Biological assets	11(b)	189.32	-
Financial assets			
Investments	7	1,11,634.60	64,433.41
Trade receivables	12	6,661.15	8,877.13
Cash and cash equivalents	13	4,705.58	1,590.30
Other Bank balances	14	1,376.42	18,266.50
Loans	8(b)	118.51	130.06
Other financial assets	9(b)	122.50	-
Other current assets	10(b)	2,621.82	3,878.86
Total Current Assets		1,82,753.32	1,51,526.91
Total Assets		2,28,222.63	1,87,995.05
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,362.46	1,362.46
Other equity	16	1,74,759.26	1,39,006.40
Equity attributable to owners		1,76,121.72	1,40,368.86
Non-controlling interest		22,833.96	19,108.49
Total equity		1,98,955.68	1,59,477.35
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	17	-	15.98
Lease Liability	5	293.15	32.96
Other financial liabilities	18(a)	372.00	374.50
Provisions	19(a)	-	153.38
Deferred tax liabilities (net)	23(a)	-	454.15
Other non-current liabilities	20(a)	1,266.67	1,144.36
Total Non-current Liabilities		1,931.82	2,175.33
Current liabilities			
Financial liabilities			
Borrowings	21	-	0.02
Trade payables			
i) Total outstanding dues of Micro enterprises and small enterprises	22	1,592.63	670.23
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	22	22,337.67	21,083.94
Lease Liability	5	82.28	17.90
Other financial liabilities	18(b)	227.19	1,383.12
Other current liabilities	20(b)	2,867.64	2,946.04
Current tax liabilities (net)		-	-
Provisions	19(b)	227.72	241.12
Total Current Liabilities		27,335.13	26,342.37
Notes forming part of the Financial Statements	1-47		
Total Equity and Liabilities		2,28,222.63	1,87,995.05

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for **TUKARAM & CO. LLP**

Chartered Accountants

Firm Registration No. 004436S / S200135

For and on behalf of the Board of Directors

A. Indra Kumar

DIN: 00190168

Chairman & Managing Director

C. Ramachandra Rao

DIN:00026010

Jt. Managing Director,

Company Secretary & CFO

N. Ram Prasad

DIN:00145558

Director

(RAJENDER REDDY. K)

Partner

Membership No. 231834

Place : Hyderabad

Date : 22nd June, 2021

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2021

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

	Notes	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Income			
Revenue from operations	24	4,10,056.19	4,11,529.15
Other income	25	9,257.79	7,023.47
Total Income		4,19,313.98	4,18,552.62
Expenditure			
Cost of materials consumed	26	3,26,294.08	3,29,936.68
Purchase bearer biological assets		108.26	-
Changes in inventories of finished goods and work-in-progress	27	(5,904.41)	(3,519.81)
Employee benefits expense	28	12,624.23	11,351.49
Finance costs	30	168.40	198.79
Depreciation and amortisation expense	29	4,092.69	3,770.67
Other expenses	31	30,920.24	28,370.17
Total expenses		3,68,303.49	3,70,107.99
Profit before tax, share in profit of Associates		51,010.49	48,444.63
Add: Share of net profit / (loss) of associates accounted for using the equity method		(43.98)	41.40
Profit before exceptional items and tax		50,966.51	48,486.03
Exceptional items	32	-	-
Profit before tax		50,966.51	48,486.03
Tax expenses			
Current tax	23c	11,944.96	11,177.38
Deferred tax	23c	(715.56)	(1,319.94)
Total tax expense		11,229.40	9,857.44
Profit for the year		39,737.11	38,628.59
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re measurements of the defined benefit plans		(41.50)	(100.22)
Total comprehensive income for the year		39,695.61	38,528.37
Attributable to			
Owners of AFL		35,969.78	34,554.77
Non-controlling interests		3,725.82	3,973.60
Profit is attributable to			
Owners of AFL		36,007.18	34,648.68
Non-controlling interests		3,729.93	3,979.91
Other comprehensive income is attributable to			
Owners of AFL		(37.39)	(93.91)
Non-controlling interests		(4.11)	(6.31)
Earnings per equity share			
(Equity shares, par value of Re. 1/- each)			
Basic and diluted EPS (in Rs.)			
Basic		26.43	25.43
Diluted	1-48	26.43	25.43

Notes forming part of the Financial Statements

The accompanying notes are an integral part of the financial statements

As per our Report of even date
for **TUKARAM & CO. LLP**
Chartered Accountants
Firm Registration No. 004436S / S200135

(RAJENDER REDDY. K)
Partner
Membership No. 231834

Place : Hyderabad
Date : 22nd June, 2021

For and on behalf of the Board of Directors

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

C. Ramachandra Rao
DIN:00026010
Jt. Managing Director,
Company Secretary & CFO

N. Ram Prasad
DIN:00145558
Director



Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

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

a. Equity

	Number of Shares	Amount
Balance at 1st April, 2019	1362,45,630	1,362.46
Changes in equity share capital during the year	-	-
Balance at 31st March, 2020	1362,45,630	1,362.46
Changes in equity share capital during the year	-	-
Balance at 31st March, 2021	1362,45,630	1,362.46

b. Other Equity

	Reserves and Surplus						
	Capital Reserve	Securities premium	General reserve	Foreign Currency translation	Retained earnings	Non controlling interest	Total
Balance at 1st April, 2019	-	18.85	5,108.13	-	1,04,107.24	15,133.28	1,34,367.50
Profit for the year	-	-	-	-	34,648.68	3,973.60	38,622.28
Utilised for bonus issue	-	-	-	-	-	-	-
Re measurements of the defined benefit plans	-	-	-	-	(93.91)	-	(93.91)
Adjustment on adoption of INDAS 116	-	-	-	-	1.31	-	1.31
Translation Reserve during the year	-	-	-	0.33	-	-	0.33
Adjustment of Reserves attributable to NCI *	-	-	-	(0.13)	(1.48)	1.61	-
Dividends (including corporate dividend tax)	-	-	-	-	(14,782.62)	-	(14,782.62)
Transfer of retained earnings to general reserve	-	(18.85)	(42.41)	-	61.26	-	-
Profit transferred to General Reserve	-	-	2,500.00	-	(2,500.00)	-	-
Addition on account of dilution of stake in Avanti Frozen Foods Private Limited	-	-	-	-	-	-	-
Balance at 31st March, 2020	-	-	17,565.72	0.20	1,21,440.48	19,108.49	1,58,114.89
Balance at 1 st April, 2020	-	-	17,565.72	0.20	1,21,440.48	19,108.49	1,58,114.89
Profit for the year	-	-	-	-	36,007.18	3,725.83	39,794.61
transferred to retaining earnings	-	-	-	-	-	-	-
Adjustment on adoption of INDAS 116	-	-	-	-	-	-	-
Translation Reserve during the year	-	-	-	(0.90)	-	-	(0.90)
Adjustment of Reserves attributable to NCI *	-	-	-	0.36	-	(0.36)	-
Utilised for bonus issue	-	-	-	-	-	-	-
Re measurements of the defined benefit plans	-	-	-	-	(37.39)	-	(37.39)
Dividends (including corporate dividend tax)	-	-	-	-	(216.38)	-	(216.38)
Transfer of retained earnings to general reserve	-	-	3,500.00	-	(3,500.00)	-	-
Balance at 31st March, 2021	-	-	21,065.72	(0.34)	1,53,693.88	22,833.96	1,97,593.24

* Adjustment to NCI due to adoption of IND AS 116 and share of Foreign Currency Translation reserve of subsidiary
The accompanying notes are an integral part of the financial statements

As per our Report of even date
for **TUKARAM & CO. LLP**
Chartered Accountants
Firm Registration No. 004436S / S200135

(RAJENDER REDDY. K)
Partner
Membership No. 231834

Place : Hyderabad
Date : 22nd June, 2021

For and on behalf of the Board of Directors

A. Indra Kumar
DIN: 00190168

Chairman & Managing Director

C. Ramachandra Rao
DIN:00026010
Jt. Managing Director,
Company Secretary & CFO

N. Ram Prasad
DIN:00145558
Director

Audited Consolidated Statement of Cash Flows for the year ended 31st March, 2021

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

	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES	50,966.51	48,486.03
Profit before tax		
Adjustments for		
Depreciation and amortisation expense	4,092.69	3,770.67
Finance costs	168.40	198.79
Loss / (Profit) on sale of property, plant and equipment	6.76	195.03
Interest income	(676.80)	(986.91)
Dividend income	-	(2,353.37)
Exchange gains / losses	(1,501.02)	(1,690.22)
Gain/loss from sale of financial assets measured at fair value through profit and loss	(5,414.51)	(921.89)
Fair valuation of financial assets measured at fair value through profit and loss	(195.21)	(1,554.07)
Fair valuation of derivatives	(93.90)	1,013.65
Share of profit/(loss) from Associates	43.98	(41.40)
Amortisation of government grant	(205.90)	(190.97)
Provision for employee benefits	186.22	294.28
Operating profit before working capital changes	47,377.22	46,219.62
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	2,215.98	(4,013.44)
Loans	13.08	(24.55)
Other financial assets	(204.39)	(70.27)
Inventories	(1,162.09)	(16,444.44)
Other assets	1,617.53	(809.20)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	2,176.13	3,763.98
Provisions	(394.50)	(285.42)
Other financial liabilities	(1,064.53)	(173.59)
Other liabilities	249.81	270.24
Cash generated from operations	50,824.24	28,432.93
Net income tax paid	(12,561.88)	(10,611.42)
Net cash flow from operating activities (A)	38,262.36	17,821.51



	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(7,596.45)	(3,495.48)
Proceeds from sale of Property, Plant and Equipment	3,325.93	73.88
Changes in investments	(49,875.74)	(2,513.17)
Other bank balances	16,852.11	(5,312.69)
Interest received	684.30	987.83
Dividend income received	-	2,353.37
Net cash (used in) / flow from investing activities (B)	(36,609.85)	(7,906.26)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(168.40)	(194.46)
Repayment of borrowings	(16.00)	(756.78)
Changes in Lease Liabilities	324.57	(18.77)
Dividends paid	(178.41)	(14,851.37)
Profit on exchange fluctuations & forward contracts	1,501.02	1,690.22
Net cash flow (used in) financing activities (C)	1,462.78	(14,131.16)
Net (decrease) in Cash and cash equivalents (A+B+C)	3,115.28	(4,215.91)
Cash and cash equivalents at the beginning of the year	1,590.30	5,806.21
Cash and cash equivalents at the end of the year (Refer Note (i) below)	4,705.58	1,590.30
Note (i): Cash and cash equivalents comprises of:		
Balances with Banks	4,688.39	1,561.03
Cash in hand	17.19	29.27
	4,705.58	1,590.30

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

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

Figures in brackets indicate cash outflows

As per our Report of even date
for **TUKARAM & CO. LLP**
Chartered Accountants
Firm Registration No. 004436S / S200135

(RAJENDER REDDY. K)
Partner
Membership No. 231834

Place: Hyderabad
Date : 22nd June, 2021

For and on behalf of the Board of Directors

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

C. Ramachandra Rao
DIN:00026010
Jt. Managing Director,
Company Secretary & CFO

N. Ram Prasad
DIN:00145558
Director

Notes forming part of the Consolidated Financial Statements

1. Corporate information

Avanti Feeds Limited ('AFL or the Company') is a listed public Company under "The Companies Act, 1956", with its registered office in Visakhapatnam. The company started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed. AFL has one subsidiary (incorporated in India) named Avanti Frozen Foods Private Limited (AFFPL). AFFPL is engaged in the business of exporting Shrimp. AFL has one stepdown subsidiary (incorporated in U.S.A.) named Avanti Frozen Foods Inc. (AFFI). AFL, AFFPL and AFFI are hereinafter referred to as the 'Group'.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on 22nd June, 2021.

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

2.1 Basis of preparation and measurement

(i) Basis of preparation

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

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

(ii) Basis of measurement

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

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

2.2 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.





Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the impairment policy.

(iv) Changes in Ownership Interest

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2.4 Use of estimates and judgements

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

- Estimation of defined benefit obligation, refer note 45
- Useful life of fixed assets, refer note 2.4 (o)
- Fair value of biological asset refer note 2.4 (k)

2.5 Significant accounting policies

a. Segment reporting

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

The Chairman and Managing Director (CMD) of the Holding company has been identified as the chief operating decision maker. Refer Note 41 for the segment information presented.

b. Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees (INR), which is the Group's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the



exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c. Revenue recognition

The Company earns revenue primarily from sale of Shrimp Feed and Shrimp Exports.

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

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

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

d. Government grant

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

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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

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

e. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

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

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

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

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

f. Ind AS 116 Leases:

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized



at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Effective 1st April, 2019 the Company adopted IND AS 116, Leases and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset as its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year 31st March, 2019.

g. Impairment of assets

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

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i. Trade receivables

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

j. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

k. Biological assets

The group recognises biological assets of only when, the group controls the assets as a result of past events, it is probable that future economic benefits associated with

such assets will flow to the group. Biological assets of the Group are in the nature of Consumable Biological Assets. It is bifurcated into Live Shrimp, Brood Stock, (the Parents) and harvested species which undergo biological transformation under different stages as Nauplius, Zoea, Mysis and Post Larvae. The Group sells the biological assets harvested from brood stock at Nauplius and Post Larvae Stages. The Brood Stock has a maximum useful life of 6 months for laying eggs. and thereafter these are destroyed.

The valuation of the Brood stock biological assets are determined on the following basis:

Brood stock are used for captive consumption or to support farmers, it can not be sold before the end of its useful life and as such, there is no active market. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, brood stock and Shrimp seed (Different stages) are measured at cost, less depreciation and impairment losses.

The transmission phase from Nauplius to Zoea and Mysis are not considered as significant transformation of biological asset and hence Zoea and Mysis are not valued as per Ind AS-41.

The fair value of biological assets is based on its market condition as on the reporting date. The quoted price in the market is the appropriate basis for determining the fair value of these biological assets.

In the event that market determined prices or values are not available for biological assets in its present condition we use the present value of the expected net cash flows from the asset discounted at a current market determined rate in determining fair value.

Fair Value Inputs are summarised as follows:

Level 1 Price Inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 Price Inputs – are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Price Inputs – are inputs for the asset or liability that are not based on observable market data (unobservable inputs).”

The valuation of the live Shrimp consumable biological assets are determined on the following basis:

The group recognises of Live Shrimp at cost of the assets or the fair value which can be measured reliably. Expenditure incurred on biological assets (live Shrimp) are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

Management estimates the fair value less costs to sell of biological assets, taking into account the most reliable evidence available at each reporting date. The future realization of these biological assets may be affected by their survival rate, age and / or other market-driven changes that may reduce the future economic benefits associated with such assets. The fair value is arrived at based on the observable market prices of biological assets adjusted for cost to sells, as applicable.

I. Investments and other financial assets

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and



- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI

are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

m. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

n. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.



o. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation / amortisation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. Assets costing individually rupee equivalent of INR 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

p. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

ii) Amortisation methods and periods

Intangible assets are amortized over their respective individual estimated useful lives of 6 years on a straight line basis.

q. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the year end which are unpaid. The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence

that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

s. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

u. Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

The Group operates the following post-employment schemes:

- a) defined benefit plans such as gratuity; and
- b) defined contribution plans such as provident fund, Employee State Insurance and superannuation fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds and Employee State Insurance funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Group) is a defined contribution plans, where the Group has no further obligations under the plan beyond its monthly / quarterly contributions.

iv) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v) **Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

w. **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. **Earnings per share**

i) **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year.

ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y. **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.6 Recent accounting pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.



Statement of profit and loss

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Ind AS 28 - Long-term Interests in Associates and Joint Ventures :

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

2.7 Critical estimates and judgements

Areas involving critical estimates.

Estimation of defined benefit obligation, Refer note: 45

Notes to Consolidated Financial Statements for the period ended 31st March, 2021

(All amounts in Indian Rupees, unless otherwise stated)

3. Property, Plant and Equipment and capital work-in-progress

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Capital work-in-progress
As at 31st March, 2019	3,629.26	6,497.50	366.31	19,493.09	649.31	3,035.51	437.71	234.09	158.48	275.38	1,668.58	36,445.22	900.94
Additions	300.86	32.98	-	681.58	-	38.98	40.60	42.09	43.80	76.31	537.03	1,794.23	1,961.67
Re classification on adoption of IND AS 116	-	15.19	-	386.25	-	158.70	-	-	-	-	-	560.14	-
Disposals	-	-	-	386.20	-	0.60	1.51	3.97	2.72	0.04	22.81	417.85	273.90
As at 31st March, 2020	3,930.12	6,515.29	366.31	19,402.22	649.31	2,915.19	476.80	272.21	199.56	351.65	2,182.80	37,261.46	2,588.71
Additions	422.71	2,175.96	136.25	1,841.59	-	213.98	115.18	33.22	41.31	61.40	283.03	5,324.63	1,289.58
Disposals	-	-	-	0.34	-	3.47	17.28	7.60	13.80	16.23	50.01	108.73	3,274.20
As at 31st March, 2021	4,352.83	8,691.25	502.56	21,243.47	649.31	3,125.70	574.70	297.83	227.07	396.82	2,415.82	42,477.36	604.09
Depreciation													
Upto 31st March, 2019	-	550.76	94.67	4,945.94	162.36	698.48	101.43	87.85	81.15	66.72	429.57	7,218.93	-
Charge for the year	-	326.38	28.44	2,525.90	54.12	314.70	48.25	49.38	47.07	33.75	233.29	3,661.28	-
Reclassification on adoption of IND AS 116	-	1.62	-	90.45	-	27.34	-	-	-	-	-	119.41	-
Disposals	-	-	-	134.65	-	0.42	0.94	2.27	2.55	0.04	8.07	148.94	-
Upto 31st March, 2020	-	875.52	123.11	7,246.74	216.48	985.42	148.74	134.96	125.67	100.43	654.79	10,611.86	-
Charge for the year	-	334.04	31.97	2,524.19	54.14	326.06	56.11	47.35	52.85	40.45	269.86	3,737.02	-
Disposals	-	-	-	0.34	-	1.39	3.76	6.22	9.28	8.72	20.53	50.24	-
Up to March 31, 2021	-	1,209.56	155.08	9,770.59	270.62	1,310.09	201.09	176.09	169.24	132.16	904.12	14,298.64	-
Net block													
As at 31st March, 2020	3,930.12	5,639.77	243.20	12,155.48	432.83	1,929.77	328.06	137.25	73.89	251.22	1,528.01	26,649.60	2,588.71
As at 31st March, 2021	4,352.83	7,481.69	347.48	11,472.88	378.69	1,815.61	373.61	121.74	57.83	264.66	1,511.70	28,178.72	604.09

Notes:

- Refer to note 21 for information on property, plant and equipment pledged as security by the company.
- Gross value of assets as at 31st March, 2021 includes ₹1,478.72 lakhs of government grant availed under the scheme of Export Promotion Capital Goods Scheme (31st March, 2020: ₹1,130.52 lakhs). (refer Note 20)
- Refer to note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



Notes to Consolidated Financial Statements

for the period ended 31st March, 2021

(All amounts in Indian Rupees, unless otherwise stated)

4. Intangible Assets

	Computer Software	Customer contracts	Total
As at 31st March, 2019	39.61	-	39.61
Additions	4.20	-	4.20
Disposals	-	-	-
As at 31st March, 2020	43.81	-	43.81
Additions	6.01	599.79	605.80
Disposals	-	-	-
As at 31st March, 2021	49.82	599.79	649.61
Depreciation			
Upto 31st March, 2019	13.42	-	13.42
Charge for the year	6.73	-	6.73
Disposals	-	-	-
Upto 31st March, 2020	20.15	-	20.15
Charge for the year	7.40	209.93	217.33
Disposals	-	-	-
Upto 31st March, 2021	27.55	209.93	237.48
Net block			
As at 31st March, 2020	23.66	-	23.66
As at 31st March, 2021	22.27	389.86	412.13

5. Right of use asset

a. Description of Assets

Particulars	Category of ROU Asset		Total
	Leasehold Land	Buildings	
Balance as at 1st April, 2019	19.48	35.27	54.75
Re-classification on adoption of Ind AS 116	440.73	-	440.73
Additions	3.77	17.35	21.12
Deletions	-	-	-
Depreciation	89.33	13.33	102.66
Balance as at 31st March, 2020	374.65	39.29	413.96
Additions	230.08	146.36	376.44
Deletions	-	-	-
Depreciation	105.59	32.75	138.34
Balance as at 31st March, 2021	499.14	152.90	652.06

b. Lease liabilities as at 31st March, 2021

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non-Current	293.15	32.96
b) Current	82.28	17.90
Total	375.43	50.86

The movement in lease liabilities during the year ended 31st March, 2021 is as follows

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance as at 1st April, 2020	50.86	53.44
Additions	367.85	11.86
Finance cost accrued during the year	19.98	4.33
Deletions	-	-
Payment of lease liabilities	63.25	18.77
Balance as at 31st March, 2021	375.43	50.86

Rental expenses recorded on short-term leases was ₹54.18 Lakhs

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis are as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Less than one year	84.64	21.17
One year to three years	159.62	28.49
More than three years	238.57	6.14
Total	482.83	55.80

6. Investments accounted for using the equity method

	As at 31 st March, 2021	As at 31 st March, 2020
Equity instruments of associate Company (unquoted)		
Srivathsa Power Projects Limited		
1,66,93,630 (31 st March, 2020: 1,66,93,630) equity shares of ₹10/- each fully paid up	1,942.01	2,030.65
Patikari Power Private Limited *		
1,06,45,200 (31 st March, 2020: 1,06,45,200) equity shares of ₹10/- each fully paid up	1,201.89	1,157.23
Total (A)	3,143.90	3,187.88

7. Investments

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non-Current Investments (Refer Note i below)		
Investments carried at cost		
Equity instruments of other entities (unquoted)	507.31	425.13
Investment carried at fair value through profit and loss		
i) Equity instruments other entities (quoted)	1.97	1.27
ii) Investments in Non Convertible Debentures (quoted)	8,200.51	-
	8,709.79	426.40
b) Current investments (Refer Note ii below)		
Investment carried at fair value through profit and loss		
i) Investments in Mutual Funds (quoted)	1,04,305.78	47,230.90





	As at 31 st March, 2021	As at 31 st March, 2020
ii) Investments in Non Convertible Debentures- Quoted	-	17,202.51
Investment carried at amortised cost		
i) Investments in Secured Bonds - Quoted		
LIC Housing Finance Ltd 2019 (secured) bonds	1,053.95	-
ii) Investments in Non Convertible Debentures- Quoted		
Term deposit with LIC of India	6,274.87	-
	1,11,634.60	64,433.41

Note (i)

	As at 31 st March, 2021	As at 31 st March, 2020
Equity instruments (quoted)		
IDBI Bank Limited		
2,880 (31 st March, 2020: 2,880) equity shares of ₹10/- each fully paid up	1.11	0.56
UCO Bank Limited		
7,800 (31 st March, 2020: 7,800) equity shares of ₹10/- each fully paid up	0.86	0.71
Total (A)	1.97	1.27
Equity instruments other entity (unquoted)		
Bhimavaram Hospitals Limited		
1,20,000 (31 st March, 2020: 1,20,000) equity shares of ₹10/- each fully paid up	12.00	12.00
PT Thai Union Kharisma Lestari	495.31	413.13
9,99,600 (31 st March, 2020: 8,33,000) equity shares of IDR 10,000/- each fully paid up		
Total (B)	507.31	425.13
Investments in Non Convertible Debentures (quoted)		
5.23% LIC HOUSING JULY 2023	1,015.58	-
5.40% HDFC AUG 2023	1,043.99	-
5.70% BAJAJ FINANCE AUG 2023	1,047.89	-
7.2871% HDB FINANCIAL JULY 2023	2,187.44	-
RELIANCE INDUSTRIES LTD. - 09-APRIL-2023	1,060.50	-
RELIANCE INDUSTRIES LTD. - 16-APRIL-2023	1,139.43	-
SHRIRAM CITY UNION FINANCE MLD	705.68	-
Total (C)	8,200.51	-
Aggregate amount of quoted investments and market value thereof	8,202.48	1.27
Aggregate amount of unquoted investments	3,651.21	3,613.01
Aggregate amount of impairment in the value of investments	-	-

Note (ii)

	As at 31 st March, 2021	As at 31 st March, 2020
Current investments		
Investment in quoted mutual funds		
Franklin Ultra Short Bond Fund - SIP - Growth - 1,09,20,638.596 units of ₹29.72593 each (31 st March, 2020: 2,16,36,685.433 units of ₹26.2888 each)	3,246.19	5,951.32

	As at 31 st March, 2021	As at 31 st March, 2020
IDFC Arbitrage Fund Monthly Dividend - Direct Plan - NIL (31 st March, 2020 - 6,83,71,856.645 units of ₹13.2292 each)	-	9,045.05
IDFC Low duration Fund - Growth Regular Plan - 63,05,779.878 units of ₹30.2444 each (31 st March, 2020: 63,05,779.878 units of ₹26.4976 each)	1,907.15	1,801.38
Kotak Low Duration Fund - Standard Growth Regular Plan - NIL (31 st March, 2020: 2,19,345.131 units of ₹2,464.3644 each)	-	5,405.46
HDFC Floating Rate debt Fund - Regular Plan - Growth- 51,52,012.143 units of ₹37.9118 each (31 st March, 2020: 51,52,012.143 units of ₹32.5031 each)	1,953.22	1,809.01
SBI Magnum Ultra Short Term Growth - Direct 3,99,322.944 units of ₹4718.9734 each (31 st March, 2020: NIL)	18,843.69	-
SBI Magnum Ultra Short Duration Fund - Direct Daily Dividend- Nil (31 st March, 2020: 3,11,813.15 units of ₹1711.6268 each)	-	10,072.48
Axis Banking & PSU Debt Fund - 4,28,825.339 units of ₹2097.79 each (31 st March, 2020 - 1,35,178.888 units of ₹2045 .9776each)	8,995.86	2,623.82
IDFC Banking & PSU Debt Fund - 4,71,24,994.019 units of ₹19.4635 each (31 st March, 2020 - 1,84,44,326.890 units of ₹17.964 each)	8,706.21	2,325.65
Nippon India Arbitrage Fund - Direct Monthly Dividend Plan - Nil (31 st March, 2020 - 73574695.526 units of ₹11.1408 each)	-	8,196.74
NIPPON INDIA Arbitrage Fund - Direct - 3,91,62,197.787 units of ₹21.827 each (31 st March, 2020 - NIL)	8,547.93	-
NIPPON INDIA Floating Rate Fund - Direct 25,99,96,485.32 units ₹35.8098 each (31 st March, 2020 - NIL)	6,676.11	-
NIPPON INDIA BANKING & PSU DEBT FUND (G) - DIRECT - 6263427.911 UNITS OF ₹16.4212 each (31 st March, 2020 - NIL)	1,028.53	-
SBI BANKING AND PSU DEBT FUND - 3,68,267.002 units of ₹2554.0099 each (31 st March, 2020 - NIL)	9,405.79	-
IDFC CORPORATE BOND FUND - DIRECT - GROWTH - 4,01,28,672.543 units of ₹15.2677 each (31 st March, 2020 - NIL)	6,126.73	-
IDFC ARBITRAGE FUND - GROWTH - DIRECT PLAN - 3,51,52,104.694 units of ₹26.7596 each (31 st March, 2020 - NIL)	9,406.56	-
ICICI PRU CORPORATE BOND FUND - DIRECT - GROWTH - 3,26,90,929.564 units of ₹23.5067 each (31 st March, 2020 - NIL)	7,684.56	-
HDFC CORPORATE BOND FUND - DIRECT - GROWTH - 4,67,65,677.860 units of ₹25.1835 each (31 st March, 2020 - NIL)	11,777.25	-
	1,04,305.78	47,230.90
Mahindra And Mahindra Financial Services Ltd As 2018 BR NCD	-	5,507.52
HDB Financial Services Ltd Sr A/O(MI)/1 Br NCD	-	1,097.09
HDFC LTD SR-T-001 7.9 NCD	-	2,499.14
Tata Capital Financial Services Ltd Sr Tr A 2018-19 Tr I BR NCD	-	5,466.77
Fulltron India Credit Company Limited	-	2,631.99
	-	17,202.51
Investment with LIC of India:		
Term deposit with LIC of India	6,274.87	-
	6,274.87	-
Aggregate amount of quoted investments and market value thereof	1,05,359.73	64,433.41
Aggregate amount of unquoted investments	6,274.87	-
Aggregate amount of impairment in the value of investments	-	-





The Group has invested an amount of ₹50 crores in “Franklin India Ultra Short Bond Fund” (FT) in September, 2017 purchasing 2,16,36,685 units at an NAV of ₹23.11 per unit. During the Financial Year 2019-20, CRISIL downgraded its rating of one of the portfolio investment of the FT. As per SEBI Regulations, any investment by a MF rated below investment grade (i.e. below BBB), can be segregated at the option of the AMC

Accordingly, in January 2020 FT has reduced NAV of the above fund held by the Company and allotted equal quantity of units (i.e. 2,16,36,685 units) of “Franklin India Ultra Short Bond Fund – Super Institutional Plan - Segregated Portfolio - 1 GROWTH, with NAV value of ₹Nil on 24th January, 2020 with a different account number. Hence, the same is recorded in the books of accounts of the company as at 31st March, 2020.

During the Financial Year 2020-21, we have received a total of ₹34.59 crores against investment of ₹50.00 crores. Detailed are as follows:

30th July 2020, received an amount of ₹3.08 crores against segregated units of 2,16,36,685.433

15th February, 2021, received an amount of ₹31.51 crores against SIP Growth units of 1,07,60,460.84

As at 31st March, 2021 the balance units of 1,09,20,638.596 are carrying at NAV of ₹29.72593.

8. Loans

	As at 31 st March, 2021	As at 31 st March, 2020
(a) Non-current		
Unsecured, considered good		
Loans to employees	86.59	88.12
	86.59	88.12
(b) Current		
Unsecured, considered good		
Loans to employees	118.51	130.06
	118.51	130.06
Total	205.10	218.18

9. Other Financial Assets

	As at 31 st March, 2021	As at 31 st March, 2020
(a) Non Current		
Unsecured, considered good		
Margin Money Accounts*	44.00	39.87
Security deposits	834.75	764.49
	878.75	804.36

* Margin Money deposits with bank of a carrying amount of Rs. 44.00 lakhs (31st March, 2020: 39.87 lakhs) are lien marked for import L.C.s, BG and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

	As at 31 st March, 2021	As at 31 st March, 2020
(b) Current		
Unsecured, considered good		
Derivative financial asset	93.90	-
Share of profit receivable from JV	28.60	-
	122.50	-

10. Other Assets

	As at 31 st March, 2021	As at 31 st March, 2020
(a) Non-current		
Unsecured, considered good		
Taxes paid under protest	2.94	2.94
Unsecured, considered doubtful		
Capital advances	206.42	550.91
Less: Provision for Bad and doubtful advances	(16.00)	-
Total	193.36	553.85
(b) Current		
Unsecured, considered good		
Prepaid expenses	453.56	279.95
Advance for purchases	232.26	219.04
Export incentives receivable	797.60	1,403.55
MEIS Licenses on hand	-	1,451.26
GST Receivable	29.79	-
Advance to suppliers	1,037.82	482.63
Interest accrued on electricity deposits	29.00	36.50
Captive settlement of Power from APEPDCL	39.13	-
PT Thai Union Kharisma Lestari	2.66	5.93
Total	2,621.82	3,878.86

11(a). Inventories (valued at lower of cost or net realizable value)

	As at 31 st March, 2021	As at 31 st March, 2020
Raw materials		
In godowns	23,258.37	28,809.89
Stock in transit	1,131.69	672.46
Packing materials	722.77	711.65
Work-in-process	795.51	659.02
Finished goods		
In godowns	16,717.98	13,663.42
Stock in transit	10,156.35	7,632.31
Stores and spares	2,429.00	2,201.90
Stores and spares - in transit	111.75	-
Total	55,323.42	54,350.65

11(b).

	As at 31 st March, 2021	As at 31 st March, 2020
Biological Assets		-
Brood stock - Level 1	66.25	-
Post Larval - Level 2	-	-
Live shrimp	123.07	-
Total	189.32	-



Reconciliation of changes in the carrying amount of biological assets

	As at 31 st March, 2021	As at 31 st March, 2020
As at beginning of the year	-	-
Increase due to purchase / production / physical change	2,508.17	251.64
Decrease due to Physical change / sales	2,318.85	251.64
Net change in the Fair value less estimated cost to sell	189.32	-

12. Trade receivables

	As at 31 st March, 2021	As at 31 st March, 2020
Secured & Considered Good	6,359.61	8,040.69
Unsecured, considered good	449.17	984.07
Less: Allowance for doubtful receivables	(147.63)	(147.63)
Total	6,661.15	8,877.13

13. Cash and cash equivalents

	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks		
- In current accounts	4,688.39	910.82
- In Fixed Deposit Accounts (Maturity less than 3 months)	-	650.21
Cash in hand	17.19	29.27
Total	4,705.58	1,590.30

14. Other bank balances

	As at 31 st March, 2021	As at 31 st March, 2020
Unpaid dividend accounts	211.06	249.03
Deposit Accounts	508.61	17,383.51
Margin money accounts*	656.75	633.96
Total	1,376.42	18266.50

* Margin Money deposits with bank of a carrying amount of Rs. 656.75 lakhs (31st March, 2020: Rs. 633.96 lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

15. Equity Share capital

	As at 31 st March, 2021	As at 31 st March, 2020
Authorised capital		
15,85,00,000 equity shares of ₹1/- each (31 st March, 2020: 15,85,00,000 equity shares of ₹1/- each)	1,592.21	1,592.21
Issued, subscribed and paid up		
13,62,45,630 fully paid up equity shares of ₹1/- each (31 st March, 2020; 13,62,45,630 shares ₹1/- each)*	1,362.46	1,362.46
	1,362.46	1,362.46

Notes:**a. Reconciliation of the number of shares outstanding**

	Number of shares	Amount
Balance at 1 st April, 2019	1362,45,630	1,362.46
Shares issued during the year	-	-
Balance at 31st March, 2020	1362,45,630	1,362.46
Shares issued during the year	-	-
Balance at 31st March, 2021	1362,45,630	1,362.46

b. Details of shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹1/- each fully paid up (previous year ₹1/- each)				
1. Srinivasa Cystine Private Limited	362,99,115	26.64	362,99,115	26.64
2. Thai Union Group Public Company Limited	210,30,630	15.44	210,30,630	15.44
3. Thai Union Asia Investment Holding Limited	119,54,826	8.77	119,54,826	8.77
3. Alluri Indra Kumar	83,30,700	6.11	83,30,700	6.11
4. Alluri Indra Kumar (HUF)	81,89,250	6.01	81,89,250	6.01

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

c. Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1/- per share (previous year ₹1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Equity shares movement during the 5 years preceding 31st March, 2021 on account of Equity shares issued as bonus

The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹438.00 lakhs and general reserve amounting to ₹16.15 lakhs, which was approved by the shareholders by means of a special resolution through E.G.M. held on 14th June, 2018.

16. Other equity

	As at 31 st March, 2021	As at 31 st March, 2020
Securities premium	-	-
Foreign Currency Translation Reserve	(0.34)	0.20
General Reserve	21,065.72	17,565.72
Retained earnings	1,53,693.88	1,21,440.48
Total Other Equity	1,74,759.26	1,39,006.40
Securities premium		





	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of year	-	18.85
Transferred to retaining earnings	-	(18.85)
Less: Utilised for bonus issue	-	-
Balance at end of year	-	-
Foreign Currency Translation Reserve		
Balance at beginning of year	0.20	-
Add: Additions	(0.90)	0.33
Less : Attributable to NCI	0.36	(0.13)
Balance at end of year	(0.34)	0.20
General Reserve		
Balance at beginning of year	17,565.72	15,108.13
Transferred to retaining earnings	-	(42.41)
Less: Utilised for bonus issue	-	-
Transferred from Surplus in Statement of Profit and Loss	3,500.00	2,500.00
Balance at end of year	21,065.72	17,565.72
Retained earnings		
Balance at beginning of year	1,21,440.48	1,04,107.24
Adjustment in Reserves	-	61.26
Adjustment on adoption of INDAS 116	-	1.31
Adjustment on adoption of INDAS 116 - Attributable to NCI	-	(1.48)
Profit attributable to owners of the Company	36,007.18	34,648.68
Remeasurements of the defined benefit plans	(37.39)	(93.91)
Profits transferred to General Reserve	(3,500.00)	(2,500.00)
Dividend declared during the year (including tax thereon)	(216.38)	(14,782.62)
Balance at end of year	1,53,693.88	1,21,440.48

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The reserve is utilised for Bonus issue in accordance with the provisions of Companies Act 2013.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised for bonus issue in accordance with the provisions of Companies Act 2013.

17. Non-current Borrowings

	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Vehicle loans	-	15.98
Inter Corporate Loans	-	-
Interest accrued on unsecured loan	-	-
Total non-current borrowings	-	15.98

* Current maturities on long-term borrowings have been disclosed under the head Other current financial liabilities

Summary of Borrowing Arrangements

Vehicle loans:

Nature of Security & Terms of Repayment:

Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in equal monthly installments as stipulated in the agreements with the lenders.

18. Other Financial Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
a. Non-Current		
Security deposits*	372.00	374.50
Total	372.00	374.50
b. Current		
Current maturities of Long term borrowings (refer note 16)		
Vehicles loan	16.13	89.59
Unpaid dividend	211.06	249.03
Derivative financial instrument	-	1,013.65
Creditors for capital works	-	30.85
Total	227.19	1,383.12

* Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31st March, 2020: 9% p.a.).

19. Provisions

	As at 31 st March, 2021	As at 31 st March, 2020
Provisions (refer note 41)		
Provision for gratuity	147.29	202.38
Provision for leave encashment	80.42	192.12
	227.71	394.50
a. Non-Current portion	-	153.38
b. Current portion	227.72	241.12
Total	227.72	394.50

20. Other Liabilities

	As at 31 st March, 2021	As at 31 st March, 2020
a) Non-Current		
Unamortised government grants (refer note (i) and (ii) below)	1,266.67	1,144.36
	1,266.67	1,144.36
b) Current		
Advance from customers	2,563.59	2,758.47
Statutory dues	304.05	187.57
Total	2,867.64	2,946.04

Unamortised government grants includes

Investment subsidy of ₹500.00 lakhs received from Andhra Pradesh Food Processing Society, Government of Andhra Pradesh for setting up of new shrimp processing unit at Yerravaram, East Godavari District, Andhra Pradesh. There are no unfulfilled conditions or other contingencies attaching to these grants. As





these grants are in relation to property, plant and equipment and buildings, the same has been capitalised and amortised on a systematic basis over the useful life of respect assets. The carrying value of the grant as at 31st March, 2021 is ₹321.84 lakhs (31st March, 2020: ₹370.91 lakhs).

Waiver of duties of ₹1,458.72 lakhs on import of or domestically sourced property, plant and equipment, availed under Export Promotion Capital Goods Scheme. There are no unfulfilled conditions or other contingencies attaching to these grants. As these grants are in relation to property, plant and equipment, the same has been capitalised and amortised over the useful life of respect assets. The carrying value of the grant as at 31st March, 2021 is ₹944.82 lakhs (31st March, 2020: ₹773.45 lakhs).

21. Current borrowings

	As at 31 st March, 2021	As at 31 st March, 2020
Secured:		
Working capital loan from State Bank of India	-	-
Working capital loan from Axis Bank	-	0.02
Total	-	0.02

Notes:

Working capital loan Limits:

Avanti Frozen Foods Private Limited

The working capital limits, sanctioned by State Bank of India and Axis Bank as at 31st March, 2021, are ₹8,000.00 Lakhs and ₹4,000.00 Lakhs, respectively (31st March, 2020: ₹8,000.00 Lakhs and ₹4,000.00 Lakhs, respectively).

The loans are secured by way of first charge on all chargeable current assets of the Company, fixed assets of shrimp processing Plants at Yerravaram and Gopalapuram, Andhra Pradesh. The working capital loans are repayable on demand and carries interest rate of LIBOR+55bps p.a. and LIBOR+50bps p.a. on pre-shipment credit in foreign currency from State Bank of India and Axis Bank, respectively. In case of cash credit facility the interest rates are 7.20% p.a. and 7.95% p.a. from State Bank of India and Axis Bank, respectively.

Note: Debit balance in cash credit accounts as at 31st March, 2020 have been grouped under the head 'Cash and cash equivalents'.

Avanti Feeds Limited

The working capital limits, sanctioned by State Bank of India (SBI) and HDFC Bank as at 31st March, 2021, are ₹3,000.00 Lakhs and ₹2,000.00 Lakhs, respectively (31st March, 2020: ₹5,500.00 Lakhs and ₹2,000.00 Lakhs, respectively). The working capital loan from SBI is secured by first charge on all current assets, collateral second charge on fixed assets of the company. The same is repayable on demand and carries interest @ 7.10% p.a.

The working capital loan from HDFC Bank is secured by first charge on all current assets, collateral second charge on fixed assets of the company. The same is repayable on demand and carries interest @ 7.50% p.a.

Note: Debit balance in cash credit accounts as at 31st March, 2021 (and 31st March, 2020) have been grouped under the head 'Cash and Cash equivalents'.

22. Trade Payables

	As at 31 st March, 2021	As at 31 st March, 2020
Dues to micro enterprises and small enterprises (Refer Note below)	1,592.63	670.23
Dues to creditors other than micro enterprises and small enterprises	22,337.67	21,083.94
	23,930.30	21,754.17

Dues to Micro and Small Enterprises

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

	As at 31 st March, 2021	As at 31 st March, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,592.63	670.23
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	23.79
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

23 Income Taxes

(a) Deferred tax balance

For the year ended 31st March, 2020

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities / (assets) in relation to				
Depreciation & Amortization	1,895.21	(373.99)	-	1,521.22
Fair valuation of Investments	852.32	145.18	-	997.50
Fair valuation of derivative instruments	(8.17)	(346.04)	-	(354.21)
Provision for doubtful debts	(45.43)	(6.16)		(51.59)
MAT Credit Entitlement under Section 115JAA	(920.46)	(734.30)		(1,654.76)
Lease Liabilities	-	(14.95)		(14.95)
Others	0.63	10.31		10.94
Total	1,774.10	(1,319.95)	-	454.15



For the year ended 31st March, 2021

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing Balance
Deferred tax liabilities / (assets) in relation to				
Depreciation & Amortization	1,521.22	(134.28)	-	1,386.94
Fair valuation of Investments	997.50	86.14	-	1,083.64
Fair valuation of derivative instruments	(354.21)	354.21	-	-
Provision for doubtful debts	(51.59)	-		(51.59)
MAT Credit Entitlement under Section 115JAA	(1,654.76)	(939.87)		(2,594.63)
Lease Liabilities	(14.95)	(103.75)		(118.70)
Others	10.94	22.00		32.94
Total	454.15	(715.55)	-	(261.40)

(b) Tax Assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current tax assets (net of provision for tax)	2,348.52	1,731.60
Total	2,348.52	1,731.60

(c) Tax Expense recognised in Profit and Loss

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current tax expense		
In respect of the current year	11,963.97	10,747.17
In respect of the earlier years	(19.01)	430.21
	11,944.96	11,177.38
Deferred tax expense		
In respect of the current year	(715.56)	(1,319.94)
	(715.56)	(1,319.94)
	11,229.40	9,857.44

(d) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	As at 31 st March, 2021	As at 31 st March, 2020
Profit before tax	50,966.52	48,385.81
Income tax expense	13,944.33	13,208.39
Weighted average deduction under u/s 35CCC	-	-
Deduction u/s 80IB of Income Tax Act (Refer note:1 below)	(2,498.02)	(3,071.55)
Exempt income	-	(604.94)
Deduction u/s 80M	(30.25)	-
14A disallowance	-	118.53
Income tax paid at special rate	-	-
Expenses not deductible	37.24	35.16
Impact of opening deferred tax liability due to change in effective tax rate	30.94	-
Tax expense of earlier years	(16.78)	430.21
Interest on Income tax	-	4.93

	As at 31 st March, 2021	As at 31 st March, 2020
Interest on MSMED	-	0.08
Opening DTL on impact of rate change	-	(471.95)
Corporate Social Responsibility & Donations	117.86	136.88
Tax impact on subsidiary profit subject to lower tax rate	-	-
Others	(355.92)	71.70
	11,229.40	9,857.44

Note:

- Avanti Frozen Foods Private Limited has been availing deduction under section 80IB of the Income Tax Act, 1961 for the new shrimp processing Plant at Yerravaram, East Godavari, Andhra Pradesh, from the financial year 2017-18. The tax benefit on account deduction 80IB for the period ended 31st March, 2021 is ₹2,498.02 lakhs (previous year ₹3,071.55 lakhs)

24. Revenue from Operations

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Sale of Products		
Finished goods - domestic	3,23,298.17	3,16,191.00
Finished goods - exports	83,124.59	87,547.07
Sale of Services	613.08	-
Other operating revenue		
Export incentives	3,020.35	7,791.08
Total	4,10,056.19	4,11,529.15
Reconciliation of Revenue from sale of products with contracted price		
Contracted Price	4,84,185.14	4,79,243.97
Less: Sales Returns	(328.38)	(260.90)
Less: Trade and other Discounts	(76,820.92)	(75,245.00)
Sale of Products	4,07,035.84	4,03,738.07
Finished goods sold		
Shrimp Feed & Processed shrimp		
i) Domestic	3,22,140.54	3,16,025.26
ii) Exports	83,124.59	87,547.07
Shrimp Seed	1,001.80	-
Power	151.96	163.34
Sale of services	613.08	-
Other sales	3.87	2.40
	4,07,035.84	4,03,738.07

25. Other Income (net)

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Interest Income on Financial Assets carried at amortized cost:		
Bank deposits	532.19	763.69
Secured Bonds	65.32	155.99





	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Others	79.29	67.23
Dividend Income:		
from investments mandatorily measured at FVTPL	-	2,353.37
Net gain on sale of investments:		
On sale of non-convertible debentures	1,476.47	-
On sale of Mutual Funds	3,938.04	921.89
MTM gain on investments carried at fair value through profit or loss	195.21	1,554.07
Exchange gains / (losses) on translation of assets and liabilities	1,501.02	1,690.22
Other non-operating income	1,170.45	339.69
Fair value gain / (loss) on derivatives measured at fair value through profit and loss	93.90	(1,013.65)
Amortisation of government grant	205.90	190.97
Total	9,257.79	7,023.47

26. Cost of Materials Consumed

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Inventory at the beginning of the year	30,193.99	17,105.39
Add: Purchases	3,21,212.92	3,43,025.28
	3,51,406.91	3,60,130.67
Less: Inventory at the end of the year	25,112.83	30,193.99
Cost of materials consumed	3,26,294.08	3,29,936.68
Purchase of bearer biological Assets:		
Purchase of brood stock	108.26	-
Less: Inventory at the end of the year	66.25	-
Cost of materials consumed	42.01	-

27. Changes in Inventories of Finished Goods and Work-in-Progress

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Closing Stock		
Finished goods	26,874.33	21,295.73
Work-in-progress	795.51	659.02
Biological assets	189.32	-
Total	27,859.16	21,954.75
Opening Stock		
Finished goods	21,295.73	17,711.86
Work-in-progress	659.02	723.08
Biological assets	-	-
Total inventories	21,954.75	18,434.94
Net (increase) / decrease	(5,904.41)	(3,519.81)

28. Employee Benefits Expense

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Salaries, wages and bonus	11,257.50	10,420.40
Contribution to provident and other funds	620.28	583.00
Gratuity expense	492.42	132.51
Staff welfare expenses	254.03	215.58
Total	12,624.23	11,351.49

29. Depreciation and Amortisation Expense

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Depreciation of property, plant and equipment	3,737.02	3,661.28
Depreciation on ROU asset	138.34	102.66
Amortisation of intangible assets	217.33	6.73
Total	4,092.69	3,770.67

30. Finance Costs

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Interest expense		
- Interest on bank overdrafts and loans	69.32	74.78
- Interest on income tax	-	19.60
- Interest on leases	19.98	4.33
Other borrowing costs	79.10	100.08
Total	168.40	198.79

31. Other Expenses

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Rent (Refer Note i)	463.67	312.51
Power and fuel	6,151.01	5,921.33
Repairs and maintenance;		
- Buildings	79.95	125.38
- Plant and machinery	407.96	427.33
- Others	15.32	16.86
Consumable stores	2,827.31	2,428.52
Other manufacturing expenses	6,598.62	6,241.43
Rates and taxes	224.02	192.48
Insurance	725.42	457.44
Electricity Charges	6.86	9.95
Vehicle maintenance	121.94	115.91





	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Travelling and conveyance	456.65	678.37
Communication expenses	56.64	55.34
Printing and stationery	47.19	55.45
Directors' Sitting Fee	45.50	41.20
Auditors Remuneration (refer note (ii))	62.12	58.37
Professional charges	416.76	165.88
Corporate Social Responsibility	1,039.98	1,281.78
Donations	41.68	264.99
Bank charges	136.66	239.48
Assets Written off	2.29	187.87
Advertisement	9.10	10.68
Carriage outward	880.10	923.38
Ocean freight and export expenses	3,838.18	3,586.30
Marketing expenses	4,787.06	2,859.10
Royalty	932.30	954.04
Loss on sale of Fixed Assets	4.47	7.16
Bad and doubtful debts	-	17.00
Provision for bad and doubtful advances	16.00	-
General expenses	525.48	734.64
Total	30,920.24	28,370.17

Notes:

i) Operating leases

Lease payments made under operating leases aggregating to ₹463.67 Lakhs (31st March, 2020: ₹312.51 Lakhs) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil.

ii) Auditors' Remuneration Comprises of:

As Auditors	36.21	33.60
Tax Matters	9.40	12.61
Other Services	12.02	6.20
Reimbursement of expenses	4.49	5.96
Total	62.12	58.37

32. Exceptional items

	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
Loss of property, plant and equipment due to fire	13.12	-
Less: minimum insurance claim expected	(13.12)	-
Total	-	-

Pursuant to a minor fire accident on 30th March, 2021 at Ravulapalem Plant admin building, certain property, plant and equipment and other contents in admin building was damaged. The Company lodged an initial estimate of loss with insurance company. During the year ended 31st March, 2021, the Company has written off net book value of assets aggregating ₹13.12 Lakhs and recognised a minimum insurance claim receivable for equivalent amount.

33. Fair Value Measurements

Financial Instruments by Category	31 st March, 2021		31 st March, 2020	
	Amortised Cost	FVPL	Amortised Cost	FVPL
Financial Assets				
Investments				
- in equity instruments (quoted)	-	1.97	-	1.27
- in equity instruments (unquoted)	-	507.31	-	425.13
- in mutual funds	-	1,04,305.78	-	47,230.90
- in Secured Bonds	1,053.95	-	2,609.27	-
- Non Convertible debentures	-	-	2,121.12	6,641.53
Trade receivables	6,661.15	-	8,877.13	-
Cash and cash equivalents	4,705.58	-	1,590.30	-
Other bank Balances	1,420.42	-	18,306.37	-
Loans	205.10	-	218.18	-
Security deposits	834.75	-	764.49	-
Total Financial Assets	14,880.95	1,04,815.06	34,486.86	54,298.83
Financial Liabilities				
Borrowings	-	-	16.00	-
Current maturities of long term debt from banks	16.13	-	89.59	-
Security deposits	372.00	-	374.50	-
Lease Liabilities	375.43	-	-	-
Unpaid dividends	211.06	-	249.03	-
Trade payables	23,930.30	-	21,754.17	-
Derivative financial instrument	-	-	-	1,013.65
Capital creditors	-	-	30.85	-
Total Financial Liabilities	24,904.92	-	22,514.14	1,013.65

(i) Fair Value Hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits given, are considered to be same as their fair values.

The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unquoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'.

34. Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.





Risk	Exposure Arising From	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis Credit ratings of customers and fellow subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	Working capital management by General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Managing Director. The capital requirements are managed by analyzing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable / payables)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The Group's risk management is carried out by the JMD under policies approved by the Risk Management Committee a sub-committee of the Board of Directors. The Committee provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

Credit Risk

Credit risk arises from cash and cash equivalents, loans to related parties, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed by the Marketing General Manager of AFL. The Group provides a credit period of 60-90 days which is in line with the normal industry practice. The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- actual or expected significant changes in the operating results of the borrower.
- significant increase in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

(ii) Provision for Expected Credit Losses

The Group provides for expected credit loss based on the following:

Category	Description of Category	Basis for Recognition of Expected Credit Loss Provision		
		Investments	Deposits and Other Financial Assets	Trade Receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off		

Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Year Ended 31st March, 2021

Particulars	Asset Group	Estimated Gross Carrying Amount at Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount Net of Impairment Provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Loans	205.10	0%	-	205.10
	Security deposits	834.75	0%	-	834.75
	Freight reimbursement receivable	-			
	Other bank balances	1,420.42	0%	-	1,420.42



Year Ended 31st March, 2020

Particulars	Asset Group	Estimated Gross Carrying Amount at Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount Net of Impairment Provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	18,306.37	0%	-	18,306.37
	Loans	310.02	30%	91.84	218.18
	Security deposits	764.49	0%	-	764.49

Expected credit loss for trade receivables under simplified approach

Year ended 31st March, 2021

Ageing	Not Due	1-90 Days	91-180 Days	181 - 365 Days	More than 365 Days	Total
Gross carrying amount	4,333.28	2,098.14	58.20	99.48	219.68	6808.78
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	147.63	147.63
Carrying amount of trade receivables (net of impairment)	4,333.28	2,098.14	58.20	99.48	72.05	6661.15

Year ended 31st March, 2020

Ageing	Not Due	0-90 Days	91-180 Days	181-365 Days	More than 365 Days	Total
Gross carrying amount	5,597.07	2,721.94	388.06	167.04	150.65	9,024.76
Expected loss rate	0%	0%	0%	24.65%	90.87%	3.10%
Expected credit loss	-	-	-	-	147.63	147.64
Carrying amount of trade receivables (net of impairment)	5,597.07	2,721.94	388.06	167.04	3.02	8,877.13

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess / short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds.

(i) Maturities of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual Cash Flows

31 st March, 2021	Carrying Amount	Total	0-1 Year	1-2 Years	2-5 Years	More than 5 Years
Borrowings	16.13	16.13	16.13	-	-	-
Trade payables	23,930.30	23,930.30	23,930.30	-	-	-
Derivative financial instrument	-	-	-	-	-	-
Security deposits	372.00	372.00	-	372.00	-	-
Capital creditors	-	-	-	-	-	-
	24,318.43	24,318.43	23,946.43	372.00	-	-

Contractual Cash Flows

31 st March, 2020	Carrying Amount	Total	0-1 Year	1-2 Years	2-5 Years	More than 5 Years
Borrowings	105.59	105.59	105.59	-	-	-
Trade payables	21,754.17	21,754.17	21,754.17	-	-	-
Derivative financial instrument	1,013.65	1,013.65	1,013.65	-	-	-
Security deposits	374.50	374.50	-	374.50	-	-
Capital creditors	30.85	30.85	30.85	-	-	-
	23,278.76	23,278.76	22,904.26	374.50	-	-

Market Risk - Interest Risk

The Group's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Group to cash flow interest rate risk.

The exposure of the Group to interest rate changes at the end of the reporting period are as follows:

	31 st March, 2021	31 st March, 2020
Variable rate borrowings	-	-
Total	-	-

At the end of the reporting period, the Group had the following variable rate borrowings and receivables:

	31 st March, 2021			31 st March, 2020		
	Weighted Average Interest Rate %	Balance	% of Total Borrowings	Weighted Average Interest Rate %	Balance	% of Total Borrowings
Financial Liabilities						
Long term borrowings		-	0%		-	0%
Current borrowings		-	0%		-	0%
		-	0%		-	0%



Sensitivity

The profit or loss is sensitive to higher / lower interest expense and interest income as a result of changes in interest rates.

	31 st March, 2021			31 st March, 2020		
	Weighted Average Interest Rate %	Balance	% of Total Borrowings	Weighted Average Interest Rate %	Balance	% of Total Borrowings
Interest rate - Increases by 100 basis points		-			-	
Interest rate - Decreases by 100 basis points		-			-	

Market Risk - Price Risk

The Group's investments in quoted equity securities is limited , there is no exposure to price risk.

Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Group does not hedge any of its exposure to foreign currency. The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

	As at 31 st March, 2021		As at 31 st March, 2020	
	Amount in Foreign Currency	Amount in INR (Lakhs)	Amount in Foreign Currency	Amount in INR (Lakhs)
Trade and other payables				
USD	7,20,277	528.97	8,27,070	623.50
EURO	-	-	1,000	0.83
Working Capital loans				
USD	-	-	25	0.02
Balance in EEFC account				
USD	6,76,519	497.28	105	0.08
Advance to suppliers				
USD	2,71,644	199.14	5,37,514	405.21
EURO	-	-	-	-
Trade Receivables				
USD	64,31,561	4,179.47	72,62,352	5,324.75
EURO	82,800	71.29	2,57,580	207.14
Unsecured loans given				
USD	8,50,000	624.79		
Derivatives outstanding				
Forward contracts				
To buy USD	-	-	2,57,560	207.50
To sell USD	2,90,91,402	215.81	3,33,16,639	23,273.15
Share application money pending allotment				
IDR	5,27,88,000	2.66	12,83,40,000	5.93
Net exposure	2,95,88,844	3,580.27	10,25,11,377	(17,746.06)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below:

	Impact on Profit After Tax and Equity	
	As at 31 st March, 2021	As at 31 st March, 2020
Increase in USD rate by 1%	41.31	-179.59
Decrease in USD rate by 1%	(41.31)	179.59

35. Capital Management

(a) Risk Management

The Group's objectives when managing capital are to:

- > Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group has been maintaining a steady dividend.

The Group's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

	31 st March, 2021	31 st March, 2020
Net debt	16.13	105.59
Total equity	1,98,955.68	1,59,477.35
Net debt to equity ratio	0%	0%

(b) Dividends

	31 st March, 2021	31 st March, 2020
Equity Shares		
i) Final dividend of AFL for the year ended 31 st March, 2020 of ₹0.10 (31 st March 2019 ₹4/-) per fully paid share.	136.25	5,449.83
i) Final dividend of AFFPL for the year ended 31 st March, 2021 of ₹2.00 (31 st March 2020: Nil) per fully paid share.	200.33	-
ii) Interim dividend for the year ended 31 st March, 2021 of Nil (31 st March, 2020 ₹5/-) per fully paid share.	-	6,812.28
Dividends not recognised at the end of the reporting period		
i) In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹6.25 per fully paid equity share (31 st March, 2020 - ₹0.10) of AFL.	8,515.35	136.25
ii) In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹5.00 per fully paid equity share (31 st March, 2020 - ₹Nil) of AFFPL.	500.83	-

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.



36. Contingent Liabilities

	31 st March, 2021	31 st March, 2020
Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company*	90.04	90.04
Corporate guarantee given by Avanti Feeds Limited under a Multiple Banking Arrangement to SBI and Axis Bank in favour of loan taken by Avanti Frozen Foods Private Limited	-	15,000.00

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

Name of the Statute	Nature of the Dues	Amount	Period to Which the Amount Relates	Forum Where Dispute is Pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009-2011 & 2011-2012	CESTAT, Chennai
		90.04		

- i) The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13th December, 2004 and Commercial Tax department took the view that the soya bean purchased prior to 13th December, 2004 will attract tax at old rates and a demand to ₹29.22 Lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
 - ii) Company is importing Squid Liver Powder (SLP) which is one of the raw materials for manufacturing of shrimp feed. SLP is imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.
- 2) The Company has given corporate guarantee of ₹NIL as on 31st March, 2021 (₹15000.00 Lakhs as on 31st March, 2020) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad and Axis Bank Limited, Begumpet, Hyderabad for loan facilities availed by Avanti Frozen Foods Private Limited. During the year subsidiary company (AFFPL) got the sanction from banks without corporate guarantee. Accordingly we have withdrawn the corporate guarantee.

37. Commitments

Estimated amount of contracts remaining to be executed to the extent not provided for (net of advances) for ₹190.42 Lakhs (31st March, 2020 ₹598.76 Lakhs)

38. In November '19 The Income Tax Department., Hyderabad conducted Search/Survey, on the premises of the Company and its subsidiary (i.e., Avanti Frozen Foods Private Limited). Subsequently during the current financial year, the Company has filed the Income tax returns in response to the notices issued U/s 153A of Income Tax Act, 1961. Accordingly, the provision made in the previous year has been reversed and the actual liability based on the Income tax returns filed and the resultant amount has been accounted as Earlier Years Taxes.

39. The Company has taken into account the possible impact of COVID-19 in preparation of the audited financial statements including its assessment of recoverable value of its assets based on internal and external information for the year ended 31st March, 2021. Based on the assessment done by the management of the Company, there is not much impact of COVID-19 on the results for the year ended 31st March, 2021. The Company will be closely monitoring any material changes to future economic conditions.

40. Earnings Per Share

	31 st March, 2021	31 st March, 2020
Profit attributable to equity holders of parent entity	36,007.18	34,648.68
Net Profit for calculation of Basic and Diluted EPS (A)	36,007.18	34,648.68
Weighted average number of equity shares for Basic EPS (B) (nos.)	13,62,45,630	13,62,45,630
(a) Basic earnings per share (in INR) (A/B)	26.43	25.43

There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

41. Corporate Social Responsibility Expenditure

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹1039.96 Lakhs (31st March, 2020: ₹946.56 Lakhs) in accordance with Section 135 of the Act. The following amounts were actually spent during the current & previous year:

b) Amount Spent During the Year on:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
i) Amount spent other than for construction / acquisition of any asset	1,039.98	1,281.78
ii) Amount spent for construction / acquisition of any asset	-	-
iii) Amount accrued and not spent	-	-
Total	1,039.98	1,281.78

42. Removal of the name of the wholly owned subsidiary of the Company “SVIMSAN Exports & Imports Pvt Ltd” u/s 248(2) of the Companies Act, 2013: SVIMSAN Export & Import Pvt Ltd., (‘SVIMSAN’) is a wholly owned subsidiary of the Company established in 1998 to carry on the activity of Export & Imports. After carrying on business for about 11 years i.e. till 2009, stopped business activity as the activity found to be not viable and remained non-operative for the past 11 years. The Board has decided to wind up SVIMSAN by extinguishing all the liabilities. Accordingly, the Company has written off the investment of ₹100 lakhs in the equity along with un-secured loan of ₹92.14 Lakhs during the year as there is no possibility of recovery of the investment and the un-secured loan. The SVIMSAN has approached ROC for removal of its name from Register of Companies u/s 248(2). Accordingly on 12th March, 2021 ROC has struck off the name and the company stands dissolved.

43. Segment Reporting

The Company’s Chairman and Managing Director (CMD) examines the group’s performance both from a product and geographic perspective and has identified the following segments of its business:

- Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp.
- Shrimp are purchased from the farmers and are further processed and exported to various countries.
- The Group had installed four wind mills of 3.2MW at Chitradurga, Karnataka. Power generated from wind mills is sold to BESCO under Power Purchase agreement.



	Shrimp Feed		Shrimp Processing		Power		Unallocated		Total	
	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Revenue										
External Sales	3,23,097.03	3,16,093.81	86,301.75	95,490.43	151.96	163.34	1,001.80	-	4,10,552.54	4,11,747.58
Inter-segment sales	(496.36)	(218.43)							(496.35)	(218.43)
Total Revenue	3,22,600.67	3,15,875.38	86,301.75	95,490.43	151.96	163.34	1,001.80	-	4,10,056.18	4,11,529.15
Segment Result										
Operating Profit	33,662.94	31,802.65	7,784.55	9,778.97	17.04	38.33	455.54		41,920.07	41,619.95
Share of Profit / (Loss) from Associates	-	-			(41.50)	41.40			(41.50)	41.40
Minority interest	-	-			-				-	-
Other Income	772.55	390.59	2,970.46	999.28	-	1.80	5,514.77	5,631.80	9,257.79	7,023.47
Interest Expense	49.13	121.23	119.27	77.56	-		-	-	168.40	198.79
Exceptional item	-	-	-	-	-		-	-	-	-
Income Tax-Current Tax	-	-	1,892.95	1,855.93	-		10,052.01	8,321.45	11,944.96	10,177.38
- Deferred Tax	-	-	(545.76)	(1,038.31)	-		(169.80)	(281.63)	(715.56)	(1,319.94)
Net Profit after tax	34,386.36	32,072.01	9,288.55	9,883.07	(24.46)	81.53	(3,911.90)	(2,408.01)	39,737.11	39,628.59
Other Information										
Segment Assets	57,507.99	82,331.03	46,029.13	40,024.43	3,613.41	3,716.57	1,21,072.11	61,923.01	2,28,222.63	1,87,995.04
Segment Liabilities	21,047.62	19,412.50	4,349.88	4,697.94	0.57	31.25	3,868.88	4,376.01	29,266.95	28,517.70
Capital Employed	36,460.37	62,918.53	41,679.25	35,326.49	3,612.84	3,685.32	1,17,203.23	57,547.00	1,98,955.68	1,59,477.34

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

	India		Usa		Rest of the World	
	For the Year Ended		For the Year Ended		For the Year Ended	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Revenue	3,26,930.50	3,23,957.87	73,775.03	74,962.91	9,350.66	12,608.37
Location of assets	2,23,269.40	1,82,524.78	3,619.20	4,136.23	1,334.03	1,334.03
Additions to fixed assets	6,306.87	1,819.55	-	-	-	-

The Group have two customers (previous year one customer) revenue from whom accounts for more than 10% of the group company's total revenue.

44. Related Party Disclosures

1. Names of Related Parties and Related Party Relationship:

Related parties with whom transactions have taken place during the year	
Key Managerial Personnel (KMP)	Sri A. Indra Kumar, Chairman and Managing Director
	Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
	Sri A. Nikhilesh Chowdary, Executive Director
	Sri A. Venkata Sanjeev, Executive Director
Relatives of Key Managerial Personnel	Sri N. Ram Prasad, Director
Entities having significant influence over the Company	Thai Union Group PCL, Thailand ("TUG")
	Tri-union Frozen Products Inc. (Chicken of the Sea Frozen Foods) (a subsidiary of TUG)
	Thai Union China Co. Ltd (a subsidiary of TUG)
	Thai Union Feed Mill Co. Ltd. (a subsidiary of TUG)
	Srinivasa Cystine Private Limited
Associate Companies	Srivathsa Power Projects Limited
	Patikari Power Private Limited
Entities over which KMP has significant influence	SCL Trading Private Limited
	Sanjeev Agro Vet Private Limited
	Sri Sai Srinivasa Agro Farms & Developers Private Limited
	Avanti Foundation - Trust
	A.V.R. Trust
	C R Reddy College
	Sakuntala Professional Associates LLP

2. Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Key Management Personnel		Associate Companies		Entities Having Significant Influence Over the Company		Entities Over Which KMP Has Significant Influence	
	For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Remuneration	3,480.53	3,409.40	-	-	-	-	-	-
Rent paid	6.96	2.16	-	-	2.55	2.55	-	-
Rent Received	-	-	1.20	1.20	0.57	0.48	-	0.07
Royalty paid	-	-	-	-	932.30	954.04	-	-



Particulars	Key Management Personnel		Associate Companies		Entities Having Significant Influence Over the Company		Entities Over Which KMP Has Significant Influence	
	For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Dividend paid	17.92	1,613.28	-	-	36.30	5,159.68	4.24	381.17
Legal Services received	10.62	-	-	-	-	-	-	-
Sale of products	-	-	-	-	29,944.48	33,713.24	-	-
Lab services	-	-	-	-	1.08	0.44	-	-
Purchase of goods	-	-	-	-	-	39.07	-	-
Power Purchase	-	-	194.46	-	-	-	-	-
Contribution towards Corporate Social Responsibility	-	-	-	-	-	-	333.99	883.95

Year End Balance

Particulars	Key Management Personnel		Associate Companies		Entities Having Significant Influence Over the Company	
	As At		As At		As At	
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Remuneration payable	2,782.58	2,784.32	-	-	-	-
Royalty	-	-	-	-	227.16	199.32
Investment	-	-	3,143.90	3,187.88	-	-
Trade Receivable	-	-	-	-	0.55	1,022.42
Advance for purchases	-	-	-	-	-	2.34

45. Employee Benefits

(i) Leave Obligations

The leave obligations cover the group's liability earned leave.

Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

	31 st March 2021	31 st March 2020
Current leave obligations expected to be settled within the next 12 months	158.85	140.78

(ii) Defined Contribution Plans

The Group also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary), Employee State Insurance and Super Annuation fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹481.88 lakhs (31st March, 2020 ₹420.37 lakhs)

(iii) Post Employment Benefit Obligation Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Balance Sheet Amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	31 st March 2021			31 st March 2020		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
Opening balance	1,054.62	821.89	232.73	801.18	629.46	171.72
Current Service Cost	148.44	-	148.44	119.31	-	119.31
Past Service Cost	318.38	-	318.38	-	-	-
Interest expense/(income)	70.75	-	70.75	61.62	-	61.62
Interest income	-	55.14	(55.14)	-	48.41	(48.41)
Contributions	-	-	-	-	-	-
Total amount recognised in profit or loss	537.57	55.14	482.43	180.93	48.41	132.52
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)	-	16.45	(16.45)	-	2.92	(2.92)
(Gain)/loss from change in demographic assumptions	-	-	-	(1.23)	-	(1.23)
(Gain)/loss from change in financial assumptions	1.87	-	1.87	88.05	-	88.05
Experience (gains)/losses	56.09	-	56.09	16.31	-	16.31
Total amount recognised in other comprehensive income	57.96	16.45	41.51	103.13	2.92	100.21
Employer contributions	-	619.35	(619.35)	-	171.74	(171.74)
Benefit payments	(35.91)	(35.91)	-	30.07	30.07	-
Closing Balance	1,614.24	1,476.92	137.32	1,115.31	882.60	232.71

The net liability disclosed above relates to funded and unfunded plans are as follows:

	31 st March 2021	31 st March 2020
Present value of funded obligations	1,614.24	1,115.31
Fair value of plan assets	1,476.92	882.60
Deficit of funded plan	137.32	232.71
Unfunded plans	-	-
Deficit of gratuity plan	137.32	232.71



(ii) **Significant Estimates: Actuarial Assumptions**

The significant actuarial assumptions for defined benefit obligation are as follows:

	31 st March, 2021	31 st March, 2020
Discount rate	6.75%	6.75%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	10.00%	10.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2012-14) Ult.	IALM (2012-14) Ult.

(iii) **Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in Assumption			Impact on Defined Benefit Obligation				
				Increase in Assumption		Decrease In Assumption		
	31 st March, 2021 (₹ in lakhs)	31 st March, 2020 (₹ in lakhs)		31 st March, 2021 (₹ in lakhs)	31 st March, 2020 (₹ in lakhs)	31 st March, 2021 (₹ in lakhs)	31 st March, 2020 (₹ in lakhs)	
Discount rate	1.00%	1.00%	Decrease to	117.42	91.28	Increase to	131.70	107.00
Attrition rate	50.00%	50.00%	Decrease to	74.62	50.19	Increase to	83.58	73.58
Salary escalation rate	1.00%	1.00%	Increase to	125.57	95.87	Decrease to	113.44	84.04

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) **The Major Categories of Plan Assets are as follows:**

	31 st March, 2021	31 st March, 2020
Funds managed by Life Insurance Corporation of India	1,476.92	882.60
Total	1,476.92	882.60

(v) **Risk Exposure**

Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. The Group's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Group ensures that it has enough reserves to fund the liability.

(vi) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending 31st March, 2022 is ₹307.83 Lakhs

	Less than a Year	Between 2-5 Years	Between 6-10 Years	More than 10 Years
31 Mar 21				
Gratuity	485.78	140.06	579.63	1,758.15
Total	485.78	140.06	579.63	1,758.15

46. The Statutory auditors of one of the associate companies, Srivathsa Power Projects Private Limited has expressed that they are unable to form an opinion with respect to the extent of recoverability of an intercorporate deposit given by the said associate company amounting to ₹1,592.00 Lakhs (as at 31st March, 2020 - ₹1,592.00 Lakhs) and interest accrued thereon of ₹579.61 Lakhs (as at 31st March, 2020: ₹579.61 Lakhs). As the management of the associate company has not received any response from the ICD holder, the associate company has approached NCLT and initiated insolvency proceedings against Coastal Infrastructure Private Limited under section 7 of the Insolvency and Bankruptcy Code, 2016. However, the management of the associate is of the opinion that these balances do not require any provision.

Also the Statutory auditors of the said associate company, Srivathsa Power Projects Private Limited has expressed that in the absence of sufficient and appropriate information, they are unable to comment on the carrying value of the non-current investments amounting to ₹100.00 lakhs and the consequent impact thereof on the financial statements. In respect of its non-current investments, the associate company is unable to determine the cost of its investment in unquoted equity shares of Hasan Biomass Pvt Ltd as at 31st March, 2021. The Management of the associate is in the process of evaluating the impairment of said investments.

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

48. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / Associates

(₹ In Lakhs)

Name of the entity	As at 31 st March, 2021							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Avanti Feeds Limited	85.35%	1,50,326.26	71.97%	28,597.67	75.28%	(31.24)	71.96%	28,566.43
Subsidiaries:								
Indian								
Avanti Frozen Foods Private Limited	19.43%	34,223.46	15.02%	5,969.86	22.81%	(9.46)	15.02%	5,960.39
Total		1,84,549.72		34,567.53		(40.70)		34,526.82
Minority Interests in all subsidiaries								
Avanti Frozen Foods Private Limited		22,833.96		3,729.93		(4.11)		3,725.82
Consolidated		2,07,383.68		38,297.46		(44.81)		38,252.65
Associates (Investment as per the equity method);								
Indian								
1 Srivathsa Power Projects Limited	1.10%	1,942.00	-0.22%	(88.64)	0.00%	1.75	-0.22%	(86.89)
2 Patikari Power Private Limited	0.68%	1,201.90	0.11%	44.66	0.92%	(0.38)	0.11%	44.28



Part A : Subsidiaries:

(₹ In Lakhs)

Salient features of financial statements of subsidiaries as per the Companies Act, 2013.

S. No	Name of the subsidiary / associates	Report- ing cur- rency	Share capital	Reserves & surplus	Total assets	Total liabilities	Invest- ments	Turnover / Total In- come	Profit / (loss) before taxation	Provision for Taxa- tion	Profit/ (loss) af- ter taxa- tion	Pro- posed divi- dend	% of share holding
2	Avanti Frozen Foods Private Limited	INR	1,001.67	46,769.30	52,468.90	4,697.93	9,901.90	95,490.43	10,767.39	817.63	9,949.76	-	60%

Part B: Associates

(Rs. In Lakhs)

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Name of Associates	Srivathsa Power Projects Limited	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31-03-2021	31-03-2021
2. Shares of associates held by the company on the year end		
Number of shares	16693630	106,45,200
Amount of investment in Associates		
Extent of holding %	0.49985283	25.89%
3. Description of how there is significant influence	Voting Power	Voting Power
4. Reason why the associate/ joint venture is not consolidated	Not applicable	Not applicable
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	1,942.00	1,201.90
6. Profit/ (Loss) for the year		
i. Considered in Consolidation	(88.64)	44.66
ii. Not Considered in Consolidation	-	-

The accompanying notes are an integral part of the financial statements

As per our Report of even date
for TUKARAM & CO. LLP
 Chartered Accountants
 Firm Registration No. 004436S / S200135

(RAJENDER REDDY K)
 Partner
 Membership No. 231834

Place : Hyderabad
 Date : 22/06/2021

For and on behalf of the Board of Directors

A. Indra Kumar
 DIN: 00190168
 Chairman & Managing Director

C. Ramachandra Rao
 DIN:00026010
 Jt. Managing Director,
 Company Secretary & CFO

N. Ram Prasad
 DIN:00145558
 Director

NOTICE

Notice is hereby given that the Twenty Eighth (28th) Annual General Meeting of the members of Avanti Feeds Limited (CIN: L16001AP1993PLC095778) will be held on Saturday the 14th August, 2021 at 11:00 A.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the year ended 31st March, 2021, the Board’s Report and the Report of the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Report of the Auditors thereon.
2. To declare a Dividend of ₹6.25 (Rupees Six and Twenty-Five Paise only) per equity share of ₹1/- each fully paid, for the Financial Year 2020-21.
3. To appoint a Director in place of Mr. Wai Yat Paco Lee (DIN: 02931372) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri A. Venkata Sanjeev (DIN: 07717691), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

5. Amendment to Articles of Association of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 read with the Companies (Incorporation) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to necessary modifications, approvals, permissions and sanctions from the appropriate authorities, if any, the consent of the members be and is hereby accorded for alteration of the Articles of Association of the Company in the manner set out herein below:

- (i) The existing Article 72 shall be deleted and replaced with the following Article:

72. Chairman of General Meeting:

The Chairman of the Shareholders Meetings may either be the Chairman of the Board or one of the Directors elected and appointed by the Board of Directors, subject to applicable laws.

- (ii) The existing Article 116 be deleted and replaced with the following Article:

116. Election of Chairman of Board

- a) The Board may elect and appoint a non-executive director as a Chairman of its meeting and determine the period for which he is to hold office, in accordance with the applicable laws, for the time being in force.
- b) If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the meeting, the Directors present may choose one of their non-executive directors to be the Chairman of the meeting.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and take all such steps and give all directions as it may in its absolute discretion deem necessary, proper or expedient to give effect to this resolution and in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment.”



6. **Re-Appointment of Sri A. Indra Kumar, as Chairman & Managing Director for a further period of 5 years w.e.f. 1st July, 2021:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, and 203 read with Schedule V to the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made thereunder, and Regulation 17 and Regulation 17(6)(e), and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company subject to necessary approvals of financial institutions / authorities, if any, the approval of the members of the Company be and is hereby accorded for the re-appointment of Sri A. Indra Kumar (DIN: 00190168) as Chairman and Managing Director of the Company for a further period of 5 years with effect from 1st July, 2021 who shall not retire by rotation and for payment of Remuneration partly by way of (i) Salary, Allowances, and perquisites per month and ex-gratia per annum, and (ii) commission on net profits of the Company as detailed below:

- I. Salary: ₹18,48,000 per month in the scale of ₹18,48,000 - 20,16,000 - 21,84,000 - 23,52,000 -25,20,000.

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

Category A:

a) Housing:

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

Category B:

a) Company's Contribution towards Provident Fund subject to a ceiling of 12% of salary.

b) Contribution to provident funds, superannuation fund and annuity will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.

c) Gratuity not exceeding half month's salary for each completed year of service subject to a ceiling as may be fixed from time to time by the Central Government.

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

- III. Commission:

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

- IV. Minimum Remuneration:

“RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(11) read with Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), where in any financial year the company incurs loss or its profits are inadequate, the salary, perquisites and allowances per month and ex-gratia per annum as specified above be paid as Minimum Remuneration subject to a maximum limit of ₹4,37,77,440, ₹4,78,49,760, ₹5,19,22,080, ₹5,59,94,400 and ₹6,00,66,720 for the years first to fifth respectively subject to the approval of Central Government, if any.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise

in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it, to be in the best interest of the Company.”

7. To appoint Sri V. Narsi Reddy (DIN:08685359), as an Independent Director:

To consider and approve the following Resolution with or without modification(s) as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri V. Narsi Reddy (DIN: 08685359), who was appointed as an Additional Director in the capacity of an Independent Director of the Company by the Board of Directors w.e.f. 12th November, 2020 and who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who holds office till the date of this 28th Annual General Meeting in terms of Section 161 of the Act and the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a term of 5 consecutive years w.e.f. 12th November, 2020.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place : Hyderabad
Date : 22nd June, 2021

Avanti Feeds Limited
CIN: L16001AP1993PLC095778
Registered Office: Flat No. 103, “R” Square,
Pandurangapuram, Visakhapatnam - 530 003
Andhra Pradesh.

Corporate Office:
G-2, Concord Apartment,
6-3-658, Somajiguda,
Hyderabad - 500 082, Telangana.
Tel: +91 040 23326010/61
www.avantifeeds.com
avantih@avantifeeds.com



Notes:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circular dated 13th January, 2021 read together with circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Visakhapatnam.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote instead of himself / herself and such Proxy need not be a member of the Company. Since this AGM is held pursuant to MCA Circulars, through VC / OAVM, the physical attendance of the members has been dispensed with. Accordingly, the facility of appointment of proxies by the members will not be available for this AGM.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
4. The relevant details pursuant to Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment at this AGM is annexed.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to bhaskararaoandco@gmail.com with a copy marked to avantih@avantifeeds.com.
6. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. The Notice of AGM will be sent electronically only to the members, whose name appears in the Register of members / depositories as at closing hours of business on 16th July, 2021.
8. The Company has appointed M/s KFin Technologies Pvt Ltd (KFintech), Registrars and Transfer Agents to provide Video Conferencing facility for this AGM.
9. Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules under the Act, the business set out in this Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (i.e. remote e-voting). In addition to remote e-voting the Company is providing e-voting at the AGM on 14th August, 2021. Instructions and other information relating to remote e-voting forms part of this Notice.
10. Register of Members and Share Transfer Books of the Company shall remain closed from 9th August, 2021 to 14th August, 2021 (both days inclusive) for AGM and determining the entitlement of the shareholders for the Dividend for the year 2020-21, if declared, at the AGM.
11. If the Dividend as recommended by the Board of Directors is approved at the AGM, the payment of such dividend shall be made within the timeline as prescribed under the Act, subject to deduction of tax at source, as under:
 - a. To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of the business hours on 7th August, 2021 and
 - b. To all those members holding shares in physical form on or before at the close of business hours on 7th August, 2021.

12. TDS on dividend: In terms of the provisions of the Income-tax Act, 1961, (“the IT Act”), dividend paid or distributed by a Company on or after 1st April, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. The deduction of tax at source will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

- a. **For resident shareholders:** Tax will be deducted at source (“TDS”) under Section 194 of the IT Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year does not exceed ₹5,000.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to individual)/ Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the website of the Company as given at the end of this communication. Please note that all fields mentioned in the Form are mandatory and Company may reject the forms submitted, if it does not fulfil the requirement of law.

Valid Permanent Account Number (“PAN”) will be mandatorily required. If, as required under the law, any PAN is found invalid, TDS would be deducted at higher rates u/s 206AA of the IT Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AA in your case.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration.

- b. **Insurance companies:** Declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card.
- c. **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income Tax Act, 1961 along with self-attested copies of registration documents and PAN card.
- d. **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under Section 10 (23FBA) of the IT Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.
- e. **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- f. **Other shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- g. Shareholders who have provided a valid certificate issued u/s. 197 of the IT Act for lower/ nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

- h. For non-resident shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors):

Tax is required to be withheld in accordance with the provisions of Section 195 and Section 196D of the IT Act at applicable rates in force. As per the relevant provisions of the IT Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the IT Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident.
- iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC.



- iv. Self-declaration by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of Section 206AB of the IT Act).
 - v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
 - vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation.
- i. **Avoidance Agreement (DTAA):** The self-declarations referred to in point nos. (iv) to (vi) can be downloaded from the website of the Company details given at the end of this communication. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non- resident shareholders and meeting requirement of IT Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts.
- j. **Section 206AB of the Act:** Rate of TDS @10% u/s 194 of the IT Act is subject to provisions of Section 206AB of IT Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:
- at twice the rate specified in the relevant provision of the IT Act; or
 - at twice the rate or rates in force; or
 - at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of Section 206AB who satisfies the following conditions:

A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the IT Act has expired; and

The aggregate of TDS and TCS in his / her case is ₹50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

While your Company is awaiting the guidelines from the Government prescribing the mechanism to determine who fulfils the conditions of being a 'specified person'. Therefore, in order to comply with the provisions of the Act, and unless any mechanism is prescribed by the authorities in this regard, Company will proceed on the assumption that all shareholders are in compliance with the provisions of Section 206AB of the IT Act. However, we request you to inform us well in advance and before record date if you are covered under the definition of 'specified person' as provided in Section 206AB of the IT Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than Saturday, 7th August, 2021.

To summarise, dividend will be paid after deducting the tax at source as under:

- i. NIL for resident shareholders receiving dividend upto ₹5000 or in case Form 15G/ Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- ii. 10% for other resident shareholders in case copy of PAN card is provided / available.

- iii. 20% for resident shareholders if copy of PAN card is not provided / not available.
- iv. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- v. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- vi. Lower / NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

Aforesaid rates will be subject to applicability of Section 206AB of the IT Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

Shareholders can download the following forms from the website of the company at www.avantifeeds.com and reference of these forms also available at <https://ris.kfintech.com/form15>.

- a. Form 15H
- b. Form 15G
- c. Form 10F
- d. Self Declaration (Resident shareholder)
- e. Self Declaration (Non-resident shareholder)

Kindly note that the aforementioned documents should be uploaded with the Registrar and Transfer Agent viz. KFin Technologies Private Limited (“RTA”) at <https://ris.kfintech.com/form15> on or before 7th August, 2021 or emailed to einward.ris@kfintech.com. No communication on the tax determination / deduction shall be entertained after 7th August, 2021.

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

k. Updation of PAN, email address and other details:

- i) Shareholders holding shares in dematerialised mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants.
- ii) Shareholders holding shares in physical mode are requested to furnish details to KFin Technologies Private Limited (“Registrar and Transfer Agent / RTA”) at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, or at e-mail id: einward.ris@kfintech.com.

The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

- l. Update of Bank account details:** While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your share holding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with Kfintech. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.



13. To ensure timely delivery of shareholders' communications and also credit of dividend through NECS or dividend warrants / payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR / NECS details, (i) in case of shares held in demat form, to the respective Depository Participant and (ii) in case of shares held in physical form to Registrars and Transfer Agents of the Company i.e. KFin Technologies Private Limited, Hyderabad, so as to reach them on or before 7th August, 2021.
14. To avoid fraudulent transactions, the identity / signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL / CDSL and that of members holding shares in physical form is verified as per the records with the Registrar and Transfer agents of the Company i.e. KFin Technologies Private Limited. Members are requested to keep the same updated.
15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Members intend to claim dividends that remain unclaimed are requested to correspond with the Registrars and Transfer Agents of the Company i.e. KFin Technologies Private Limited, as mentioned above, or at the Company's Corporate Office at G2, Concorde Apartments, No.6-3-658, Somajiguda, Hyderabad-500082. Members are requested to note that dividends that are not claimed within Seven (7) years from the date of transfer to the Company's Unpaid Dividend account will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Companies Act, 2013. Shares on which dividend remains unclaimed for Seven (7) consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable Rules.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in Electronic Form are therefore requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of the Company. i.e. KFin Technologies Private Limited, Hyderabad.
19. Further, pursuant to SEBI Listing Regulations, effective from 1st April, 2019, requests for effecting transfer of equity shares of the Company in physical form shall not be processed unless the equity shares are held in dematerialized form with a Depository. This restriction shall not be applicable to the requests received for transmission or transposition of physical shares. Therefore, shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, to avoid any inconvenience in future for transferring those shares. For any clarification(s) on the dematerialization of shares, the shareholders are requested to contact Registrars and Transfer Agents of the Company i.e. KFin Technologies Private Limited or the Company at its Corporate Office.
20. The members whose names appear on the Register of Members / list of beneficial owners as of the closure of business hours on 7th August, 2021 are eligible to participate in remote e-voting on the resolutions set out in this notice.
21. The Companies (Management and Administration) Rules, 2015 stipulate that the remote electronic voting period shall close at 5 P.M. on the date preceding the date of AGM. Accordingly, the remote e-voting period will commence at 9.00 A.M. (IST) on 10th August, 2021 and will end at 5.00 P.M. (IST) on 13th August, 2021.

22. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled by KFin Technologies Private Limited, the agency engaged by the company to provide e-voting facility.
23. The member(s) who have cast their vote by remote e-voting may also participate in the meeting through VC / OAVM but shall not be entitled to cast their vote again.
24. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
25. The Company has appointed M/s. V. Bhaskara Rao & Co, Company Secretaries, **Proprietor:** Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad to act as Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner. The members desiring to vote through remote e-voting / e-voting at AGM are requested to refer to the detailed procedure given hereinafter.
26. The Scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting will not later than 48 hours of the conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with Scrutinizer's Report shall be placed on the website of the Company. The results shall simultaneously be communicated to stock exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited.
27. Subject to approval of the requisite number of votes, the Resolutions set out in this Notice for the AGM shall be deemed to be passed on the date of the meeting i.e. 14th August, 2021.
28. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, by 7th August, 2021 through e-mail on avantiho@avantifeeds.com. Replies will be provided in respect of such written queries at the meeting.

Dispatch of Annual Report through Electronic Mode:

29. In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories / RTA. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.avantifeeds.com, and on websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's Registrar and Transfer Agents, KFin Technologies Private Limited ("KFintech") at <https://evoting.kfintech.com>.
30. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number, mobile number and attaching a self-attested copy of PAN Card to KFin Technologies Pvt. Ltd., (KFintech) at einward.ris@kfintech.com or to the Company at avantiho@avantifeeds.com
 - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
 - c) Shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily get their email address and mobile number provided with the Company's RTA, by clicking the link: https://ris.kfintech.com/email_registration/for_sending_the_same. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail at the e-mail id einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM.
 - d) In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., 7th August, 2021, such person may obtain the User ID and Password from KFintech by e-mail request on einward.ris@kfintech.com / rajeev.kr@kfintech.com.



31. All communications relating to shares are to be addressed to the Company's Registrars and Transfer Agents i.e. KFin Technologies Private Limited, Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500032, Toll free Number+ 1800 309 4001, e-Mail id: einward.ris@kfintech.com, website: www.kfintech.com.

32. INSTRUCTIONS FOR REMOTE E-VOTING AND PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM AND E-VOTING AT AGM ARE AS FOLLOWS:

- i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories Participant(s) [DPs] in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting:	09:00 A.M. IST on Tuesday, 10 th August, 2021
End of remote e-voting:	05:00 P.M. IST on Friday 13 th August, 2021

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. 7th August, 2021.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- viii. The details of the process and manner for remote e-Voting and voting at E-AGM explained herein below:
 - Step 1** : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
 - Step 2** : Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
 - Step 3** : Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM

Details on Step 1 are mentioned below

i) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” Click on company name or e-Voting service provider and you will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi / Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.



Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

ii) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company / Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVENT), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVENT (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Avanti Feeds Limited' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id: bhaskararaoandco@gmail.com with a copy marked to avantiho@avantifeeds.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Event No."
- (B) Members whose email IDs are not registered with the Company / Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC / OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ KFintech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting.
Please note that Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions
- ii. Facility for joining AGM through VC/ OAVM shall open at least 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the e-AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the e-AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at avantiho@avantifeeds.com. Questions / queries received by the Company till 7th August, 2021 shall only be considered and responded during the AGM.

Members who would like to express their views or ask questions during the e-AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open



during Monday, 9th August, 2021 9.00 a.m. to Wednesday, 11th August, 2021 to 5.00 p.m. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the e-AGM.

- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the e-AGM. E-voting during the e-AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or e-voting at the e-AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the e-AGM shall be treated as invalid.
- viii. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the e-AGM.
- ix. Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 members on first come first served basis.
- x. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

33. OTHER INSTRUCTIONS

- i. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the e-AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from 9th August, 2021 to 11th August, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the e-AGM to only those Members who have registered themselves, depending on the availability of time for the e-AGM.
- ii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact KFintech's toll free No. **1-800-309-4001** or send an e-mail to evoting.kfintech.com for any further clarifications.
- iii. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 16th July, 2021, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date i.e. 7th August, 2021 should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv. In case a person has become a Member of the Company after sending of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <SPACE> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 - 1 Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 - 2 Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 - 3 Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- iii. Members who may require any technical assistance or support before or during the e-AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

34 General Instructions:

- i The Board of Directors has appointed M/s. V. Bhaskara Rao & Co, Company Secretaries, Proprietor: Sri V. Bhaskara Rao, Practising Company Secretary, Hyderabad as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.
- ii The Chairman shall formally propose to the members participating through VC / OAVM facility to vote on the resolutions as set out in the Notice of the Twenty Eighth (28th) e-AGM and announce the start of the casting of vote through the e-voting system of KFintech.
- iii The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- iv The Scrutinizer shall submit his report to the Chairman and Managing Director or Joint Managing Director of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website www.avantifeeds.com and on the website of KFintech <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the e-AGM of the Company.

By Order of the Board
For Avanti Feeds Limited

Place: Hyderabad
Date : 22nd June, 2021

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director



Explanatory Statement:

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5:

Alteration of the Articles of Association (AOA) of the Company

Upon enactment of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the top 500 listed entities shall ensure that the Chairperson of the board of such listed entity shall

- (a) be a non-executive director
- (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term “relative” defined under the Companies Act, 2013: effective from 1st April, 2022.

Regulatory framework governing the chairmanship of Shareholders Meeting and Chairmanship of the Board has been evolving over a period of time. The proposed amendment is to enable multiple scenario so that Compliance of law and Articles of Association shall not have any conflict.

To ensure the Compliance with the above regulations it is necessary to amend certain Articles of the Articles of Association of the Company. The Board of Directors in their meeting held on 22nd June, 2021 upon consideration / recommendation by Nomination and Remuneration Committee and Audit Committee have approved to amend the existing Articles as set out below subject to the approval of members of the Company at this meeting.

Sl. No.	Existing Articles of Association	Amendment proposed to the Articles of Association
1	Article 72 - Chairman of General Meeting: The Chairman, if any, of the Board of Directors shall preside over as Chairman at every General Meeting of the company.	Article 72 - Chairman of General Meeting: The Chairman of the Shareholders Meetings may either be the Chairman of the Board or one of the Directors elected and appointed by the Board of Directors, subject to applicable laws.
2	Article 116: Election of Chairman of Board: a) The Board may elect a Chairman as its meeting and determine the period for which he is to hold office. b) If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the meeting Directors present may choose one of their members to be the Chairman of the meeting.	Article 116: Election of Chairman of Board: a) The Board may elect and appoint a non-executive director as a Chairman of its meeting and determine the period for which he is to hold office, in accordance with the applicable laws, for the time being in force. b) If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the meeting, the Directors present may choose one of their non-executive directors to be the Chairman of the meeting.

Pursuant to the provisions of section 14 of the Companies Act, 2013, alteration of articles requires approval of the members of the Company by way of a Special Resolution at a general meeting.

A copy of the proposed amended Articles of Association (AOA) is available for inspection in physical by the members at the registered office of the Company and also at Corporate office of the Company during normal business hours on all working days from the date of sending of the notice, upto the last date of voting i.e. 13th August, 2021 and is also available on the website of the Company at www.avantifeeds.com.

The Board recommends the Special Resolution set out at item No. 5 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions as item No. 5.

Item No.6:

To re-appoint Sri A. Indra Kumar as Chairman & Managing Director for a further period of 5 years w.e.f. 1st July, 2021

Sri A. Indra Kumar (Promoter Director) was appointed as the Chairman and Managing Director, at the 23rd Annual General Meeting ('AGM') of the Company held on 13th August, 2016 for a period of five years with effect from 1st July, 2016. The tenure of Sri A. Indra Kumar, as Chairman & Managing Director of the company will be completed on 30th June, 2021. Sri A. Indra Kumar has been steering the Company on planning and implementation of the strategies after the demise of Sri A. Venketaswara Rao.

Sri A. Indra Kumar has been the Chairman and Managing Director of the Company for 19 years, since 2002. Earlier to that he was Executive Director for 9 years.

The Company under his stewardship has been growing year after year. He is completing present term of 5 years on 30th June, 2021 and being considered for re-appointment for a further period of 5 years thereafter.

In the past 19 years under the able guidance and management of Sri A. Indra Kumar, the Company's operations have grown significantly. The Board of directors felt that it is necessary to have Managing Director and Chairman of the Company to lead the Company in formulating the policies and guide the Board for effective implementation of the policies. His innovative thinking, hard work and strong commitment to achieve higher performance levels will be an asset to the Company for further growth. Hence, the re-appointment of Sri A. Indra Kumar as Chairman and Managing Director, is proposed.

The Nomination and Remuneration Committee and Audit Committee recommended his Re-appointment as Chairman & Managing Director as set out in the Resolution.

The Board at its meeting held on 22nd June, 2021 re-appointed Sri A. Indra Kumar as a Chairman & Managing Director, for a further period of 5 (Five) years, w.e.f. 1st July, 2021, subject to approval of shareholders, on the terms set out in the Resolution No.6.

Upon enactment of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the top 500 listed entities shall ensure that the Chairperson of the board of such listed entity shall

- (a) be a non-executive director
- (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013: effective from 1st April, 2022.

In view of the SEBI LODR Compliance, Sri A. Indra Kumar has relinquished the position of Chairman of Board on 30th June, 2021. However, he may appointed as Chairman to chair the shareholders meeting which in compliance with amended Article No. 72.

It is proposed to seek members' approval for the re-appointment and remuneration payable to Sri A. Indra Kumar as a Chairman & Managing Director, of the Company, in terms of the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Duties:

The duties of Sri A. Indra Kumar shall include:

- a. Planning and implementation of strategies for sustainable growth of the Company.
- b. To assist the Board in making policy decision and be responsible to shareholders for the performance of the Company
- c. Shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
- d. Shall adhere to the Company's Code of Conduct.



I. General Information:

1. **Nature of Industry: Manufacture of Shrimp Feed**
2. **Date of commencement of commercial production of Shrimp Feed:**

Sl. No.	Details	Location	Date of Commercial Production
1	Plant - I	Kovvur, West Godavari District, Andhra Pradesh	01.11.1994
2	Plant - II	Vemuluru, West Godavari District, Andhra Pradesh	08.06.2001
3	Plant - III	Kovvur, West Godavari District, Andhra Pradesh	15.03.2014
4	Plant - IV	Bandapuram, West Godavari District, Andhra Pradesh	04.08.2016
5	Plant - V	Balda Village, Valsad District, Gujarat	12.08.2011
6	Hatchery	Gudiwada Village, S. Rayavaram Mandal, Visakhapatnam District, Andhra Pradesh	12.11.2020

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:

(₹ In Lakhs)

Financial Parameters	2020-21	2019-20	2018-19
Turnover	3,24,250.80	3,16,257.16	2,73,842.34
Net Profit as computed under Section 198 of Companies Act, 2013	35,556.34	35,571.26	31,383.98
Net profit as per Statement of Profit and Loss.	30,537.09	28,597.67	22,349.48
Amount of dividend paid	-	6,948.53	5,449.83
Rate of dividend declared per equity share	Proposed ₹6.25 ps	₹0.10 ps - Final Dividend, ₹5.00- Interim Dividend	₹4.00

5. Foreign Investments or collaborations, if any:
The shareholding details of FIIs, FPIs, NRIs as on 31st March, 2021 are as under:

Sl. No.	Category	Number of equity shares of Re.1/- each	Percentage of paid-up capital
1	Foreign Portfolio Investors, Foreign Portfolio - Corp, Foreign Institutional Investors		
	a) Thai Union Group	3,29,85,456	24.21%
	b) Others	1,20,90,037	8.87%
	Sub-Total	4,50,75,493	33.08%
2	Non-resident Indians and Foreign Nationals	15,58,972	1.14%
	Grand Total	4,66,34,465	34.23%

The Company has technical, financial and marketing collaboration from Thai Union Group PLC who is also a shareholder in the Company.

II. Information about the appointee:

1. **Background details:** Sri A. Indra Kumar is a Chemical Engineer is having 28+ years of experience leading organizations. 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. Later on under his leadership the Company diversified into Shrimp processing and export business.

Before given charge as Chairman & Managing Director in February, 2014, he guided the Company in the capacity as Director, Executive Director and Chairman & Managing Director from June, 2002.

2. Past Remuneration:

The remuneration drawn by Sri A. Indra Kumar during last Three (3) as Chairman & Managing Director are as under:

Sl No	Financial Year	Remuneration paid (₹ in lakhs)
1	2020-21	1946.36
2	2019-20	1941.32
3	2018-19	1678.31

3. Recognition or Awards:

- i 2020: Business Today – India’s Best CEO for 2020.
- ii 2019: Sri A. Indra Kumar, Chairman & Managing Director: INDIA’S MOST TRUSTED CEO’S 2019 – WCRC LEADERS ASIA
- iii 2019: Dun & Bradstreet – Corporate Award 2019 A “Best Growth Performance - Food Products” held on 29th May 2019.
- iv 2018: Sri A. Indra Kumar, Chairman & Managing Director: INDIA’S MOST TRUSTED CEO’S 2018 – WCRC LEADERS ASIA.
- v 2017: Seasonal Magazine corporate awards “India Inc’s Top Performer” received during 2016. Best CEO award.
- vi 2017: Business World – India’s Best CEO for 2017.
- vii 2017: FORBES INDIA LEADERSHIP AWARDS FILA - 2017 - Value Creator
- viii 2016: FIEO Regional Export Award for the year 2014-15 under the category of Top Export House in Telangana (Gold) in Chennai.
- ix 2016: Business Today – India’s Best CEO for 2016.
- x 2015: Avanti Feeds Limited has been selected for “FORBES ASIA BEST UNDER A BILLION”

4. Job Profile and suitability

Job Profile include -

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

5. Remuneration Proposed: As set out in the Resolution at Item No. 6.

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

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

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Sri A. Indra Kumar does not have any pecuniary relationship directly or indirectly with the company except for the position he is holding. He is a father of Sri A. Venkata Sanjeev, Executive Director, except this, he does not have any relationship with any managerial personnel in the company.



III. Other information:

1. Reasons of loss or inadequate profits:

The nature of shrimp culture activity on which shrimp feed consumption depends is highly volatile. The shrimp culture success depends on many factors such as climatic conditions, availability of good quality seed, free from attack of any disease, good culture practices etc. Moreover, the international export price of the shrimp also influences shrimp culture to a great extent. India has seen in earlier years drastic fall in shrimp culture activity due to wide spread deceases, steep fall in international prices of shrimp etc., due to which the profitability of feed declined significantly leading to loss or inadequacy of profits. In order to assure remuneration for the services rendered by Sri A. Indra Kumar, minimum remuneration set out in Resolution at item No. 6 is considered necessary.

2. Steps taken or proposed to be taken for improvement:

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

- a. Educate the farmers to follow good culture practices to prevent any spread of diseases.
- b. Extend technical support to the farmers during culture period rendering timely advice to enable the farmer to reap good harvest.
- c. Assist the farmer in selection of good quality seed.
- d. To take such initiatives to maintain price mechanism in association with Seafood Exporters Association and other Governmental Agencies, in the best interest of the stakeholders.
- e. Expansion of activities to different States to balance reduction/calamity in one region.

3. Expected increase in productivity and profits in measurable terms:

With sustained growth of sea food consumption globally year after year, the demand for shrimp is estimated to grow at about 3% CAGR. India being one of the major source of Shrimp culture and supply of processed shrimp, the growth Year-on-Year is estimated at 3%-5% with an estimated sustainable margin of about 8%-10%.

The combined remuneration paid to Sri A. Indra Kumar, Chairman & Managing Director and Sri A. Venkata Sanjeev, Executive Director exceeds the limits prescribed under Reg.17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. As per Reg.17(6) (e) w.e.f 1st April, 2019, remuneration payable in excess of prescribed limits under SEBI (LODR) Regulations, 2015 to Executive Directors who are Promoters or members of Promoter Group shall be, subject to approval of shareholders by Special Resolution.

Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Sri A. Indra Kumar as a Chairman & Managing Director, as set out in Resolution at Item No. 6.

Sri A. Indra Kumar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment as Managing Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Details of Sri A. Indra Kumar are provided in the Annexure to this Notice pursuant to provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Sri A. Indra Kumar is interested in the Resolution set out at Item No. 6 of the Notice. Sri A. Venkata Sanjeev, Executive Director being related to Sri A. Indra Kumar may be deemed to be interested in the Resolution set out at Item No.6 of the Notice. The relatives of Sri A. Indra Kumar may be deemed to be interested in the Resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No.6.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No.7

To appoint Sri V. Narsi Reddy as an Independent Director:

Sri V. Narsi Reddy was appointed as an Additional Director (Non-Executive & Independent), by the Board of the Company at its meeting held on 12th November, 2020. His appointment as Independent Director for a period of 5 years with effect from 12th November, 2020 (first term) is subject to approval of the members.

As per Section 161 of the Companies Act, 2013 the Additional Director appointed by the Board will hold office upto the date of this Annual General Meeting.

The Company has received Notice in writing from a member under Section 160 of the Companies Act 2013, proposing the candidature of Sri V. Narsi Reddy as an Independent Director of the Company.

Sri V. Narsi Reddy is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Sri V. Narsi Reddy stating that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Nomination and Remuneration Committee (NRC) recommended appointment of Sri V. Narsi Reddy as an Independent Director for a period of 5 years (first term) with effect from 12th November, 2020.

In the opinion of the Board, Sri V. Narsi Reddy fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

The Board recommends the appointment of Sri V. Narsi Reddy as an Independent Director with effect from 12th November, 2020 for a period of 5 (Five) years as set out in the Resolution at Item No. 7.

Sri V. Narsi Reddy shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other Committee meetings.

Details of Sri V. Narsi Reddy are provided in the Annexure to this Notice pursuant to provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings ("SS- 2"), issued by the Institute of Company Secretaries of India. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Copy of letter of appointment of Sri V. Narsi Reddy setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company and also at Corporate office of the Company.

Sri V. Narsi Reddy is interested in the Resolution set out at Item No.7 of the Notice with regard to his appointment. Relatives of Sri V. Narsi Reddy may be deemed to be interested in the Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Resolution set out at Item No.7 of the Notice for approval by the members.

By Order of the Board
For Avanti Feeds Limited

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director

Place : Hyderabad
Date : 22nd June, 2021



Annexure

Details of the Directors retiring by rotation and seeking re-appointment / appointment at the Annual General Meeting pursuant to (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India are as under:

A. Details of Directors proposed to appoint / re-appoint:

(i) Mr. Wai Yat Paco Lee, (ii) Sri A. Venkata Sanjeev, (iii) Sri A. Indra Kumar, and (iv) Sri V. Narsi Reddy

Name of the Director	Mr. Wai Yat Paco Lee	Sri A. Venkata Sanjeev
Director Identification No.	0002931372	0007717691
Date of Birth	17.01.1966	18.06.1991
Age (Years)	55	29
Qualification	Graduated in Business Management and Post-Graduation in Business Administration and Management	Graduated in Mechanical Engineering
Experience (including expertise in specific functional area) / Brief Resume	Mr. WaiYat Paco Lee is a financial professional and presently holding the position of General Manager, Business Development, Global Frozen and Related Business of Thai Union Group PCL. He joined TU in 2003 as Financial Controller and he was also the Investor Relations Officer of Thai Union Group at the same time before being appointed to the current position in business development. He was part of core team in transforming TUF to one of the largest sea food exporter company.	Sri A. Venkata Sanjeev worked, as Manager-Operations, in the Company for about 5 years. His major achievements during his tenure are- <ul style="list-style-type: none"> i Setting up new shrimp feed manufacturing facility at Bandapuram and subsequent further expansion in a record time. ii Modernisation of shrimp feed Plant at Kovvur. iii Ensuring production of shrimp feed with consistent quality maintenance in all the feed Plants. From 9 th August, 2019 he is performing the duties of Executive Director.
Terms and Conditions of Re-appointment	Non-Executive, Non-Independent Director, liable to retire by rotation.	Whole-time Director designated as Executive Director and terms and conditions as approved by the shareholders in 26 th AGM held on 9 th August, 2019
Remuneration proposed to be paid (including sitting fees if any)	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2020-21.	Remuneration as approved by the shareholder in 26 th AGM of the Company. Remuneration paid during the year is disclosed in report on corporate governance forming part of the Annual Report for the FY 2020-21.

Name of the Director	Mr. Wai Yat Paco Lee	Sri A. Venkata Sanjeev
Date of first appointment on the Board	14.07.2012	07.06.2019
Shareholding in the Company as on 31 st March, 2021	Nil	7,10,100 equity shares of ₹1/- each (0.52%).
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.	Son of Sri A Indra Kumar, Chairman & Managing Director
Number of meetings of the Board attended during the financial year (2020-21)	4	4
Directorships of other Boards as on 31 st March, 2021	D & G Technology Holding Company Ltd. Pakfood Public Company Ltd. Avanti Frozen Foods Private Ltd. PT Thai Union Karisma Lestari (member of Board of Commissioners)	Srinivasa Cystine Private Limited
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021	Member of the Audit Committee and Nomination and Compensation Committee of D&G Technology Holding Company Ltd.	Nil

Name of the Director	Sri A. Indra Kumar	Sri V. Narsi Reddy
Director Identification No.	00190168	08685359
Date of Birth	28.02.1962	01.07.1959
Age (Years)	59	62
Qualification	Chemical Engineer	M.Sc (Agriculture) and CAIIB.





Name of the Director	Sri A. Indra Kumar	Sri V. Narsi Reddy
Experience (including expertise in specific functional area) / Brief Resume	<p>Sri A. Indra Kumar started his journey by managing 100% EOU Srinivasa Cystine Pvt Ltd (SCPL), which was manufacturing L-Cystine amino acid from human hair since 1986 as General Manager. He became Managing Director in SCPL in the year 2002.</p> <p>Presently Sri A. Indra Kumar is the Chairman & Managing Director of Avanti Feeds Limited, a Company engaged in the business of Aquaculture having operations in Shrimp-Feed Manufacturing, Hatcheries, Farms and Shrimp Processing Plants for the last 28 years. Avanti is the largest integrated aquaculture company in India. Avanti Feeds has adopted latest technologies in feed manufacturing and continues to be the most favoured brand with over 50% market share in the Country.</p> <p>Sri A. Indra Kumar's strong leadership vast experience are instrumental in development of quality shrimp feed and shrimp processing industry in India. He was instrumental in identifying that sustainability of shrimp industry is possible by educating the farmers on good practices in shrimp culture.</p> <p>This was achieved by organising seminars and trainings to the farmers on regular basis by experts not only from India but from abroad such as Thailand, Vietnam and other Countries who follow better Shrimp culture practices and have advance disease control and management techniques.</p> <p>A number of shrimp testing laboratories are established in all the major areas of the aqua culture by Avanti Feeds Limited to help the farmers to test soil, water, seed and shrimp.</p> <p>Under the leadership of Sri A. Indra Kumar, Avanti has developed markets for frozen shrimps and value added shrimps in the countries like USA, Europe, Canada & Japan.</p> <p>Sri Kumar visions helped the Company to provide end to end solutions for developing sustainable shrimp culture</p>	<p>Sri V. Narsi Reddy is a retired as Senior Bank Official having 21 years of experience in SBI in various Capacities and retired as GM, Internal Audit Department, Corporate Centre, SBI, Mumbai in June 2019.</p>
Terms and Conditions of Re-appointment	As set out in the Resolution at Item No. 6 of this Notice.	Proposed to appoint as Non-executive Independent Director and not liable to retire by rotation.
Remuneration proposed to be paid (including sitting fees if any)	Remuneration paid during the year is disclosed in report on corporate governance forming part of the Annual Report for the FY 2020-21.	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the FY 2020-21.
Date of first appointment on the Board	06.01.1993	12.11.2020
Shareholding in the Company as on 31 st March, 2021	83,30,700 shares of ₹1/- each (6.11%)	Nil

Name of the Director	Sri A. Indra Kumar	Sri V. Narsi Reddy
Relationship with other Directors / Key Managerial Personnel	Father of Sri A. Venkata Sanjeev, Executive Director	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the financial year (2020-21)	4	2
Directorships of other Boards as on 31 st March, 2021	Avanti Frozen Foods Pvt. Ltd. Nava Bharat Ventures Ltd. Srinivasa Cystine Pvt. Ltd. Maximus ARC Ltd. Agriculture Skill Council of India Patikari Power Pvt. Ltd. Sri Sai Srinivasa Agro Farms and Developers Pvt. Ltd. SCL Trading Pvt. Ltd. Srivathsa Power Projects Pvt. Ltd. Sanjeev Agro-Vet Pvt. Ltd. Nava Bharat (Singapore) PTE Ltd. Seafood Exporters Association of India Avanti Frozen Foods INC.	Krishna Bhima Samruddhi Local Area Bank Ltd. Roshan Energy Technologies Pvt. Ltd.
Membership / Chairmanship of Committees of other Boards as on 31 st March, 2021	<u>Avanti Frozen Foods Pvt. Ltd.:</u> Chairman of Corporate Social Responsibility Committee & Member of Nomination & Remuneration Committee. <u>Srinivasa Cystine Pvt. Ltd.:</u> Chairman of Corporate Social Responsibility Committee. <u>Maximus ARC Ltd.:</u> Member of 1. Management Committee 2. Corporate Social Responsibility Committee 3. Nomination & Remuneration Committee. <u>Nava Bharat Ventures Ltd.:</u> Member of the Audit Committee and Nomination and Remuneration Committee.	Member of the Audit Committee, Nomination and Remuneration Committees of Krishna Bhima Samruddhi Local Area Bank Limited.

By Order of the Board
For Avanti Feeds Limited

Place : Hyderabad
Date : 22nd June, 2021

A. Indra Kumar
DIN: 00190168
Chairman & Managing Director





www.avantifeeds.com

Registered Office

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

Corporate Office

G-2, Concorde Apartments,
6-3-658, Somajiguda
Hyderabad - 500082.
Ph: 040-23310260, 23310261
E-mail: avantih@avantifeeds.com

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To
The Members of
Avanti Frozen Foods Private Limited
CIN: U05000AP2015PTC096509
Flat No. 103, Ground Floor,
"R" Square, Pandurangapuram,
Visakhapatnam, Andhra Pradesh-530003

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Avanti Frozen Foods Private Limited** ("the Company") for the financial year ended on 31.03.2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Other applicable Acts
 - (a) Factories Act, 1948
 - (b) Industrial Disputes Act, 1947
 - (c) The Payment of Wages Act, 1936
 - (d) The Minimum Wages Act, 1948
 - (e) Employee State Insurance Act, 1948
 - (f) Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (g) The Payment of Bonus Act, 1965
 - (h) The Payment of Gratuity Act, 1972
 - (i) The Contract Labour (Regulation & Abolition) Act, 1970
 - (j) The Maternity Benefit Act, 1961
 - (k) The Child Labour (Prohibition & Regulation) Act, 1986
 - (l) The Industrial Employment (Standing Order) Act, 1946
 - (m) The Employee Compensation Act, 1923
 - (n) The Apprentices Act, 1961
 - (o) Equal Remuneration Act, 1976
 - (p) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
 - (q) Customs Act, 1962
 - (r) Shops and Establishment Act, 1988
 - (s) The water (Prevention and control of pollution) Act 1974
 - (t) The Air (Prevention and control of pollution) Act 1981
 - (u) The Environment Protection Act, 1986 and rules made there under
 - (v) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
 - (w) Hazardous Waste (Management and Handling and trans boundary Movement) Rules, 2008
 - (x) Food Safety and Standards Act, 2006
 - (y) Biological Diversity Act, 2002
 - (z) Marine Products Export Development Authority Act, 1972 and rules made thereunder

(aa) Coastal Aquaculture Authority Act, 2005 and rules made thereunder

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

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

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

We further report that there are adequate systems and processes in the company Commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

V.Bhaskara Rao and Co
Company Secretaries

V.Bhaskara Rao
Proprietor
FCS No.5939, CP No.4182
UDIN: F005939C000490896

Place: Hyderabad
Date: 19.06.2021

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

‘ANNEXURE A’

To,
The Members of
Avanti Frozen Foods Private Limited
CIN: U05000AP2015PTC096509
Flat No. 103, Ground Floor,
"R" Square Pandurangapuram,
Vishakhapatnam, AP-530003

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

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

V.Bhaskara Rao and Co
Company Secretaries

V.Bhaskara Rao
Proprietor
FCS No.5939, CP No.4182
UDIN: F005939C000490896

Place: Hyderabad
Date : 19.06.2021