



FOURTH ANNUAL REPORT 1996 - 97

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Avanti Feeds Limited

BOARD OF DIRECTORS

A. Venkateswara Rao
Chairman

A. Indra Kumar

N. Ram Prasad

A.V. Achar

C. Satyanarayana

M.V. Subba Rao

C. Rama Chandra Rao
Executive Director and
Company Secretary

Auditors
Karvy & Co.
Chartered Accountants
Karvy House
46, Avenue 4, Street No. 1
Banjara Hills
Hyderabad - 500 034.

Bankers
State Bank of India
Andhra Bank

Registrars & Share Transfer Agents
Karvy Consultants Ltd.
Chartered Accountants
Karvy House
46, Avenue 4, Street No. 1
Banjara Hills
Hyderabad - 500 034.

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

Factory
D. No. 15-11-24
Kovvur - 534 350
W.G. Dist., A.P. India.



Avanti Feeds Limited

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Members of Avanti Feeds Limited will be held at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad on Monday, 29th December, 1997 at 11 A.M. to transact the following business.

1. To consider and adopt the Accounts of the Company for the year ended 31.03.97 and the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To declare dividend for the year 1996-97.
3. To elect the Director in place of Sri C. Satyanarayana, Director retiring by rotation and is eligible for re-election.
4. To elect the Director in place of Sri A. Indra Kumar, Director retiring by rotation and is eligible for re-election.
5. To appoint Auditors and fix their remuneration. In this connection to consider and if thought fit, to pass with or without modification, the following resolution.

"RESOLVED that M/s Karvy & Co., Chartered Accountants, the retiring Auditors, being eligible be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting and the Board of Directors be and is hereby authorised to fix the remuneration in consultation with them."

Special Business

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 & 316 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended from time to time and subject to such other approvals as may be necessary, the Company hereby approves the appointments of Sri A. Venkateswara Rao as Chairman and Managing Director of the Company for a period of five years w.e.f. from January, '97 on the terms and conditions including remuneration stated below.

Period : Five years from 1st January, 1997.

Commission @ 2% on the net profits of the Company computed in the manner laid-down under Section 309 of the Companies Act, 1956.



Avanti Feeds Limited

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

"RESOLVED THAT subject to the provisions under Section 198, 269, 309 & 316 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII as amended from time to time Sri C. Rama Chandra Rao be and is hereby reappointed as the Executive Director & Company Secretary of the Company for a period of five years from 1st October, 96 on the terms and conditions including remuneration as stated below.

1. Salary : Rs. 15,000.00 .. Rs. 3,000.00 .. Rs. 30,000.00 per month
2. Period : 5 years from 01.10.1996.
3. Commission : 1 % on the net profits of the Company in the manner laid down under Section 309 of the Companies Act, 1956 for the financial year 1996-97 and there after. "
4. Perquisites :

PART - A

- a. House Rent Allowance/Rent Free Accommodation - 30 % of the salary.
- b. Educational Allowance : Rs. 2,000/- p.m.
- c. Bonus as per the rules of the Company.

PART - B

- a) The Company's contribution towards Provident Fund subject to a ceiling of 12 % of salary.
- b) Gratuity not exceeding half months salary for each completed year subject to ceiling as may be fixed by Central Government.

By Order of the Board

Place : Hyderabad
Date : 02.12.1997

A. VENKATESWARA RAO
Chairman & Managing Director



Avanti Feeds Limited

Note :

1. A member entitled to vote is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a member.
2. Register of Members and Share Transfer Books of the Company shall remain closed from 27th December '97 to 29th December '97, both days inclusive.
3. The Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of items 6 & 7 above is Annexed here to.
4. Change of address, if any, should be notified to the Company immediately.

Annexure to the Notice

Explanatory Statement under Section 173 of the Companies Act, 1956

Item No. 6 :

Sri A. Venkateswara Rao, Chairman has been devoting his considerable time for planning, organisation and over-all supervision of the Company. In view of the services being rendered by him, it is proposed to appoint him as Chairman and Managing Director of the Company for a period of five years from 1st January, 1997 and pay a remuneration of 2% on the net profits of this Company subject to limitations provided by the Companies Act, 1956.

He is also the Managing Director of M/s Srinivasa Cystine Limited. No Director except Sri A. Indra Kumar and Sri N. Ram Prasad are concerned or interested in the above terms of appointment, the Board recommends this resolution for your approval.

Item No. 7 :

The two years term of Sri C. Rama Chandra Rao as Executive Director and Company Secretary completed on 30th September, 1996 and is re-appointed as Executive Director and Company Secretary of the Company for a period of five years from 1st October, 1996 on the terms and remuneration set-out in the resolution subject to the provisions of the Companies Act, 1956 read with Schedule XIII thereto.

No Director is concerned or interested in the above terms of appointment.

The Board recommends the resolution for approval.



Avanti Feeds Limited

DIRECTORS' REPORT

To

The Shareholders

Your Directors have pleasure in presenting their Fourth Annual Report together with the audited accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

	Rs. in lakhs	
	1996-97	1995-96
Sales	2983.22	1183.96
Other Income	22.92	13.48
Profit before Interest and Depreciation	694.06	270.57
Interest	150.45	108.65
Profit after Interest and Depreciation	543.61	161.92
Depreciation	63.23	38.78
Profit before Tax	480.38	123.14
Provision for Income Tax	116.00	-
Profit after Tax	364.38	123.14
Add : Balance brought forward from previous year	126.38	3.24
Profit available for appropriation	490.76	126.38

APPROPRIATIONS

Proposed Dividend on equity shares	78.48	-
Corporate Dividend Tax	7.85	-
General Reserve	400.00	-
Surplus carried to Balance Sheet	4.43	126.38

DIVIDENDS

Your Directors are pleased to recommend for the approval of the share holders for payment of Dividend at 12 % on equity shares of the Company. If, approved the dividend will be paid to all the members whose names appear on the Register of Members as on 29th December '97



Avanti Feeds Limited

REVIEW OF OPERATIONS

Your Directors are pleased to report that inspite of adverse conditions prevailing in aqua culture industry your Company has been maintaining good performance constantly as could be seen from the Annual Report.

DIVERSIFICATION

Your Directors are pleased to report that in order to diversify and consolidate the Company's activities in the related field your Company has decided to undertake processing and export of shrimps/prawns, taking advantage of the existing and stabilised shrimp feed business. Your Company proposed to undertake this activity after obtaining necessary approvals from the concerned Governmental and other agencies.

DIRECTORS

In terms of Articles 105 & 106 of the Articles of Association of the Company Sri C. Satyanarayana and Sri A. Indra Kumar, Directors retire by rotation at conclusion of the Annual General Meeting and being eligible, offer themselves for re-election.

AUDITORS

M/s Karvy & Co. Chartered Accountants retire and are eligible for re-appointment.

GENERAL

Your Directors wish to place on record their appreciation for co-operation extended by the Financial Institutions and Banks from time to time and the Staff and Workmen of the Company.

PARTICULARS OF EMPLOYEES

In terms of Section 217 (2A) of the Companies Act, 1956 (as amended) read with Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956, Statement of particulars of the employees is enclosed at Annexure - 1.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

As required by the Companies (Disclosure of particulars in the Report of the Directors) Rules 1988, relevant information pertaining to conservation of Energy, Technology absorption, Foreign Exchange earnings and out-go is given in Annexure - 2 to the Report.

By Order of the Board
for **AVANTI FEEDS LIMITED**

Place : Hyderabad
Date : 02.12.1997

A. VENKATESWARA RAO
Chairman & Managing Director



Avanti Feeds Limited

ANNEXURE - 1

Statement of particulars of employees pursuant to Section 217 (2 A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 1997.

Name of the Employee	Designation	Nature of Duties	Remuneration received Rs.	Qualifications	Experience	Date of Employment	Age	Last Employed
A. Venkateswara Rao	Chairman and Managing Director	Planning, Co-ordination, Financial & Admn.	8,52,868	SSLC	32	1.1.97	64	Director Nava Bharat Enterprises Limited
C. Rama Chandra Rao	Executive Director	Finance, Secretarial, Imports & Admn.	6,27,434	ACA, ACS, LLB	21	1.10.94	45	Finance Manager & Company Secretary, Srinivasa Cystine Limited

ANNEXURE -2

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.

A. Conservation of Energy:

- | | | | |
|----|---|---|--|
| a) | Energy Conservation measures taken | : | i) High efficiency, Oil-fired Boiler is installed to generate steam at low cost.

ii) Diesel generator sets of high efficiency have been installed to generate electricity at minimum cost per unit. |
| b) | Additional investments and proposals, if any, being implemented for reduction of consumption of energy. | : | Since the unit is only three years old, periodic review of the performance of the equipment will be taken up and steps will be taken to reduce consumption of energy wherever feasible. |
| c) | Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. | : | Since the unit is set up recently, impact of the measures taken at (a) and (b) will be observed in due course. |
| d) | Total energy consumption and consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto. | : | Not applicable since the industry does not fall under the list given in schedule to the Annexure of the "Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988." |

B. Technology Absorption:

Research and Development (R & D)

- | | | | |
|----|---|---------------|---|
| 1) | Specific areas in which R & D carried out by the Company. | {

 | Since the unit is newly set up, steps for research & development would be taken up in due course. |
| 2) | Benefits derived as a result of the above R & D | | |
| 3) | Future plan of action | | |