

Board of Directors

A.Indra Kumar

Managing Director

C. Ramachandra Rao

Joint Managing Director and Company Secretary

A.V.Achar

N.Ram Prasad

K.Ram Mohan Rao

B.V.Kumar

M.Venkateswara Rao, Nominee - APIDC

M.S.P.Rao

Bunluesak Sorajjakit

Auditors

Karvy & Co

Chartered Accountants

Bhooma Plaza, Street No.4

Avenue 7, Banjara Hills

HYDERABAD - 500 034.

Internal Auditors

Polineni Associates

Chartered Accountants

Plot No. 203, Gayatri Nilayam,

1-1-721/A, Gandhinagar,

HYDERABAD - 500080

Bankers

State Bank of India

Registrars & Share Transfer Agents

Karvy Computershare Private Limited

Plot No. 17 to 24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Registered Office

G-2, Concorde Apartments

6-3-658, Somajiguda

Hyderabad - 500 082.

Website : www.avantifeeds.com

NOTICE

Notice is hereby given that the **SEVENTEENTH Annual General Meeting** of the members of **Avanti Feeds Limited** will be held on the Saturday, **14th day of August, 2010 at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad at 11.00 AM** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010 along with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. A.V.Achar who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. M.S.P.Rao who retires by rotation and is eligible for re-appointment.
4. To appoint M/s. Karvy & Company, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS :

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

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

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

Place: **Hyderabad**
Date : **27.05.2010**

A.INDRA KUMAR
Managing Director

EXPLANATORY STATEMENT

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

Item No.5

Mr. Bunluesak Sorajjakit was appointed as additional director at the meeting of the Board of Directors of the Company held on 30.01.2010. As per the provisions of the Section 260 of the Companies Act, 1956 they hold office up to the date of the ensuring Annual General Meeting.

He is a technocrat and Managing Director of Thai Union Feedmill Company, Thailand. Under his dynamic leadership the Thai Union Feedmill Company became a giant 100000 MT producer in Thailand with in a short span of 10 years. He is also instrumental in brining in many changes in shrimp farming methods and feed marketing methods. He joined the company board in January'10 and his association is very valuable to the company in the light of changeover taking place from Black Tiger culture to Vennamei culture in India..

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

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

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

Place: Hyderabad
Date : 27.05.2010

A.INDRA KUMAR
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy in order to be effective must be deposited at the Company's Registered Office at G-2, Concorde Apartments, #6-3-658, Somajiguda, Hyderabad - 500 082, A.P., not less than 48 hours before the time for holding the meeting.
3. Register of Members and Share Transfer Books of the Company shall remain closed from 9th August, 2010 to 14th August, 2010 (Both days inclusive)..
4. In order to provide protection against fraudulent encashment of Dividend Warrants, members are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to enable the Company to incorporate the same in the Dividend Warrants.
5. Members are requested to notify promptly any change in their address registered with the Company to the Registered Office of the Company.
6. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
7. All communication relating to shares are to be addressed to the Company's Transfer Agents, M/s.Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
8. As per the provisions of the Sec.205 C of the Companies Act, 1956, Unclaimed Dividend Amount in respect of 2001-02 has been transferred to Investor Education and Protection Fund upon expiry of 7 years period. Unclaimed Dividend for the year 2002-03 will be transferred to Investor Education and Protection Fund on 30.09.2010. Shareholders who have not claimed Dividend for the year 2002-03 are requested to claim the dividend before 30th of September, 2010.

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

Place: Hyderabad
Date : 27.05.2010

A.INDRA KUMAR
Managing Director

AVANTI FEEDS LIMITED

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

ATTENDENCE SLIP

I hereby record my presence at the **Seventeenth Annual General Meeting of AVANTI FEEDS LIMITED, at Sri Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad - 500 038 Saturday, 14th August, 2010 at 11 A.M.**

1. Full Name of the Member : _____
(in block letters)
2. Full Name of the Proxy(*) : _____
(in block letters)
3. Regd.Folio No. : _____
4. Number of Shares held : _____
5. Signature of the Member/
Proxy Attending # : _____

* To be used only when Member, first name is not attending.

Strike out whichever is not applicable.

- Note :
1. Member / Proxy wishing to attend the meeting must complete this attendance slip and hand it over at the entrance of the venue of the meeting.
 2. Members are requested to bring their copy of the Annual Report for the Meeting.

NO GIFTS WILL BE GIVEN

AVANTI FEEDS LIMITED

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

PROXY FORM

Dear Sirs,

I/We _____ of _____
in the district of _____ being a member / members of
the above named Company hereby appoint _____ as my / our
proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to
be held on Saturday, 14th August, 2010 and at any adjournment thereof.

Signed at _____ this _____ day of _____ 2010

affix
Re.1/-
Revenue
Stamp

In the presence of _____

Note : Companies Act, 1956 lays down that an instrument appointing a proxy that be deposited at the Registered Office of the Company not less than FORTY EIGHT hours before the time for holding the meeting.

Avanti Feeds Limited
DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL PERFORMANCE:

(Rs. in Lakhs)

	2009-10	2008-09
Profit/(Loss) before Interest, Depreciation & Tax	363.47	(46.52)
Interest	312.74	709.14
Depreciation	278.27	334.15
Profit/(Loss) before Tax	(227.54)	(996.78)
Provision for Income Tax & Deferred Tax Credit	108.81	293.78
Profit/(Loss) after Tax	(118.73)	(703.00)
Add: Balance brought forward from Previous year	1,802.25	2,505.25
Profit/(Loss) available for appropriation	1,683.53	1,802.25
APPROPRIATION:		
Proposed Dividend on equity shares	--	--
Corporate Dividend Tax	--	--
Surplus carried to Balance Sheet	1,683.53	1802.25
OPERATIONS :		
Income	10,224.98	7358.87
Profit/(Loss) before Tax	(227.54)	(996.78)
FEED DIVISION :		
Production (MTs)		
Shrimp Feed	10,390.70	9,168.56
Fish Feed	5,538.55	4,813.60
Sales (MTs)		
Shrimp Feed	10,474.67	9,155.31
Fish Feed	5,508.75	4,895.65
PROCESSING DIVISION :		
Production (MTs)	892.53	669.60
Export Sales :		
Direct (MTs)	862.08	757.76

The profit for the year under consideration i.e. 2009-10, before depreciation, finance charges and tax is Rs.363.47 lakhs as compared to a Loss of Rs. 46.52 lakhs in the previous financial year. The loss for the year after tax is Rs.118.73 lakhs as against a Loss of Rs.703 lakhs during the previous financial year.

The Shrimp Feed sales marginally increased by 1319 MT as compared to previous financial year. The sale of Fish Feed also marginally increased by 613 MT as compared to previous year. There are signs of recovery in the shrimp culture and there is small increase in culture area as compared to previous year. Also in the current year company sold more premium feed as compared to previous year.

The shrimp processing and export division sales also recorded increase of 104 MT as compared to previous financial year. As the effects of recession are wearing off, the international market is improving and as a first sign the imports of shrimp by USA & Europe are increasing, however, the margins are still under pressure.

The four windmills in Karnataka State with a total capacity of 3.2 MW are generated 62.07 lac units and power generated was sold to Karnataka Power Transmission Corporation Limited under PPA.

DIVIDEND:

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

DIRECTORS:

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

AUDITORS:

The Auditors M/s. Karvy & Co., Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. Members are requested to consider their reappointment for the financial year ending 31st March, 2011 on remuneration to be decided by the Board of Directors.

PARTICULARS OF EMPLOYEES:

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

SHRIMP FEED PLANT IN GUJARAT

As discussed in the previous year Annual Report, your company has invested in Avanti Thai Aqua Feeds (P) Limited, a special purpose vehicle to set up a shrimp feed manufacturing plant in Gujarat along with Thai Union Frozen Products Public Co Ltd., Thailand (TUF) in 50:50 equity participation. The land for the proposed plant has already been acquired at Village Pardi, Dist. Valsad and the legal procedures for conversion of land to industrial usage and other statutory approvals are in progress and the project implementation work is planned to commence in July'10 and finish by May'11.

HATCHERY FOR VANNAMEI

In the previous year Annual Report it was intimated to you that your Company has planned to invest in a Joint Venture company with Mr. Anil George, a well known hatchery owner & operator in the ratio of 51:49 to set up a Vannamei shrimp hatchery for which TUF would extend technical support. The venture could not progress as there was shortage of good seed in international market. It is planned to start the hatchery in the current year and the first batch of seed will arrive in **September'10**.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors hereby confirm and declare that:

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

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENTS:

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

for and on behalf of the Board

Place: Hyderabad
Date : 27.05.2010

A.INDRA KUMAR
Managing Director