

20th Annual Report 2012-2013



www.avantifeeds.com



Shrimp Feed Plant located at Kovvur, West Godavari District, Andhra Pradesh



Shrimp Feed Plant located at Vemuluru, West Godavari District, Andhra Pradesh

BOARD OF DIRECTORS

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Joint Managing Director and Company Secretary

A.V. Achar

N. Ram Prasad

K. Ramamohana Rao

B.V. Kumar

Anita Rajendra, IAS, Nominee-APIDC

M.S.P. Rao

Bunluesak Sorajjakit

Wai Yat Paco Lee

AUDITORS

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

BANKERS

State Bank of India

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

Website : www.avantifeeds.com

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Avanti Feeds Limited will be held on Saturday, the 27th July, 2013 at 11.00 A.M. at Surana Udyog Hall, the Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2013 and Statement of Profit and Loss for the year ended 31st March, 2013 along with Auditors' Report and Directors' Report thereon.
2. To declare a dividend of Rs.6.50 per equity share of Rs.10/- each fully paid up for the year 2012-13.
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 a Director in place of Mr. K.Ramamohana Rao who retires by rotation and is eligible for re-appointment.
5. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

By Order of the Board
for Avanti Feeds Limited

Place: Hyderabad
Date:25.05.2013

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 on a poll 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 22nd July, 2013 to 27th July, 2013 (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 communications 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 2004-05 has been transferred to Investor Education and Protection Fund upon expiry of 7 years period and for the financial year ended 31st March, 2006 would be transferred to the IEPF. As such, Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 and / or subsequent years are requested to submit their claims to the Registrar and Transfer Agents of the Company without any delay.

By Order of the Board
for Avanti Feeds Limited

Place: Hyderabad
Date : 25.05.2013

A. INDRA KUMAR
Managing Director

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited.

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have immense pleasure in presenting their Twentieth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2013. Your company has achieved highest ever turnover of Rs. 64,803.77 lacs and before tax profit of Rs. 4,414.81 lacs and profit after tax of Rs. 3,019.15 lacs for the year.

FINANCIAL PERFORMANCE:

(Rs. in Lacs)

	2012-13	2011-12
Profit/(Loss) before Interest, Depreciation & Tax	5,250.52	4,717.86
Interest	337.33	314.44
Depreciation	498.38	400.42
Profit/(Loss) before Tax	4,414.81	4,003.00
Provision for Income Tax & Deferred Tax	1,395.66	1,195.98
Profit/(Loss) after Tax	3,019.15	2,807.02
Add: Balance brought forward from Previous year	3,749.94	1,929.10
Profit/(Loss) available for appropriation	6,769.09	4,736.12
APPROPRIATION:		
Proposed Dividend on equity shares	590.40	590.40
Corporate Dividend Tax	100.34	95.78
Transfer to General Reserve	350.00	300.00
Surplus carried to Balance Sheet	5,728.35	3,749.94
OPERATIONS :		
Income	65,061.82	39,676.76
Profit/(Loss) before Tax	4,414.81	4,003.00
FEED DIVISION :		
Production (MTs)		
Shrimp Feed	1,05,422	59,230
Fish Feed	402	3,589
Sales (MTs)		
Shrimp Feed	1,02,988	59,838
Fish Feed	405	3,647
PROCESSING DIVISION :		
Production (MTs)	2713	1,966
Export Sales :		
Direct (MTs)	2551	2,102

The profit for the year under consideration i.e. 2012-13, before depreciation, interest and tax is Rs. 5,250.52 lacs as compared to a profit of Rs.4,717.86 lacs in the previous financial year. The profit for the year after tax is Rs.3,019.15 lacs as against a profit of Rs.2,807.02 lacs during the previous financial year.

For the third consecutive year, there was an overall increase in the shrimp culture both in terms of water spread area and stocking density of shrimp culture mainly because of success of Vannamei shrimp culture many farmers converted from Black Tiger shrimp cultivation to Vannamei shrimp cultivation. Remunerative international prices for shrimps has also encouraged new farmers in taking up the shrimp cultivation. Your directors are glad to inform that your company's Shrimp Feed sales grew by 72%. Your Company's high quality of shrimp feed and technical support to the farmers by educating them with best culture practices has made our feed one of the most preferred by the farmers. The year 2012-13 ended with shrimp feed sales at 1,02,988 MT, an increase of 43,150 MT as compared to previous financial year .

The shrimp processing and export division sales recorded export of 2551 MT as against 2102 MT in the previous year, registering an increase of 21%. During the first quarter of the year under consideration, renovation of processing plant was undertaken and higher capacity IQF machine was installed and commissioned.

The four windmills of your Company located in Karnataka State with a total capacity of 3.2 MW have generated 62.14 lac units as against 64.65 lac units generated during the previous year and power generated was sold to Karnataka Power Transmission Corporation Limited under PPA.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Re.6.50 per equity share of Rs.10/- each for the financial year 2012-13 aggregating to Rs.590.40 lacs on 90,83,042 equity shares. The dividend if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose name appears on the register of members of the Company on 22nd of July, 2013.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARIES:

In accordance with the general circular No.2/2011 and Notification No. 51/12/2007-CL-III issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company is not attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

DIRECTORS:

During the year under review, Mrs. C. Mariamma, nominee of APIDC was appointed as a Director in place of Mr. M. Venkateswara Rao on 18.08.2012 as per APIDC's letter dt.16/17.08.2012. Subsequently Mrs. Anita Rajendra, IAS was appointed as a Director in place of Mrs. C. Mariamma on 25.05.2013 as per APIDC's letter dt. 10.05.2013.

In terms of Article 105 and 106 of the Articles of Association of the Company, Mr. M.S.P. Rao and Mr. K.Ramamohana Rao retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Ordinary resolutions 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, 2014 on a remuneration to be decided by the Board of Directors.

COST AUDIT:

In pursuance of Section 233(B) of the Companies Act and Notification dated 3rd June, 2011 of Ministry of Corporate Affairs, the Board of Directors have appointed M/s Sagar Associates, Chartered Accountants, Hyderabad to certify the compliance report in respect of the cost records for the year 2011-12. The cost Audit compliance report for the year ended 31st March, 2012 duly certified by the cost accountant was filed with the Central Government within the stipulated time. The cost auditors (represented by Sri E. Vidyasagar) attended the Audit Committee Meeting where cost audit compliance report was discussed.

The Board of Directors appointed M/s Sagar Associates, Cost Accountants, Hyderabad as Cost auditors to carry out the Audit of cost accounts of the company for the year 2012-13. The due date for filing the Cost Audit Report for the financial year 2012-13 is September, 30, 2013.

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.

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 judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profits 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, 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, 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

Place: Hyderabad
Date : 25.05.2013

A. Indra Kumar
Managing Director

C. Ramachandra Rao
Joint Managing Director &
Company Secretary

ANNEXURE – 1

Statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2013.

Name of the Employee	Designation	Nature of Duties	Remuneration received Rs.(in lakhs)	Qualifications	Experience	Date of Employment	Age Yrs.	Designation, Last Employment held
A.Indra Kumar	Managing Director	Projects, Production, Exports & General Administration	220.85	B.E	27	01.04.1998	51	Executive Director Srinivasa Cystine Limited
C.Ramachandra Rao	Joint Managing Director	Finance, Secretarial, Imports & Exports and General administration	209.95	FCA, ACS & LLB	38	01.10.1994	61	Finance Manager & Company Secretary Srinivasa Cystine Limited