



Annual Report 2017-18



**Partnering Prosperity
and Sustainability.**
Co-creating Value.



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Consolidated Financial highlights of FY 2017-18

Gross sales

₹3,392.90 crore

29.71% y-o-y growth

EBITDA

₹730.89 crore

79.10% y-o-y growth

Profit after tax

₹466.48 crore

106.13% y-o-y growth

Net worth

₹1,149.85 crore

56.69% y-o-y growth

Equity share information

512573
BSE code

AVANTIFEED
NSE code

₹6
Total Dividend
per share

₹10,137.13 crore
Market capitalisation

600%
Dividend
pay-out ratio



OUR INSPIRATION



Late Sri. Alluri Venkateshwara Rao

Founder Chairman

7th July 1933 - 25th June 2002

*“Vision, Truth, Hard Work and
Prosperity of all Stakeholders were his
four guiding principles”*

We, at AFL, continue to carry on his legacy on these principles.



We have invested in the wellbeing and prosperity of shrimp farmers and committed for sustainable growth of India's shrimp farming.

As a part of our overarching objective, we are continuously undertaking measures to create holistic value for this activity with the help and support of all our stakeholders.

From ramping up capacity, engaging more with shrimp farmers to internalise global expertise for improving quality and productivity, we are on track to achieve our growth ambitions.

We are partnering farmers and other stakeholders in the journey towards sustainable growth and value creation.





Know more about us

Incorporated in 1993, we were the first to manufacture scientifically formulated shrimp feed in India, with quality standards that are among the best in the world. We have now emerged as a leading manufacturer of shrimp feed.

Our subsidiary **Avanti Frozen Foods Pvt. Limited** processes and exports shrimps from India.

Our vision

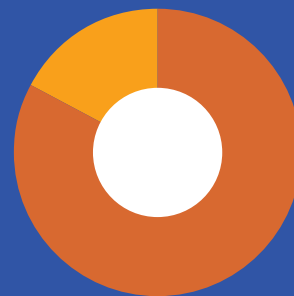
To be a

**1 billion
USD**

company by 2022

Our businesses

- Shrimp Feed Revenue share: **82.87%** in FY 2017-18
- Shrimp processing Revenue share: **17.13%** in FY 2017-18
- Shrimp hatchery (upcoming)



Our operations

Shrimp feed manufacturing

We have five shrimp feed manufacturing units in India, located two at Kovvur, Vemuluru and Bandapuram in West Godavari District, Andhra Pradesh and at Pardi in Valsad District, Gujarat. All the units are ISO 9001:2015 and also BAP certified. Avanti Feeds produces nutritionally well-balanced and high-quality feed, consistently catering to the requirements of India's shrimp farmers across geographies.

Shrimp processing and exports by subsidiary Avanti Frozen Foods Pvt. Limited

Our shrimp processing and exports units, certified ISO 22000:2005, are at Gopalapuram near Ravulapalem and at Yerravaram in East Godavari District of Andhra Pradesh, India. The facilities conform to Hazard Analysis and Critical Control Points (HACCP), US Food and Drug Administration (USFDA), EU and British Retail Consortium (BRC) Global Standards. We are also certified by the Aquaculture Certification Council (ACC) for Best Aquaculture Practices (BAP).

Our market leadership

43%

We enjoy a 43% market share in the overall domestic pie of shrimp feed.

Our capacities

6,00,000 MT per annum

Shrimp feed manufacturing

22,000 MT per annum

Shrimp processing and exports



Collaboration for growth

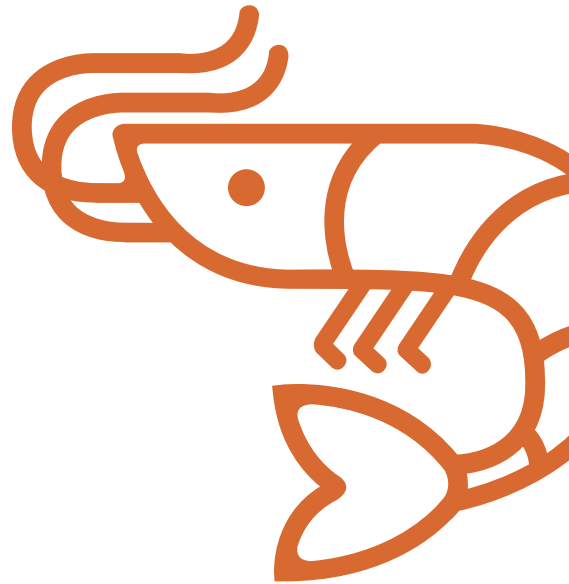
In 2002, we entered into a technical collaboration with Thai Union Feed Mills Limited, Thailand (TUFM), subsidiary of Thai Union Group PCL, for technical upgradation and development of feed for L.Vannamei species.

Thai Union Group PCL. (TUG), Thailand is the world's largest seafood manufacturers, processors and exporters. TUG also has Feed Mill and Prawn Shrimp Hatchery in Thailand. Today, Thai Union Group is closely associated with Avanti Feeds with equity participation of 25% in the Company, technical collaboration and marketing tie-up in India.

The shrimp processing & export division was carved out from the Company, to form Avanti Frozen Foods Private Limited (AFFPL) as a subsidiary of the Company with 60% equity. Thai Union (TU) joined AFFPL with 40% equity in 2016.

Salient feature

- Collaboration with TUG is contributing significantly in our growth across both businesses.
- We work together closely in shrimp feed formulation, improving shrimp productivity for the farmer by reducing FCR and by undertaking research and development (R&D).
- Our new state-of-the-art shrimp processing plant in AFFPL at Yerravaram has been established in consultation with technical expertise of TU. TU is also helping us in producing high value-added and cooked products and expand our exports to new markets.
- We are setting up shrimp hatchery with a capacity of 400 million seeds in Andhra Pradesh with the technical expertise of TU.



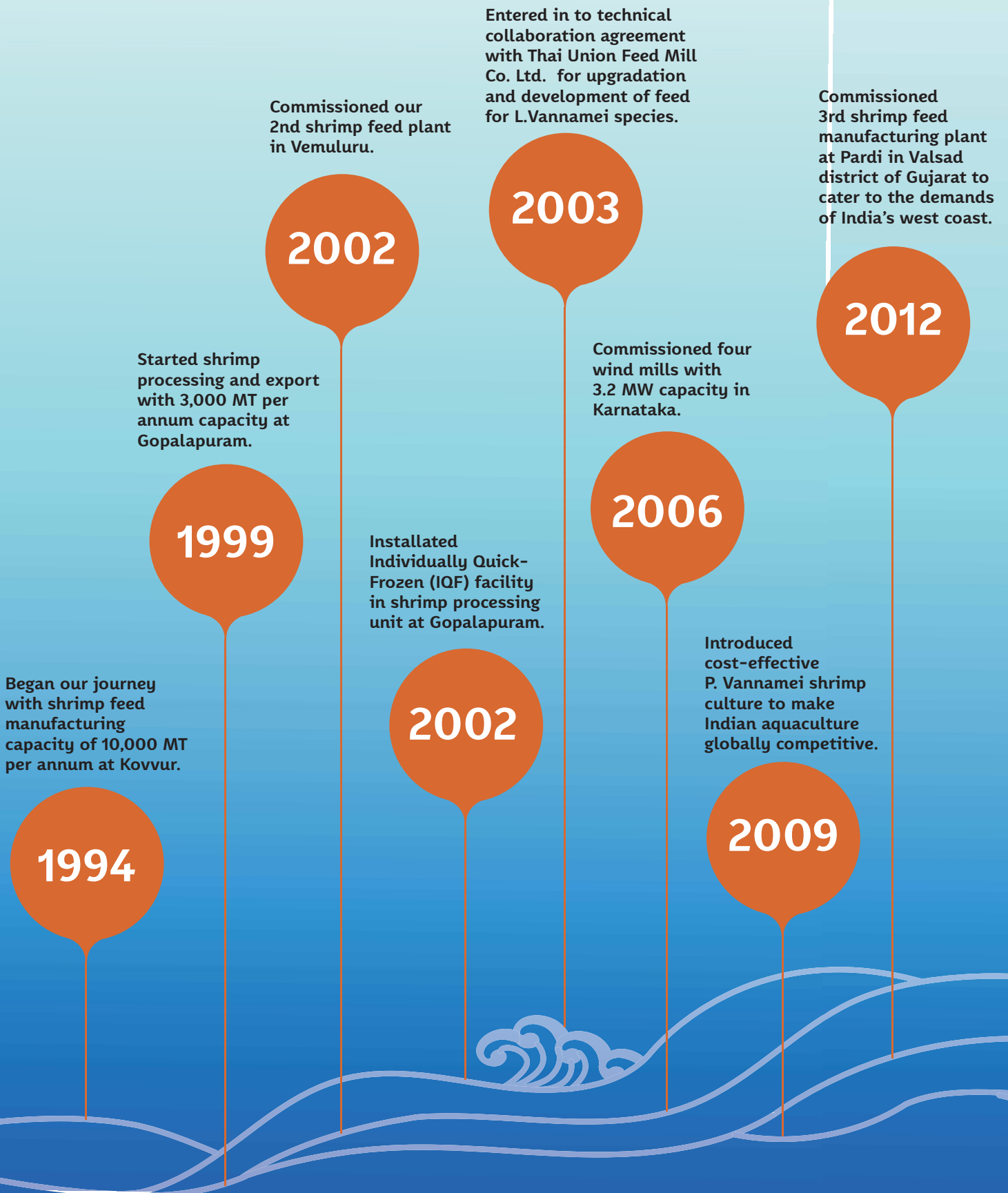
Expansion roadmap

We are in the process of setting up a shrimp seed hatchery with a capacity of 400 million seeds. The plant will be operational in two phases of 200 million seeds in each phase. A good quality seed ensures good quality shrimp and successful crop for the farmer.

We are exploring the possibility of diversifying into fish feed and other feeds manufactured for the cultivation of fish species like Seabass, which has great export potential. TUFM has proven technology for producing feed for these species that can be readily adopted by the Company.



A sustainable journey



Enhanced our shrimp processing capacity from 3,000 MT per annum to 7,000 MT per annum at Gopalapuram.

2012

Commissioned Unit-II shrimp feed manufacturing plant at Kovvur, adjacent to the 1st plant.

2014

Divested shrimp processing and export division to subsidiary AFFPL to secure global recognition for the shrimp processing and export.

2016

Commissioned shrimp feed manufacturing plant at 4th location in Bandapuram.

2017

Doubled the feed manufacturing capacity at Bandapuram.

2018

Commissioned state-of-the-art shrimp processing and export plant at Yerravaram in subsidiary AFFPL with 15,000 MT capacity per annum.

2018

Robust value creation model

What We Do

We are India's largest manufacturer of shrimp feed.

428,452MT

Shrimp feed produced in FY 2017-18

9,376MT

Shrimp processed and exported in FY 2017-18, by our subsidiary Avanti Frozen Foods Pvt. Ltd. (AFFPL).

How We Do It



Experience

We have around 25 years of rich experience in the shrimp culture industry.



Feed Formulation

We have ideal feed formulation which gives best feed conversion ratio (FCR) to the farmer



Brand

We have high brand recognition due to Avanti's quality focus, leading to strong market demand.



Scale

We enjoy economies of scale, lowering average overhead and strengthening margins.

We have the expertise for quick capacity upscale to cater to market demand.



Reach

We have a strong sales force and wide dealer network, covering all shrimp culture areas.