



36TH
ANNUAL REPORT 2011-12



VENKY'S (INDIA) LIMITED



**Padmashree Late Dr. B.V. Rao
(1935-1996)**

"VH Group has earned this leadership position because of our extra-ordinary standards in quality service and absolute integrity."

"Technologically Indian poultry can match the world's best. Our productivity levels both in layer and broiler segments are second to none. Yet we also feel small, for there is so much to be done and so much more that can be done."

"All our plans and programmes should be aimed at ensuring that the small farmer continues to remain in the industry and prosper."

"The process of economic liberalisation will help this industry to expand rapidly. There are no longer any artificial barriers between us and modern technology."

"To succeed in any business one must have a firm commitment and an affinity for the business more so in the poultry business. Making money, though welcome, should not be the sole criteria."

"My group is passionately committed in bringing quality and technology to the Indian poultry industry."

Padmashree Dr. B. V. Rao



A Message From The Chairperson

Dear Shareholders,

Greetings of the Season!

I take pleasure in presenting you with a brief review of the performance of Venky's (India) Limited in 2011-12 and a general scenario of the poultry sector in India.

During the financial year ended 31st March, 2012, Venky's continued to grow in terms of sales turnover. However, the overall profitability of the Company was lower – the reasons were that the cost of poultry feed was very high in the last 4 to 5 years. Poultry feed cost has more than doubled. Also, the realisations from the sale of day old chicks and grown up birds were lower. The Animal Health Products and Oilseed Segments have performed satisfactorily.

During the year 2011-12, Venky's has undertaken expansion-cum-modernisation programme at an estimated cost of Rs. 107 crores, to augment the capacities in Poultry and Poultry Products and Animal Health Products Segments, modernisation in Oilseed Segment and for setting up of 'Venky's Xprs' outlets. The expansion-cum-modernisation programme is funded by internal accruals and long term loans, due to which the borrowings of the Company have gone up. Benefits of the expanded capacities will start accruing to the Company from the second half of the current financial year.

Notwithstanding the temporary drop in profitability witnessed during the last financial year, I am confident that the Indian poultry industry in general and your Company in particular, will continue to maintain a healthy rate of growth in the years ahead.

My confidence stems from the fact that thanks to the far sighted vision, planning and dedicated efforts of our Founder Chairman, Late Padmashri Dr. B.V. Rao, we have a strong R&D and production- infrastructure base : we are part of an essential food production sector, wherein the demand for our products, with an established reputation for quality, can only move upwards. I am also confident that the Indian economy, which went through a phase of slow growth during the past two years, will bounce back, resulting in higher disposable income among the middle and lower middle classes and consequently, greater demand for protein-rich food products.

My best wishes to you and your families.

Anuradha J. Desai
Chairperson



BOARD OF DIRECTORS

Mrs. Anuradha J. Desai	—	Chairperson
Mr. B. Venkatesh Rao	—	Vice Chairman
Mr. B. Balaji Rao	—	Managing Director
Mr. Jitendra M. Desai		
Mr. C. Jagapati Rao		
Mr. S.B. Thorat		
Lt. Col. (Retd.) Ashok Mahajan		
Col. (Retd.) Surinder Kumar		

AUDIT COMMITTEE

Lt. Col. (Retd.) Ashok Mahajan	—	Chairman
Mr. S.B. Thorat	—	Member
Mr. Jitendra M. Desai	—	Member
Col. (Retd.) Surinder Kumar	—	Member

SHARE TRANSFER & INVESTORS' GRIEVANCES COMMITTEE

Mrs. Anuradha J. Desai	—	Chairperson
Mr. B. Venkatesh Rao	—	Member
Mr. Jitendra M. Desai	—	Member

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. A. G. Bauskar

BANKERS

State Bank of India
Industrial Development Bank of India
ICICI Bank
HDFC Bank

AUDITOR

Sudit K. Parekh & Co.
Chartered Accountants
Ballard House, 2nd Floor, Adi Marzaban Path,
Ballard Pier, Fort, Mumbai-400 001.
Tel. : 022-66178000

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited
E-2, Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (East), Mumbai-400 072.
Tel. : 022-28470652-53, 40430200

CIN - L01222PN1976PLC017422

REGISTERED AND CORPORATE OFFICE

"Venkateshwara House"
S.No. 114/A/2, Pune-Sinhagad Road,
Pune-411 030
Tel. : 020-24251530 to 41
Fax : 020-24251077

CONTENTS

	Page No.
A Message from Chairperson	1
Financial Highlights (2002-03 to 2011-12)	8
Notice	12
Directors' Report	17
Auditors' Report	33
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes Forming Parts of Financial Statements	40



HEAT & SERVE



Murg Masala



An enjoyably 'Masaledar' product made using boneless chicken. Heat in a pan or in a microwave and it is ready to eat with chapati / roti / bread or rice.

Butter Chicken



Bonless Chicken prepared using a traditional Punjabi recipe. Heat in a pan or in a microwave.

Chicken Kheema



A Chicken mince seasoned with the perfect indian spices. Heat in a pan or in a microwave and serve with Pav.

Chicken Sheek Kabab



Perfetly spiced kababs made from chicken meat. Thaw the product and shallow fry in a pan until brown. Serve with mint chutney.

Chicken Hariyali Kabab

Heat a little oil in the frying pan and place the frozen Chicken Hariyali Kabab in it. Cook the Kabab by intermittent turning for 6-7 minutes, till surface colour is golden brown. The product can also be cooked in an oven or a grill. Serve hot with spicy mint chutney / tomato ketchup / onion and lemon slice.

New



The Venky's logo is located in the top left corner, featuring the brand name in a stylized white font inside a blue oval with a yellow border. The background of the top left corner has a yellow and white polka-dot pattern.

Venky's

FRY & SERVE

Chicken Samosa



Tantalize your taste buds with crisp, tangy samosas. Deep fry the frozen samosas in hot oil, for 7 to 8 minutes or till golden brown. Serve with mint chutney.

Chicken Popcorn



A perfect excuse to watch movies at home. Deep fry the frozen popcorn in hot oil, for 3 to 5 minutes or till golden brown. Serve with tomato ketchup.

Chicken Burger Patty



Get the pleasure of fast food in the convenience of your home. Deep fry the frozen patty in oil, till golden brown. Serve the patty with buttered burger, mustard sauce and tomato ketchup.

Chicken Meat Balls



A unique product that can be fried and served as delicious Chicken Kababs or can be simply added to a curry to make a delectable Chicken Kofta Curry. Fry in hot oil for 4 to 5 minutes till golden brown or add to curry and boil for 4-5 minutes.

Chicken Nuggets



The all time favourite product of one and all. Deep fry the frozen nuggets in hot oil, for 3 to 5 minutes or till golden brown. Serve with tomato ketchup or spicy dip.

COLD CUTS

Chicken Salami

Make your salads, sandwiches, rolls, pizzas even yummier by adding Salami to them. Available in a range of flavours. Chicken Salami is a pre-cooked product and needs only to be thawed before consumption.

Black Olives



Green

Peppercorn



Pistachio



Red & Yellow

Pepper



Vienna

Sausages



Made using the finest quality chicken meat, this product is great for making a delicious Hotdog. Thaw the product and grill in a frying pan. Serve in a bread roll with tomato ketchup and mustard sauce.

Chicken

Sausages



Made from ground chicken meat and lightly spiced. To thaw before use, grill the frozen sausages in a frying pan or place in warm water for 2 minutes and it is ready to eat.

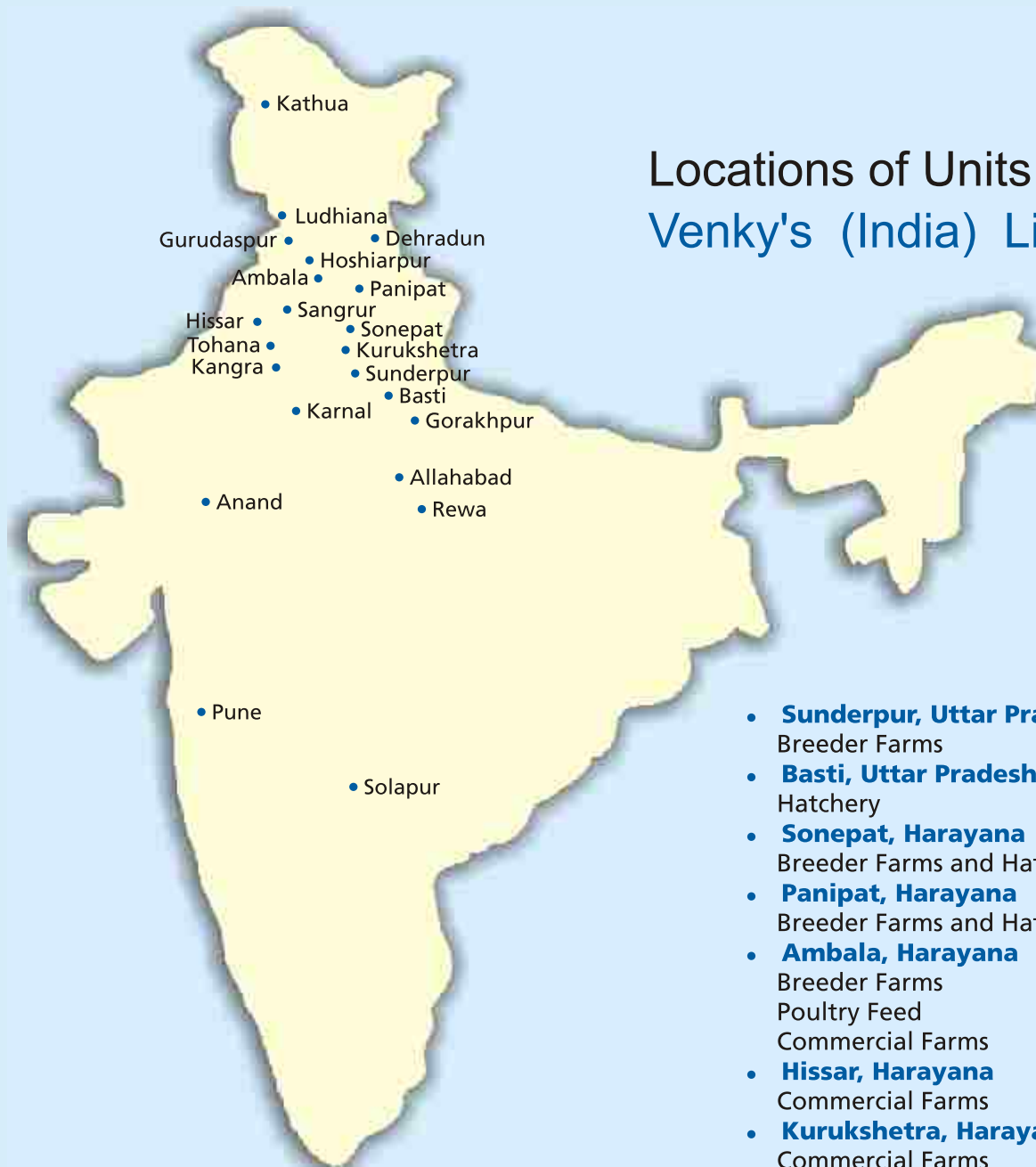
Chicken Franks



Also known as Frankfurters, this product is an all time favourite. To thaw grill the frozen franks in a frying pan or place in warm water for 2 minutes and it is ready to eat.



Locations of Units of Venky's (India) Limited



- **Pune, Maharashtra**
Breeder Farms
Specific Pathogen Free Egg
Poultry Feed
Animal Health Products
Chicken Processing
Commercial Farms
Health Care Products
- **Solapur, Maharashtra**
Solvent Extraction and Refinery
Poultry Feed
- **Anand, Gujarat**
Breeder Farm
Hatchery
- **Dehradun, Uttaranchal**
Breeder Farms
Hatchery and Poultry Feed
- **Allahabad, Uttar Pradesh**
Breeder Farms
Hatchery and Poultry Feed

- **Sunderpur, Uttar Pradesh**
Breeder Farms
- **Basti, Uttar Pradesh**
Hatchery
- **Sonepat, Harayana**
Breeder Farms and Hatchery
- **Panipat, Harayana**
Breeder Farms and Hatchery
- **Ambala, Harayana**
Breeder Farms
Poultry Feed
Commercial Farms
- **Hissar, Harayana**
Commercial Farms
- **Kurukshetra, Harayana**
Commercial Farms
- **Karnal, Harayana**
Commercial Farms
- **Tohana, Harayana**
Commercial Farms
- **Ludhiana, Punjab**
Breeder Farms
Hatchery and Commercial Farms
- **Hoshiarpur, Punjab**
Breeder Farms
Hatchery and Commercial Farms
- **Gurudaspur, Punjab**
Commercial Farms
- **Sangrur, Punjab**
Commercial Farms
- **Rewa, Madhya Pradesh**
Breeder Farms and Hatchery
- **Kangra, Himachal Pradesh**
Hatchery
- **Kathua, Jammu & Kashmir**
Hatchery



FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

PARTICULARS	2011-12*	2010-11*	2009-10	2008-09	2007-08
OPERATING RESULTS					
Turnover & Other Income	100,654	86,074	71,066	57,526	52,838
Material Cost	65,062	51,558	45,007	38,224	32,940
Personnel Cost	6,879	5,658	4,374	4,099	3,774
Interest	1,311	455	504	788	872
Other Expenses	20,503	16,661	12,055	10,450	10,243
Depreciation	1,177	964	898	862	827
Provision for Contingencies Written back		—	—	—	—
Profit Before Tax	5,719	10,775	8,229	3,103	4,182
Profit After Tax	4,105	7,303	5,432	2,056	2,661
Dividend (In Rs. per Equity Share)	5.00	5.00	4.00	3.50	3.50
FINANCIAL SUMMARY					
Assets Employed					
Current Assets	33,178	21,077	15,948	14,708	14,684
Current Liabilities	20,423	7,554	6,317	6,095	5,750
Net Current Assets	12,754	13,522	9,630	8,613	8,934
Net Fixed Assets	24,346	17,599	13,352	12,617	12,270
Investments	3,733	9,278	8,131	5,211	5,263
Deferred Tax Liability	(1,723)	(1,530)	(1,458)	(1,341)	(1,392)
Other Non Current Assets	2,851				
Miscellaneous Expenses	—	—	—	—	—
Total Assets	41,962	38,870	29,655	25,100	25,075
Financed By					
Share Capital	939	939	939	939	939
Reserves & Surplus	30,639	26,478	19,721	14,768	13,097
Capital Grants and Subsidies		—	3	3	4
Borrowings	10,383	11,452	8,992	9,389	11,035
Total Liabilities	41,962	38,870	29,655	25,100	25,075
Earning per share (Rs.)	43.72	77.76	57.83	21.89	28.33
Book Value (Rs.)	336	291	220	167	149
Debt Equity Ratio	0.33	0.42	0.44	0.60	0.79
No. of Employees	4,343	3,728	3,084	3,335	3,566

*The figures are regrouped and reclassified wherever applicable as per the new Schedule VI of the Companies Act, 1956.