

**July 17, 2023**

To  
BSE Limited,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Mumbai – 400001,  
Maharashtra, India

BSE Code: **512573**

Dear Sir/Madam,

To  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Bandra (East),  
Mumbai – 400051,  
Maharashtra, India

NSE Symbol: **AVANTIFEED**

**Sub: Notice of 30<sup>th</sup> Annual General Meeting and Annual Report for the FY 2022-23.**

\*\*\*

In continuation to our letter dated July 12, 2023 and pursuant to Regulation 30 and 34 of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

1. Notice convening the 30<sup>th</sup> AGM together with explanatory statement;
2. 30<sup>th</sup> Annual Report for the FY 2022-23; &
3. Business Responsibility and Sustainability Report (“BRSR”).

In compliance with relevant circulars as issued by Ministry of Corporate Affairs (“MCA”) and the Securities and Exchange Board of India, the Notice of the 30<sup>th</sup> AGM along with the Annual Report were sent only via e-mail on Monday, July 17, 2023, to those Members whose e-mail addresses are registered with the Company / Depository Participant(s). Additionally, the Notice of the AGM and the Annual Report are also being uploaded on the website of the Company at [www.avantifeeds.com](http://www.avantifeeds.com).

The Secretarial Audit Report of material-unlisted subsidiary i.e. Avanti Frozen Foods Private Limited (“AFFPL”) is also enclosed to the 30<sup>th</sup> Annual Report.  
This is for your kind information and record.

Thanking you,

Yours faithfully,  
for **Avanti Feeds Limited**

C. Ramachandra Rao  
Joint Managing Director,  
Company Secretary,  
Compliance Officer & CFO  
DIN:00026010

Encl: as above



**Avanti**<sup>®</sup>  
Feeds Limited

Aiding Sustainability & Reliability to Aquaculture

# GROWING FOOTPRINTS ACROSS THE WORLD



30<sup>th</sup> Annual Report | 2022-23





# CONTENTS

- **Company Overview** **1-35**
  - Chairman's Message
  - Capturing Avanti's vignettes from 2022-23
- **Statutory Reports** **36-119**
  - Corporate Information
  - Board's Report
  - Management's Discussion and Analysis
  - Business Responsibility Report
  - Report on Corporate Governance
- **Financial Statements** **120-256**
  - Standalone Financial Statements
  - Consolidated Financial Statements
- **Notice** **257-272**

You are always with us,  
reminding us of these great values  
you had stood for:

Vision, Truth, Hardwork and Prosperity  
of all stakeholders.



**SRI ALLURI VENKATESWARA RAO**

1933-2002

Founder-Chairman, Avanti Group



At Avanti, we are committed to upholding the principles of our founder, as we forge ahead on our journey. By embracing innovation, pursuing continuous development, and nurturing strong relationships, we aim to create sustainable value for our stakeholders and contribute to the growth and prosperity of the industries we operate in.

# Growing Footprints across the World

CANADA



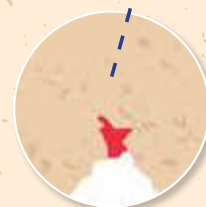
EUROPE



ASIA



USA



BANGLADESH

The fiscal year 2022-23 marked an exhilarating period of global expansion for Avanti.

During this time, numerous consolidation opportunities quietly emerged in the background, stemming from the previous two years impacted by the pandemic. While initially appearing as daunting challenges, Avanti demonstrated its astuteness by identifying these growth prospects. Through unwavering determination and hard work, we diligently strengthened all aspects of our business operations and significantly expanded our market reach.

Avanti, already established as the market leader in shrimp feed in India, embarked on a mission to establish its presence on the global stage. This included offering value-added frozen shrimp and other ready-to-eat variations.

During the fiscal year 2022-23, we achieved remarkable strides in international markets, with a particular focus on Bangladesh, where our feed has gained significant visibility across the country. Additionally, in shrimp processing our penetration into the markets of the USA, Asia, EU and Canada has experienced increased traction, resulting in a significant boost to our overall performance.

Looking ahead, the future holds immense potential for Avanti. With a sense of eager anticipation, we embrace the forthcoming opportunities to spearhead transformative growth, delivering exceptional value worldwide.

Through our unwavering dedication, strategic vision, and relentless pursuit of excellence, we are poised to further strengthen our global presence and consolidate our position as a frontrunner in the industry.





# Thriving amidst challenging tides...

Despite the myriad challenges faced throughout the fiscal year 2022-23, which encompassed the Global Economic recession volatile farm gate prices, and prevailing concerns among farmers leading to an industry-wide slowdown, Avanti exhibited unwavering resilience and delivered a commendable performance. Notably, our financial performance surpassed that of the previous year, albeit by a modest margin.

In FY 2022-23, prior to factoring in depreciation, finance charges, and taxes, our profit soared to ₹ 33,057.49 Lakhs. After tax, our profit for the year reached ₹ 23,284.42 Lakhs, exceeding the profit achieved during the preceding financial year.

Additionally, the four windmills owned by our company, situated in Karnataka State, generated a total power output of 47.95 Lakh units over the course of the year.

Encouragingly, the demand outlook is improving as export markets reopen hotels and malls, accompanied by enhanced export opportunities, favourable farm gate prices, and conducive conditions for shrimp cultivation.

Shrimp Feed Sales

**4,97,550 MT**

(5,40,889 MT 2021-22)



Processed Shrimp sales

**12,497 MT**

(12,836 MT 2021-22)



Market Capitalisation of over  
**₹4,628.95** Crores



Consolidated Profit Before Depreciation,  
Interest and Tax (PBDIT)

**₹47,139.82** Lakhs  
(36,669.59 Lakhs in 2021-22)



Consolidated Profit After Tax (PAT)

**₹31,225.23** Lakhs  
(24,522.70 Lakhs in 2021-22)





## **Chairman's Message**

The remarkable growth we have sustained is entirely attributed to the dedicated and unwavering efforts of our employees, supported by Our Value chain partners, and the efficient operations of our supply chain from farm to export markets.

## Dear Shareholders,

With immense delight and energy, I present to you our Annual Report 2022-23, showcasing our accomplishments, advancements, and future potential.

Despite the numerous challenges faced by our company, including Global recession, high inflation affecting EU nations, and COVID-related difficulties in China, I am proud to report that we navigated through these dynamic situations and achieved a commendable financial performance, remaining nearly on par with FY22 in most aspects.

During FY23, our turnover remained steady at ₹ 4,04,135 lakhs, while our net profit increased to ₹ 23,284.42 lakhs compared to ₹ 19,925.50 lakhs in the previous financial year. These results reflect our ability to leverage our 30-year standing, sector expertise, and leadership position to overcome challenges such as the crash in farmgate prices, farmer apprehensions, and industry slowdown.

Despite experiencing an 8% decline in Shrimp feed sales volume during FY23 compared to the previous year, we remain steadfast in our commitment to growth. We have taken this opportunity to accelerate the establishment of a new shrimp feed manufacturing plant with an installed capacity of 1,75,000 MT per annum, along with expanding our shrimp processing capacity.

The remarkable growth we have sustained is entirely attributed to the dedicated and unwavering efforts of our employees, supported by our value chain partners, and the efficient operations of our supply chain from farm to export markets.

Looking ahead, we anticipate better times in the US and European countries, as they recover from high inflation and the impact of the Russia-Ukraine conflict. One of the big advantages of Indian aquaculture is the size of the country's coastline, with that of the mainland measuring up to a hefty 7,500 kilometers. Avanti is trying to encourage farmers to expand their aquaculture to many different parts of India, which have not yet gone into shrimp culture.

Aquaculture has an important role to play in serving the nutritional needs of India's growing population. But it can also help elevate the lives of farmers across the country. With India on a mission to improve the health of its population through initiatives such as FIT India and the National Nutrition Mission, nourishment has been pushed up the agenda. As the population has exploded, so too has demand for protein, with seafood proving to be an affordable source of the macronutrient, while is also rich in minerals and vitamins.

In order to keep pace, the aquaculture industry will have to expand. Similar in concept to agriculture, it involves the cultivation of aquatic organisms for human consumption to increase. As the farmers increase the scale of their operations, feed surge is estimated in fueling Avanti's growth.

Avanti Frozen Foods, is concentrating on selling value-added products, by making India one of the best suppliers of value-added products.

The outlook for India's aquaculture industry is highly positive, with opportunities to accelerate growth, meet demand from markets affected by COVID-19 and lockdowns, and tap into new markets. As a leader equipped with cutting-edge technologies, robust R&D, skilled manpower, and strong linkages with aqua farmers, our company is poised to overcome the recent challenges and enter a fast-track growth mode.

In addition to our core business, we operate four windmills located in Karnataka State, generating a total capacity of 3.2 MWs. During FY23, these windmills generated 47.95 lakh units, slightly lower than the previous year's 48.09 lakh units. The power generated was successfully sold to Karnataka Power Transmission Corporation Limited (KPTCL) under the Power Purchase Agreement (PPA).

I would like to express my heartfelt gratitude to our employees, aqua farmers, customers, dealers, partners, financial institutions, and all stakeholders for their unwavering support in maintaining Avanti's position at the pinnacle of success, even amidst multifaceted challenges. I am also thankful to my fellow Directors for their invaluable guidance and unwavering support throughout our journey.

With my best wishes to everyone

**Alluri Indra Kumar**  
Chairman and Managing Director

# Board of Directors

Our Board is comprised of distinguished professionals and accomplished administrators who have made significant contributions in their respective fields.



**A Indra Kumar**  
Chairman &  
Managing Director



**C Ramachandra Rao**  
Joint Managing Director  
Company Secretary & CFO



**A Venkata Sanjeev**  
Executive Director



**J V Ramudu**  
Non-Executive,  
Independent Director



**N Ram Prasad**  
Non-Executive,  
Non-Independent Director



**Peerasak Boonmechote**  
Non-Executive,  
Non-Independent Director



**Bunluesak Sorajjakit**  
Non-Executive,  
Non-Independent Director



**N V D S Raju**  
Non-Executive,  
Independent Director



**V Narsi Reddy**  
Non-Executive,  
Independent Director



**K Kiranmayee**  
Non-Executive,  
Independent Director



**G Sudarsan Babu**  
Nominee Director





# Shrimp industry poised for rapid strides...

Despite the challenges faced in major export markets like the USA, India achieved record-high seafood exports in terms of both volume and value during the fiscal year 2022-23.

Frozen shrimp remains the major export item both in terms of quantity and value, with the USA and China being the primary importers of Indian seafood. Frozen shrimp exports earned ₹ 43,135.58 crore (US\$ 5481.63 million) and accounted for 40.98% of the total quantity exported and 67.72% of the total US\$ earnings. The USA imported the largest quantity of frozen shrimp (2,75,662 MT), followed by China (1,45,743 MT), the European Union (95,377 MT), Southeast Asia (65,466 MT), Japan (40,975 MT), and the Middle East (31,647 MT). The Vannamei shrimp exports declined in Financial year 2022-23 as compared to Financial year 2021-22 by 8.11%. Exports of Black tiger shrimp to the US increased by 4.06% in quantity terms and 0.26% in rupee terms.

India is the unrivalled global leader in shrimp exports, with a vast farming area of 160,000 hectares, establishing its dominance in the market. The Indian shrimp market achieved a volume of 0.85 million tons in 2022 and is projected to grow at a CAGR of 9.60% during the forecast period of 2023-2028, reaching approximately 1.47 million tons by 2028. The demand for Indian shrimp remains robust, particularly in the US market, and there is increased interest from China despite COVID protocols. The global shrimp market is experiencing strong demand, resulting in firm prices and a positive outlook for the industry. The global shrimp feed market is also projected to grow at a CAGR of around 5% during 2021-2026.





# Our operations...



SHRIMP  
FEED



SHRIMP  
HATCHERY



SHRIMP  
PROCESSING

Avanti stands as a leading player in the aquaculture industry, offering an extensive array of services that span the entire spectrum of Shrimp Culture.

With our integrated approach, we have established ourselves as a prominent seafood company, providing comprehensive solutions to meet diverse needs. Our expertise lies in the following specialized areas:

- 1. Shrimp Feed:** Our commitment lies in delivering exceptional quality feed exclusively designed for shrimp farming. Our meticulously formulated feed guarantees optimal nutrition, fostering the healthy and sustainable growth of shrimp.
- 2. Shrimp Hatchery:** At our advanced hatchery facilities, we prioritize the breeding and hatching of shrimp larvae. By consistently producing high-quality shrimp seedlings, we contribute to the continuous supply required to sustain the thriving aquaculture industry.
- 3. Shrimp Processing:** Equipped with cutting-edge processing facilities, we take charge of the meticulous processing and value enhancement of shrimp. Our unwavering focus on maintaining superior quality ensures that our shrimp meet stringent international standards, positioning them as a premium choice.

Apart from our extensive knowledge in shrimp culture, we actively engage in gas-based and hydel power projects, bolstering our long-term profitability. These ventures serve as additional avenues through which we contribute to the sustainable energy sector.

Avanti has garnered the unwavering trust and loyalty of aqua-farmers nationwide, solidifying our position as a dependable partner in their endeavors. We pride ourselves on being a reliable ally, continuously striving to strengthen our relationships through collaborative efforts and fostering mutual growth.





# FEED



## Superior feed for thriving aqua culture

Avanti's scientifically formulated shrimp feed is tailored to meet the specific needs of aquaculture.

With five cutting-edge feed manufacturing units, holding esteemed certifications such as BAP and ISO, we ensure adherence to rigorous quality standards, guarantees exceptional feed.

Operating at a collective capacity of 7,75,000 metric tons, our manufacturing units meet the increasing demand for top-quality shrimp feed. Stringent quality checks, conducted in well-equipped testing laboratories, ensure consistent and reliable quality feed delivery, upholding the highest standards.

Beyond feed supply, Avanti provides comprehensive support to farmers. Our experienced technical teams offer guidance on optimal aquaculture practices, assist in seed selection, and conduct thorough seed quality analyses. Leveraging our expertise, farmers can optimize their operations and achieve superior results in shrimp cultivation.





Manamei

Profeed

Prostar

Titan

**7,75,000** MT  
Production  
Capacity Feed  
Manufacturing  
Units

# FROZEN FOODS



## Offering seafood delights to global palates...

Avanti Frozen Foods Pvt. Ltd. (AFFPL), a subsidiary of Avanti Feeds, is deeply committed to delivering high-quality seafood products to the global market, since its establishment in 2015.

AFFPL operates two advanced shrimp processing and export facilities that are equipped with state-of-the-art in-house laboratories and adhere rigorously to international food safety standards. These facilities boast a combined capacity of 22,000 metric tons and effectively cater to a wide range of global markets, including Europe, USA, Japan, Korea, China, Russia, Canada, and the Middle East.

As Avanti's dedicated shrimp processing division, AFFPL meticulously ensures a fully traceable farm-to-fork supply chain solution.

Our product portfolio encompasses a diverse range of offerings, including raw, cooked, and value-added shrimp products. With an unwavering commitment to maintaining exceptional quality standards and a strong emphasis on traceability, AFFPL consistently provides customers worldwide with reliable and sustainable seafood options.





Capacity  
**22,000** MT

# Our portfolio of products



## Raw Shrimp

- > Head-on
- > Headless, Easy peel
- > Raw Peeled & Deveined, Tail-on
- > Raw Peeled & Deveined, Tail-off
- > Butterfly Cut, Peeled & Deveined, Tail-on
- > Pin Deveined



## Value added Shrimp

- > Marinated products
- > Breaded products
- > Skewers
- > Shrimp Rings



## Cooked Shrimp

- > Cooked Head-on
- > Cooked Headless, Easy peel
- > Cooked Raw Peeled & Deveined, Tail-on
- > Cooked Raw Peeled & Deveined, Tail-off
- > Cooked Butterfly Cut, Peeled & Deveined, Tail-on
- > Cooked Pin Deveined



## Our Brands stand out in the market

- > One supply chain
- > End-to-end certifications
- > Transported, processed and stored in controlled temperatures
- > Full traceability farm-to-fork
- > Approved by USFDA, EU, Korean FDA, Japan and Canada

# HATCHERY



## Empowering farmers with our premium seeds

Avanti's advanced hatchery division in Visakhapatnam district, Andhra Pradesh, marks a significant stride in our journey.

Situated in Gudiwada village, this state-of-the-art facility shines as a beacon of innovation, boasting a capacity of 600 million post larvae shrimp seed.

Our hatchery division serves as a hub of cutting-edge technology, featuring advanced machinery for efficient seawater filtration, purification, and highly effective culture and rearing systems.

We are resolute in our commitment to empowering farmers with premium seeds and optimal inputs, complemented by comprehensive disease monitoring and strict biosecurity measures.

Our own in-house laboratory ensures stringent quality control and testing, guaranteeing superior seeds for our farmers.

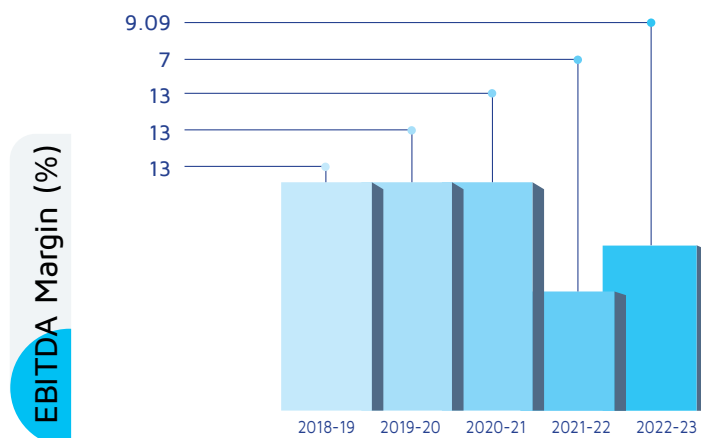
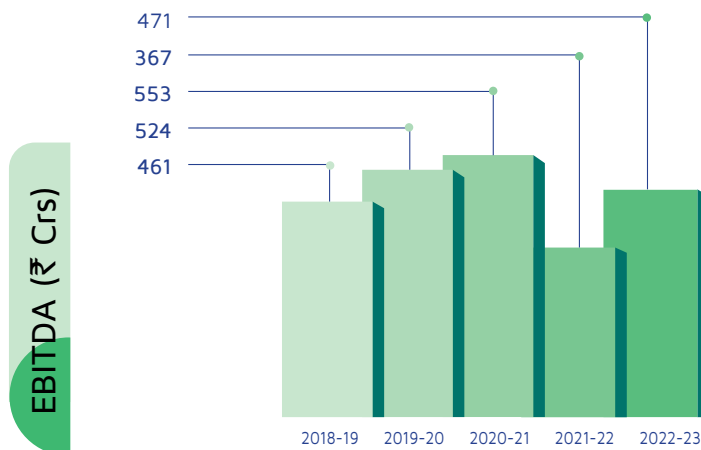
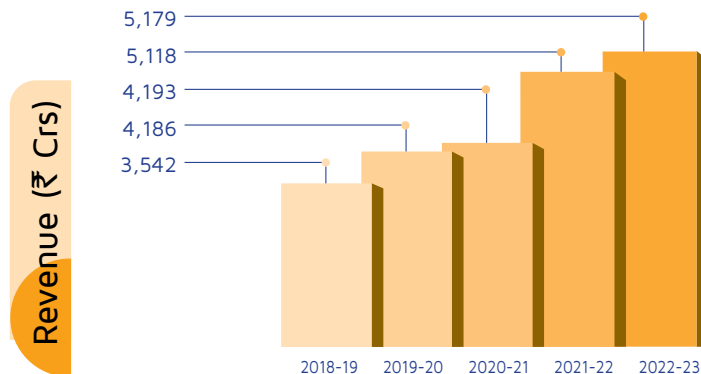
The hatchery division plays a pivotal role in securing disease-free post-larvae, leading to a successful shrimp culture.

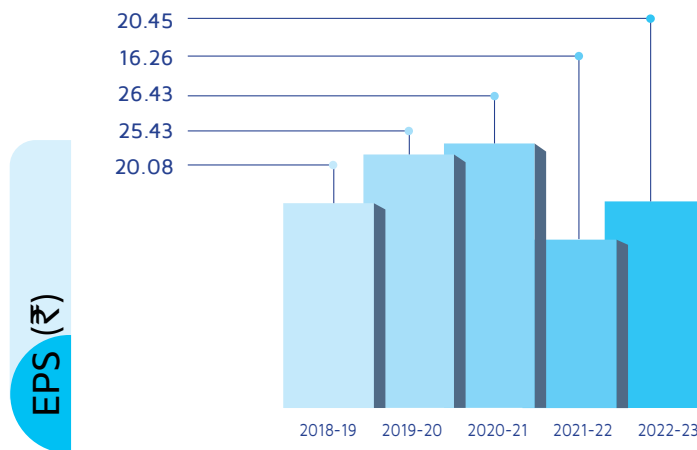
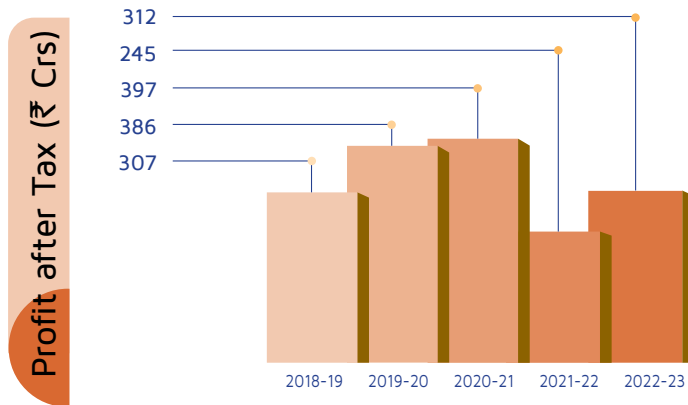


Total Capacity  
**600**  
Million Post  
Larvae per annum



# Spotlight on our performance



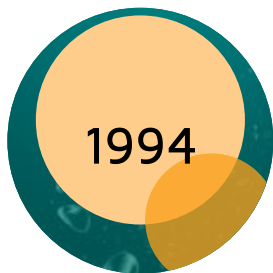


### Key Ratios

	2018-19	2019-20	2020-21	2021-22	2022-23
ROCE (%)	34	33	28	15	18
ROE (%)	23	24	20	12	14
Net Debt to Equity	0	0	0	0	0
Inventory Days	60	52	63	67	80
Receivable days	5	6	7	7	8

# Traversing the milestones on our path of progress...

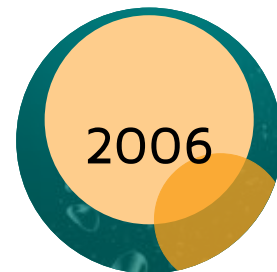
Shrimp Feed  
Manufacturing  
Unit-I  
(20,000 TPA)  
at Kovvur



Company  
incorporation



Four Windmills (3.2  
MW) commissioned  
in Karnataka

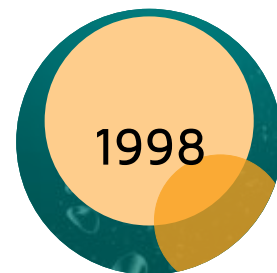


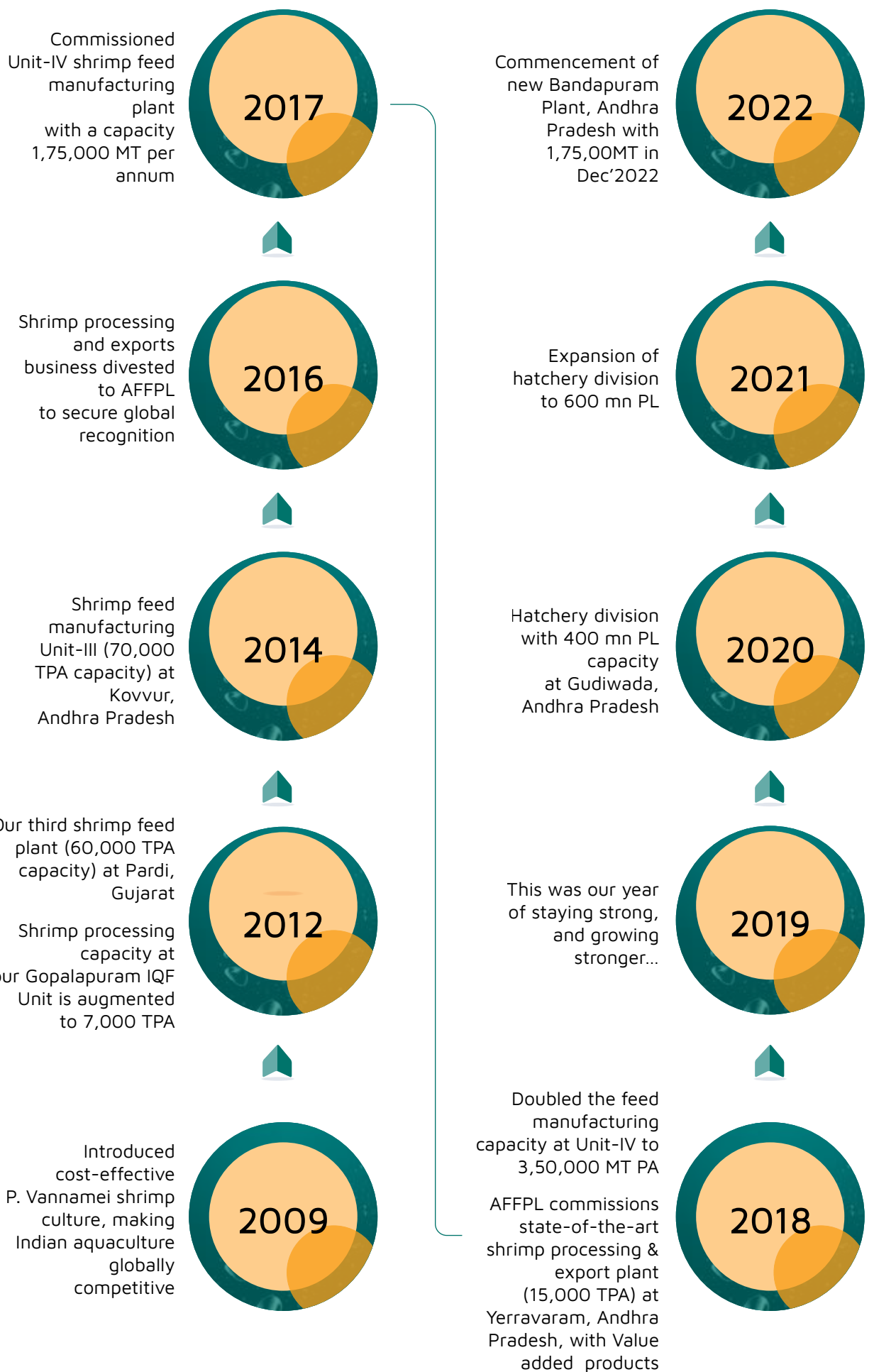
Technical  
Collaboration with  
Thai Union Feed Mill  
(P) Ltd, for  
L. Vannamei species



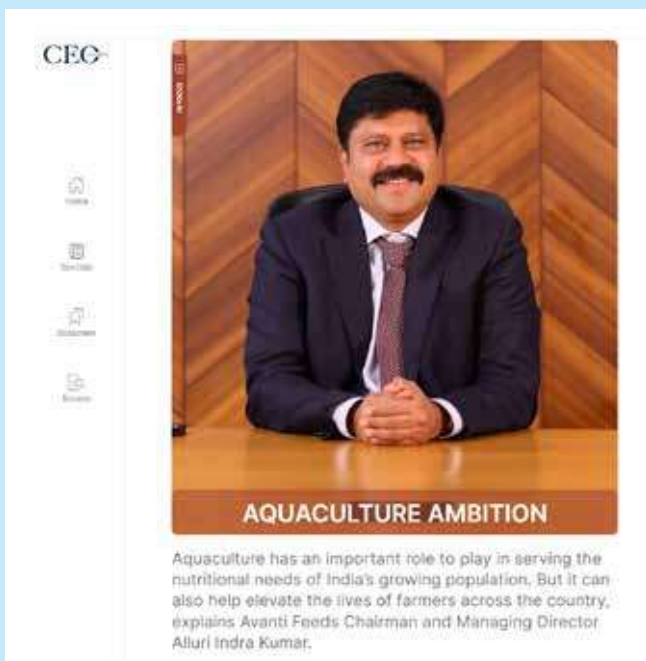
Unit-I & Unit-II  
Kovvur, Andhra  
Pradesh capacities  
enhanced to 60,000  
TPA each

The Gopalapuram  
Block Freezing  
and IQF Shrimp  
Processing  
and Export Unit  
(3,000 TPA)  
takes off





# Recognitions that drive our pursuit of excellence



CEO Magazine

BEST CEO AGRICULTURE AND ALLIED	
Total Income/ 3-yr CAGR	₹32,251 cr / 8.03%
PBT/ 3-yr CAGR	₹378.17 cr / 5.86%
PAT/ 3-yr CAGR	₹285.98 cr / 13.34%
3-yr Average TSR	-39.07
Average Market Cap Yo-Y Growth*	33.61
ROE/ ROCE	25.29% / 33.44%
CASH/ DEBT	₹188.7 cr/ Nil
Net Profit Margin	-9.04%

\*For Oct 2019-Sep 2020. Base-calculation data: Total Income, PBT & PAT net of extraordinary items; TSR: Total shareholder returns; Source: ACE Equity

India's Best CEO for 2020



Fortune 500 India's Largest Corporations



Forbes India Leadership Awards Fila - 2017



Forbes Asia's 200 Best Under A Billion

# Certifications



No haram product or procedure is used during the food's manufacturing or processing.



To nodal agency to validate the catch certificate for exporting seafood to EU countries per the EU Regulation 1005/2008.



Certifies that the Feed manufacturing for aquaculture animals for domestic and export.



Certified for meeting the requirements for seafood processing.



Products comply with the requirements of the MSC Chain of Custody Standard (COC).



Global Food Safety Initiative (GFSI) recognized standard for auditing food manufacturers.



Certified for compliance with GAA/BAP plant standard.



Internationally accepted certification scheme based on ISO 22000 sector – specific PRP and FSSC additional requirements.



Certified for meeting the requirements of the Global Standard for Food Safety.



International standard defining the requirements for effective control of food safety.



A global benchmark in customer satisfaction, product quality and a significant reduction in defect levels.



Certification to establish eligibility for participation in the Voluntary Qualified Importer Program (VQIP)



Certification to apply for getting the certificate that the available sold food is safe for human consumption.



The leading standard set for aquaculture seafood.

# Avanti has the **best interests** of the **farmers** at heart

## **Get a firsthand account of what the farmers have to say about us...**

Avanti looks after the shrimp farmers by producing best quality shrimp feed, measured by the feed conversion ratio. Yield is the most important thing for shrimp farmers, so they eagerly seek the best feed. Even the best shrimp feed in the world will yield meagre results if it is not handled, stored and used properly. We enable optimization of feed utilization by close collaboration with the shrimp farmer for feed formulation, logistics, storage and feeding management. This is complemented by the technical support the Company offers. Farmers have to check the water and soil parameters and growth factor of the shrimp on a daily basis. We regularly monitor through our technical teams visiting the farmers and help them to monitor these factors.

### **P. Suresh Varma** Pallipalem, Amalapuram Market



With 15 years of shrimp farming experience, I am highly content with the feed and seed quality provided by Avanti. Their feed stands out for its exceptional quality, resulting in excellent FCR and growth rates.

### **J. Dhani** Kathavapadu



In my shrimp farming, I've adopted advanced tech like Central Drainage System, Nursery Rearing, and small ponds. Avanti Feeds' technicians' expert guidance keeps me at the forefront of industry innovation, ensuring superior results and greater success.

### **Siddi Venkata Ramaiah** Paali, Palakol market



Although new to shrimp farming, I achieved good production, thanks to Avanti team's guidance. They supported me throughout the farming process, ensuring successful crops. Avanti's high-quality feed improved FCR and water quality.

### **A. Dinesh Varma** Pallipalem, Amalapuram market



I consistently achieve successful crops and excellent FCR with Avanti's quality feed and the support provided by their technical team. Avanti's guidance during critical periods greatly assists farmers. I recommend Avanti feed.

**Saladi Venkateswara Rao**  
Cheyyuru



With 18 years in shrimp farming, I achieve the best FCR with Avanti Feed. Avanti's round-the-clock technical support by their knowledgeable team is commendable. Their expertise and advice in tough times are invaluable.

**N. Taraka Rama Raju**  
Komaragiri, Amalapuram market



Avanti Feed significantly enhances survival rate and fosters optimal growth. I have been using Avanti Feed, achieving excellent results in terms of biomass and return on investments. Avanti is an efficient and high-quality feed that ensures successful crops.

**G. Srinu**  
Rajukulava, Guntur market



I am a humble farmer, yet the Avanti team has diligently tended to my land and nurtured it, fostering my prosperity. Their superior feed and exceptional services enabled me to expand my operations from three to ten acres in just three years..

**M. Ashok varma**  
Pallamkuru



Avanti Feeds ensures the the superiority of my crops. Stocking 3 million PLs in 20 acres with 60 tons of feed yielded 42 tons of 50 count shrimp at an impressive FCR of 1.4. Avanti's quality and technical services contributed to my success.

**J SUBBARAO,**  
Kathwapadu



Shrimp farming is profitable only with proper guidance and good quality inputs. By proper guidance, quality feed and probiotics from Avanti, I am getting good crops. Thanks, Avanti feeds for providing experienced technicians to our farms.

**A. Srinivasa Rao**  
Kavitam (Marteru Market West-2)



Whenever someone shows interest in aquaculture, I strongly recommend Avanti Feeds. Having tried various feeds, I can confidently say Avanti consistently outperforms the competition in yield and profitability. I proudly endorse Avanti.



# Society's well-being: The foundation of our commitment



## Avanti Foundation

The Avanti Foundation is a Charitable Trust specifically established to carry out Corporate Social Responsibility (CSR) activities on behalf of the Avanti Group. The Foundation's primary objective is to undertake a range of initiatives focusing on health, education, environment, infrastructure, and sports, with a particular emphasis on rural areas.

Through Avanti Foundation, the Avanti Group is dedicated to making a positive impact on society by supporting and implementing projects and programs that address critical social and community needs. These initiatives aim to improve healthcare access, enhance educational opportunities, promote environmental conservation, develop essential infrastructure, and foster

sports and recreational activities. By actively engaging in CSR activities through the Avanti Foundation, the Avanti Group demonstrates its commitment to creating sustainable social development and making a meaningful difference in the lives of individuals and communities, particularly in rural areas.

Avanti's CSR activities encompass education, environment, healthcare, and social welfare initiatives, benefiting diverse communities.

In education, Avanti upgraded a government school in Gopalapuram Village. Avanti provides educational support for economically backward children and has improved school infrastructure through "Connect to Andhra" and the "Jasti Venkataiah Memorial Rural Development Trust.". Avanti also distributed student uniforms in Balda Village, Gujarat. It operates an **Aquaculture Skill Development Centre** in Visakhapatnam.

In healthcare, Avanti established the "Diagnostics and Healthcare Centre" in Kovvur. It offers financial assistance for cancer treatment, kidney dialysis/transplantation, and distributed wheelchairs through the **Rotary Club in Visakhapatnam**. Avanti contributed to **Manna Trust** and **Sumedha Bharat Foundation Trust**, focusing on mid-day meals, educational resources, and healthcare aid for disadvantaged communities. Avanti also supported the **Sri Gurudeva Charitable Trust**, providing medical aid and conducting medical camps for the physically handicapped by distributing artificial limbs and wheelchairs.

Avanti established water treatment plants in various villages for providing clean and safe drinking water in rural areas.



Through the Avanti Foundation, the Avanti Group is dedicated to making a positive impact on society.



Capturing  
**Avanti's vignettes**  
from 2022-23





The background is a solid blue color with a pattern of semi-transparent, light blue water droplets of various sizes scattered across the surface. The droplets are most concentrated on the left side and become sparser towards the right.

**Statutory Reports  
2022-23**

# Corporate Information

## Board of Directors

### A. Indra Kumar

Chairman & Managing Director

### C. Ramachandra Rao

Joint Managing Director  
Company Secretary & CFO

### A. Venkata Sanjeev

Executive Director

### N. Ram Prasad

Non-Executive Director

### J. V. Ramudu

Independent Director

### Bunluesak Sorajjakit

Non-Executive Director

### Peerasak Boonmechote

Non-Executive Director  
(Appointed w.e.f. 20<sup>th</sup> February, 2023)

### N. V. D. S. Raju

Independent Director

### K. Kiranmayee

Independent Woman Director

### V. Narsi Reddy

Independent Director

### G. Sudarsan Babu

Nominee Director, APIDC  
(Appointed w.e.f. 11<sup>th</sup> February, 2023)

### Wai Yat Paco Lee

Non-Executive Director  
(Resigned w.e.f. 16<sup>th</sup> February, 2023)

### R. Karikal Valaven, IAS

Nominee Director, APIDC  
(Resigned w.e.f. 06<sup>th</sup> February, 2023)

## Secretarial Auditors

### V. Bhaskara Rao & Co

Flat No.103, 6-2-1085/B,  
Badam Sohana Apartment,  
Rajbhavan Road Somajiguda,  
Hyderabad-500082  
Telangana State, India

## Statutory Auditors

### Tukaram & Co LLP

Chartered Accountants

#3-6-69, Flat No. 209 & 409  
Venkatarama Towers  
Opp: Talwalkars, Basheerbagh  
Hyderabad-500029  
Telangana State, India.

## Bankers

State Bank of India  
HDFC Bank Ltd.

## Registrar & Transfer Agent (RTA)

### KFin Technologies Limited

(Unit: Avanti Feeds Limited)  
Selenium Building, Tower B  
Plot No. 31-32, Financial District  
Nanakramguda, Serilingampally  
Hyderabad-500032  
Telangana State, India.  
Tel: 1800 309 4001  
e-mail address: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## Registered Office

Flat No.103, Ground Floor  
"R" Square, Pandurangapuram  
Visakhapatnam-530003  
Andhra Pradesh, India.

## Corporate Office

G-2, Concorde Apartments, 6-3-658  
Somajiguda, Hyderabad-500082  
Telangana State, India.

Website: [www.avantifeeds.com](http://www.avantifeeds.com)

e-mail address: [investors@avantifeeds.com](mailto:investors@avantifeeds.com)

CIN: L16001AP1993PLC095778

# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report together with the Audited Financial Statements (Standalone and Consolidated) of your Company for the Financial Year ended 31<sup>st</sup> March, 2023.

## 1. Financial Summary

The summarized standalone and consolidated Financial Statements of your Company are given in the table below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Revenue	4,04,135.51	4,04,754.95	5,08,698.55	5,03,595.71
Profit / (Loss) Before Interest, Depreciation & Tax (PBITDA)	33,057.49	28,652.72	47,139.82	36,669.59
Finance Charges	74.40	114.97	202.13	200.95
Depreciation	2302.19	2,110.01	4,259.45	4,079.32
Provision for Income Tax (including for earlier years)	7,396.48	6,502.24	11,453.01	7,866.62
Net Profit / (Loss) After Tax	23,284.42	19,925.50	31,225.23	24,522.70
Profit / (Loss) brought forward from previous year	1,37,679.51	1,28,898.07	1,66,163.92	1,53,693.88
Profit / (Loss) carried to Balance Sheet	1,49,921.56	1,37,679.51	1,83,080.22	1,66,163.93

## 2. Summary of Operations & State of Company's Affairs

Despite volatile global economic situation and severe challenges by Aquaculture industry in India due to Global recession impacting Shrimp exports leading to fall in demand which in turn reflected by Shrimp Culture area reduced in the Country. Moreover, the Volatile farm gate prices of Shrimps and Climatic changes resulted in postponement of commencing the culture and reduced area by the farms. Unfortunately, not much improvement is seen till now in the current year.

The profit for the year under consideration i.e., Financial year 2022-23, before depreciation, finance charges and tax is ₹ 33,057.49 Lakhs as compared to a profit of ₹ 28,652.72 Lakhs in the previous financial year i.e., Financial year 2021-22. The profit for the year after tax is ₹ 23,284.42 Lakhs as against a profit of ₹ 19,925.50 Lakhs during the previous financial year.

Your Company reported 4,97,550 MTs sales of Shrimp Feed during Financial year 2022-23 as compared to 5,40,889 MTs Shrimp Feed sales in the immediately preceding Financial year 2021-22, a degrowth of 8% in volume.

The Four Windmills of your Company located in Karnataka State with a total capacity of 3.2 MWs have generated 47.95 Lakh units as against 48.09 Lakh units in the previous year. The power generated during the year was sold to Karnataka Power Transmission Corporation Limited (KPTCL) under the Power Purchase Agreement (PPA).

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the dates of this report.

During the year under review, there is no change in nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

### Commercial Production of new Feed Plant at Bandapuram

During the period under review, commercial production has commenced with effect from 3<sup>rd</sup> December, 2022 at new Feed Manufacturing plant situated at Bandapuram, Andhra Pradesh, India, with an additional capacity of 1,75,000 MTs. **The total production capacity (all units) of the Company has been increased from 6,00,000 MTs to 7,75,000 MTs.**

## 3. Share Capital

During the year under review, there was no change in the share capital of the Company.

### Authorized Share Capital

The Authorized Share Capital of the Company as on 31<sup>st</sup> March, 2023 is ₹ 15,85,00,000 (Rupees Fifteen Crores and Eighty Five Lakhs) divided into 15,85,00,000 equity shares having face value of ₹ 1/- each

### Paid-up Equity Share Capital

The paid-up Equity Share Capital is ₹ 13,62,45,630 (Rupees Thirteen Crores Sixty Two Lakhs Forty Five Thousand Six Hundred and Thirty) divided into 13,62,45,630 equity shares having face value of ₹ 1/- each.

Pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, on 22<sup>nd</sup> July, 2021, the Company had filed an application with BSE Limited and National Stock Exchange India Limited for re-classification for six (6) Shareholders from "Promoter Group Category" to "Public Category". The aforesaid application was approved by BSE Limited and National Stock Exchange India Limited on 22<sup>nd</sup> August, 2022.

## 4. Reserves

During the year under review, an amount of ₹ 2,500 Lakhs were transferred to Reserves out of the current year profits.

## 5. Dividend

Your Directors have recommend a dividend of ₹ 6.25 (Rupees Six and Twenty Five Paise only) per equity share of ₹ 1/- each fully paid for the Financial year 2022-23. The dividend, if declared by the members at the ensuing 30<sup>th</sup> Annual General Meeting will be paid within the time line as prescribed under the Companies Act, 2013 ("the Act") subject to deduction of tax at source (TDS) as applicable.

The dividend, if approved, would result in a cash outflow of approximately ₹ 8,515.35 Lakhs resulting in a dividend payout of 42.74% of the standalone profits of the Company.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") is available on the Company's website at <https://avantifeeds.com/policies/>

## 6. Alteration of Articles of Association

During the year under review, your Company has not altered its Articles of Association.

## 7. Board of Directors

### Composition of the Board

The Composition of the Board of Directors is in conformity with Regulation 17 of Listing Regulations. The present strength of the Board of the Company is as follows:

Sl. No.	Name	Designation
1	<b>Sri A. Indra Kumar</b>	Chairman & Managing Director
2	<b>Sri C. Ramachandra Rao</b>	Joint Managing Director, Company Secretary, Compliance Officer & Chief Financial Officer
3	<b>Sri J. V. Ramudu</b>	Chairman of the Board & Independent Director
4	<b>Sri N. Ram Prasad</b>	Non-Executive Director
5	<b>Sri A. Venkata Sanjeev</b>	Executive Director



Sl. No.	Name	Designation
6	Mr. Bunluesak Sorajjakit	Non-Executive Director
7	Mr. Peerasak Boonmechote	Non-Executive Director
8	Smt. K. Kiranmayee	Independent Woman Director
9	Sri N. V. D. S. Raju	Independent Director
10	Sri V. Narsi Reddy	Independent Director
11	Sri G. Sudarsan Babu	Nominee Director (Nominee of Andhra Pradesh Industrial Development Corporation Limited – represented as an equity investor)

#### Number of Meetings of the Board

During the period, seven (7) meetings of the Board of Directors were held. The details of the meetings held and attended by the Directors are given in the Report on Corporate Governance which forms part of this Board's Report.

#### 8. Committees of the Board

The details of the Committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee, are given in the Report on Corporate Governance which forms part of the Board's Report.

#### 9. Familiarization Programme for Independent Directors

All Independent Directors are familiarised with the operations and functioning of the Company at the time of appointment and on an on-going basis. The details of the training and familiarisation programme are given in the Report on Corporate Governance which forms part of the Board's Report and is available on the website of the Company at [www.avantifeeds.com/investors](http://www.avantifeeds.com/investors).

#### 10. Statement of Declaration given by Independent Directors

As required under Section 149 of the Act, the Independent Directors have submitted the declaration affirming that they meet the Criteria of Independence as provided in Section 149(6) of the Act and Regulation 25 of Listing Regulations. In the opinion of the Board, the Independent Directors of the Company possess necessary expertise, integrity and experience.

#### 11. Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 7<sup>th</sup> April, 2023, to review the performance of the Non-Independent Directors and the Board as a whole, to review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting.

#### 12. Changes in Directors and Key Managerial Personnel

During the year under review, Sri G. Sudarsan Babu was appointed as Nominee Director of APIDC w.e.f. 11<sup>th</sup> February, 2023, in place of Sri R. Karikal Valaven, IAS.

Mr. Peerasak Boonmechote was appointed as an Additional Director in the category as Non-Executive Director w.e.f. 20<sup>th</sup> February, 2023, in place of Mr. Wai Yat Paco Lee.

The appointment of both the Non-Executive Directors were approved by the Shareholders at the Extraordinary General Meeting held on 29<sup>th</sup> April, 2023.

##### Re-Appointment of Independent Director

Sri J. V. Ramudu, is completing his first term of Five (5) years as an Independent Director and Chairman of the Board of the Company. Based on the recommendation of Nomination & Remuneration Committee, the Board recommended the re-appointment of Sri J. V. Ramudu as an Independent Director on the Board of the Company for a second term of Five (5) consecutive years

commencing from 10<sup>th</sup> November, 2023, up to 9<sup>th</sup> November, 2028 (both days inclusive), subject to the approval of the Shareholders. The appointment of Sri J. V. Ramudu is placed before the shareholders in this 30<sup>th</sup> AGM for their approval.

#### Retirement of Directors

In terms of Article 80 and 87 of the Articles of Association of the Company, Sri A. Venkata Sanjeev and Mr. Bunluesak Sorajjakit, Directors liable to retire by rotation at the ensuing 30<sup>th</sup> Annual General Meeting ("AGM") and being eligible, offer themselves for re-appointment. The Nomination & Remuneration Committee and Board recommended their re-appointment for approval of the Shareholders at the ensuing 30<sup>th</sup> AGM.

#### Key Managerial Personnel ("KMP")

Sri A. Indra Kumar, Chairman and Managing Director, Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary, Compliance Officer and Chief Financial Officer, and Sri A. Venkata Sanjeev, Executive Director are the KMPs of the Company. During the year, there was no change in the KMPs of the Company.

Apart from aforesaid, there were no other changes in Directors and Key Managerial Personnel of the Company. The details of Directors, Key Managerial Personnel and composition of various Committees and changes of the Board are given in the Report on Corporate Governance which forms part of the Board's Report.

### 13. Nomination and Remuneration Policy

The Company's policy on Directors' Appointment and Remuneration and other matters as provided in Section 178(3) of the Act are given in the Report on Corporate Governance which forms part of the Board's Report and is also available on the website of the Company at <https://avantifeeds.com/policies>.

### 14. Transfer of Unpaid / Unclaimed Dividend to IEPF

Pursuant to the provisions of Section 124(5) of the Act, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, dividend which remain unpaid or unclaimed for a period of Seven (7) consecutive years shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government.

Shareholders who have not encashed their dividend warrant(s) within Seven (7) years from the date of the declaration of dividend, are requested to make their claim(s) immediately to the Registrar & Transfer Agent i.e., KFin Technologies Limited (Formerly KFin Technologies Private Limited), Hyderabad or to the Company at its Corporate Office at Hyderabad, Telangana State, India. The unclaimed dividend for the financial year 2015-16 will be transferred to IEPF within the time lines as prescribed under the provisions of the Act.

Your Company has disclosed the statement containing the names, last known addresses of those shareholders whose dividend is unpaid, on the website of the Company at <https://avantifeeds.com/corporate-announcement/#Unclaimed-Dividend>

The following table provides the details of years for which unclaimed dividend(s) and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Sl. No.	Year	Date of Declaration	Dividend per Share (₹)	Face Value of Equity share (₹)	Due Date for Transfer	Amount of Unpaid Dividend as on 31.03.2023 (in ₹)
1	2015-16	13.08.2016	7.00	2.00	17.09.2023	25,77,939
2	2016-17	12.08.2017	9.00	2.00	15.09.2024	31,52,871
3	2017-18	07.08.2018	6.00	1.00	10.09.2025	50,73,924
4	2018-19	09.08.2019	4.00	1.00	12.09.2026	22,97,032
5	2019-20*	24.02.2020	5.00	1.00	30.03.2027	30,22,635

Sl. No.	Year	Date of Declaration	Dividend per Share (₹)	Face Value of Equity share (₹)	Due Date for Transfer	Amount of Unpaid Dividend as on 31.03.2023 (in ₹)
6	2019-20	29.08.2020	0.10	1.00	02.10.2028	1,25,311
7	2020-21	14.08.2021	6.25	1.00	17.09.2028	16,83,540
8	2021-22	12.08.2022	6.25	1.00	15.09.2029	20,52,341

Interim Dividend.

Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary, Compliance Officer & CFO is the Nodal Officer for the purpose of IEPF Rules.

## 15. Transfer of Shares to IEPF

As per Section 124(6) of the Act, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF) of the Central Government. During the year under review, 45,000 equity shares of ₹1/- each were transferred to IEPF which pertains to unclaimed dividend for Financial year 2014-15.

## 16. Annual Return

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31<sup>st</sup> March, 2023 in e-form MGT-7, is available on the Company's website and can be accessed at [www.avantifeeds.com/downloads/](http://www.avantifeeds.com/downloads/).

## 17. Loans, Guarantees or Investments

Pursuant to provisions of Section 186 of the Act, read with Companies (Meetings of Board and its Powers) Rules, 2014, the particulars of loans given, guarantees provided and investments made by the Company during the Financial year 2022-23 are disclosed in the notes to Financial Statements which forms part of this report.

## 18. Particulars of Contracts or arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the Financial year 2022-23 with related parties were in its ordinary course of business and are on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

However, the details of all the related party transactions are disclosed in the notes to the Financial Statements.

The Company formulated a Policy on dealing with Related Party Transactions. The policy is available on the Company's website and can be accessed at: <https://avantifeeds.com/policies>.

## 19. Evaluation of Performance of Board, Committees and Directors

Performance evaluation of the Board as a whole, the committees and all individual directors including Independent Directors has been carried out for the Financial year under review in accordance with the criteria framed pursuant to the provisions of the Companies Act, 2013, Listing Regulations and Guidance notes issued by SEBI. The manner in which the evaluation was carried out is given in the Report on Corporate Governance which forms part of the Board's Report.

## 20. Corporate Social Responsibility (CSR)

As per Section 135(5) of the Act, the Company shall ensure that an amount of 2% of the average Net Profits of the Company made during the three immediately preceding financial years shall be spent towards Corporate Social Responsibility activities. For the Financial year 2022-23, the amount to be

spent towards CSR activities works out to ₹ 621.38 Lakhs. The Company has spent ₹ 448.51 Lakhs towards the CSR activities in the Financial Year 2022-23 and ₹ 172.86 Lakhs has been set aside for Construction & Establishment of Healthcare Centre at Kovvur, West Godavari Dist., Andhra Pradesh, India.

The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed at **Annexure-1**, which forms part of this Board's Report.

## 21. Corporate Governance

Report on the Corporate Governance together with a Certificate from Independent auditors on compliance with conditions of Corporate Governance as stipulated under Listing Regulations forms part of this Board's Report.

## 22. Risk Management Policy

In terms of the requirement of Section 134(3)(n) of the Act, the Company has developed and implemented the Risk Management Policy. The Company has constituted a Risk Management Committee which frames, implements and monitors Risk Management Plan and lays down procedures periodically to inform the Board on the risk assessment and risk minimization procedures much before it was introduced as a Statutory Compliance.

The Risk Management Committee is in compliance with the provisions of Regulation 21 of Listing Regulations. The Company has adopted a structured Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of Listing Regulations.

The Risk Management Committee has an additional oversight in the area of risk management. Any major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The Board oversees Company's processes for determining risk tolerance and review management's action and comparison of overall risk tolerance to established levels. The framework is designed to enable risks to be identified, assessed and mitigated appropriately. Any major risks identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis.

## 23. Whistle Blower Policy-Vigil Mechanism

The Company has established a Whistle Blower Policy for its Directors and Employees to report their concerns about any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and Code of Conduct to regulate, monitor and report trading by Insiders. The practice of Whistle Blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle Blower Policy is available at the Company's website at <https://avantifeeds.com/policies/>.

## 24. Maintenance of Cost Records

The Company has maintained the Cost records as required to be maintained under Section 148(1) of the Act.

## 25. Subsidiaries, Joint Ventures and Associate Companies

### 25.1 Subsidiaries

#### 1. Avanti Frozen Foods Private Limited ("AFFPL"):

During the year, AFFPL has reported a turnover of ₹ 1,04,748.41 Lakhs and the profit before tax is ₹ 12,451.51 Lakhs. The Profit after tax reported by AFFPL is ₹ 8,395.85 Lakhs for the Financial year 2022-23.

The Secretarial Audit report of AFFPL as required under regulation 24A of the Listing Regulations, is provided as a separate annexure forming part of this Board's Report. Further, the annual report is being sent to the members excluding the aforesaid annexure. The same is available for inspection and any member interested in obtaining a copy of the same may write to the company at [investors@avantifeeds.com](mailto:investors@avantifeeds.com).

## 2. Avanti Frozen Foods INC. – Closing down of Step down subsidiary:

Avanti Frozen Foods Inc., in U.S.A a step down subsidiary incorporated in the State of Delaware on 22<sup>nd</sup> April, 2019, as a C- Corporation Registered in Delaware State, U.S.A.

The object of incorporating US entity was to expand the U.S business of the Company. However, due to impact of COVID-19, followed by recession in the U.S, setting up of U.S entity is considered non-encouraging by the Board and decided to dissolve the U.S subsidiary. Accordingly, the AFFI was dissolved on 27<sup>th</sup> March, 2023.

## 3. Srivathsa Power Projects Private Limited (“SPPPL”):

SPPPL is a 17.02 MW gas based independent power project situated in Andhra Pradesh, India.

During the Financial year 2022-23, Plant was operated and generated power only for a period of 33 days and the gas supplied by GAIL was only 20,036 SCMD as against the firm allocation of 65,000 SCMD stated to be due to non-availability of APM-Gas. As a result, the power generation was limited to 236.72 Lakhs units as against generation capacity of 1,100.00 Lakhs units. During the year 2022-23 Plant operated for 33 days, the Company reported a turnover of ₹ 265.52 Lakhs and a loss of ₹ 309.80 Lakhs after charging interest and depreciation, as per audited financials.

During the year, the Company had purchased 1,66,98,545 equity shares of ₹ 10/- each fully paid up of SPPPL, held by Asian Infrastructure Pte Ltd., (“AIPL”), at the rate of ₹ 2.30/- per equity share representing 50.00 % of the share capital of SPPPL and executed Share Sale and Purchase Agreement. In addition to that Company have purchased 4,915 equity shares of ₹ 10/- each fully paid from other individual shareholders of SPPPL representing 0.01%. On completion of the above acquisition, the shareholding of the Company in SPPPL has increased from 49.99 % to 100% and the SPPPL became Wholly Owned Subsidiary Company.

25.2 The consolidated financial statements of the Company and its subsidiaries were prepared in accordance with the accounting principles as generally accepted in India, including the Accounting Standards as specified under Section 133 of the Act, read with relevant Rules, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

25.3 The Annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office and Corporate Office of the Company and also at the Registered Offices of the respective subsidiaries and also available on the website of the Company at <https://avantifeeds.com/financial-reporting>.

25.4 The Company has adopted a Policy for determining Material subsidiaries in terms of Regulation 16(1)(c) of Listing Regulations. The Policy approved by the Board is available on the website of the Company at <https://avantifeeds.com/policies/>.

25.5 Joint Ventures

Your Company has no Joint Venture.

## 25.6 Associate Companies

Patikari Power Private Limited (“PPPL”):

The Company holds 25.88% equity shares in PPPL which has a 16 MW Hydel Power Project in Himachal Pradesh, India. During the Financial year 2022-23 as per audited financials the Company generated 50.50 Million saleable energy units, yielding a gross sales income of ₹ 1,136.35 Lakhs which resulted in a net profit of ₹ 469.29 Lakhs after charging interest, depreciation and tax. For the FY 2022-23, the Company has declared a dividend of ₹ 1.10 per equity share including Final dividend of ₹ 0.35 per equity share with the approval of the shareholders and an Interim dividend of ₹ 0.75 per equity share with the approval of Board of Directors of the Company.

25.7 Names of companies which have become or ceased to be, its Subsidiaries, joint ventures or Associate companies:

During the year, the Company had purchased 1,66,98,545 equity shares of ₹ 10/- each fully paid up of SPPPL representing 50%, in addition to the existing stake of 50%. Thus, SPPPL has become a Wholly Owned Subsidiary Company.

25.8 Statement containing salient features of financial statements of subsidiaries and associates.  
Pursuant to Section 129(3) of the Act, the statement containing the salient features of the financial statements of Company's subsidiary and associate companies is enclosed at **Annexure-2** of Board's Report.

## 26. Management Discussion & Analysis

A Report on Management Discussion & Analysis (MDA) which forms part of the Board's Report as per the requirements of Regulation 34 of Listing Regulations is enclosed at **Annexure-3**.

## 27. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) of your Company for the Financial year 2022-23, which forms part of this Board's Report as required under regulation 34(2)(f) of listing regulations is enclosed at **Annexure-4**.

## 28. Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing fee for the Financial year 2023-24 has been paid to both the Stock Exchanges.

## 29. Internal Controls Systems and Adequacy

The Company has in place an adequate system of internal controls. The details of the internal controls System are given in the MDA Report which forms part of the Board's Report.

The internal financial controls with reference to the Financial Statements for the Financial year ended 31<sup>st</sup> March, 2023 commensurate with the size and nature of business of the Company.

The measures implemented for internal financial controls include multiple authority levels for approval of expenditures, budgetary controls and internal audit etc.

## 30. Audit and Auditors

### Internal auditor

In terms of Section 138 of the Act, and the relevant Rules, during the financial year, the Company re-appointed M/s. Manohar Chowdhry & Associates, Chartered Accountants as Independent Internal Auditors of the Company for a further period of three years. The Internal Auditor directly reports to the Audit Committee.

### Independent Auditors, their Report and Notes to Financial Statements

M/s. Tukaram & Co. LLP, Chartered Accountants (Firm Registration No. 004436S/S200135) were re-appointed as Statutory Auditors of the Company at the 29<sup>th</sup> AGM held on 12<sup>th</sup> August, 2022, to hold office till the conclusion of the 34<sup>th</sup> AGM.

The report of the Independent Auditors along with notes and Schedules are annexed to this Board's Report.

There were no qualifications, reservations or adverse remarks or disclaimers made by Independent Auditors i.e. Tukaram & Co., LLP, Chartered Accountants, Hyderabad, in their report.

### Secretarial audit

In terms of Section 204 of the Act, and the Rules made thereunder, M/s. V. Bhaskara Rao & Co., Hyderabad, Practising Company Secretaries have been appointed as the Secretarial Auditors of the Company for the Financial year 2022-23. The report of the Secretarial Auditor is annexed to this Report. There were no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors.

### Compliance with Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report for the Financial year ended 31<sup>st</sup> March, 2023, on compliance of all applicable SEBI Regulations and circulars / guidelines, issued by M/s. V. Bhaskara Rao & Co., Company Secretaries, was submitted to BSE Limited and National Stock Exchange of India Limited.

### 31. Director's Responsibility Statement

Pursuant to the requirement Section 134(3)(c) of the Act, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 Profit of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 32. Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

#### a) Conservation of Energy

i	The steps taken or impact on conservation of energy	We have decided to promote energy conservation by exclusively utilizing LED lighting and phasing out traditional lighting methods. In addition, We installed a 15 KW roof top Grid power plant as an expansion to the existing 70 KW solar power plant.
ii	The steps taken by the Company for utilizing alternate sources of energy	We are implementing VFDs (Variable Frequency Drives) for our bucket elevators to reduce energy consumption during idle periods.
iii	The capital investment on energy conservation Equipment's	Grid Power Plant ₹ 7.50 Lakhs, Solar Pannel ₹ 8.00 Lakhs

#### b) Technology absorption: Not applicable.

#### c) Foreign Exchange Earnings and Outgo:

During the year under review, the details of Foreign Exchange Earnings and outgo are as under:

Inflow - ₹ 668.86 Lakhs

Outflow - ₹ 22,039.12 Lakhs

### 33. Public Deposits

During the period, the Company has not accepted any deposit(s) within the meaning of Section 73 & 74 of the Act, read the Companies (Acceptance of Deposits) Rules, 2014.

### 34. Significant and Material Orders Passed by the Regulators

During the period under review, there have been no significant and material orders passed by the Regulators, Courts, or Tribunals which would impact the going concern of the Company.

### 35. Particulars of Employees

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the

names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company at [investors@avantifeeds.com](mailto:investors@avantifeeds.com).

### 36. Disclosure as for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the Financial year ended 31<sup>st</sup> March, 2023, the Company has not received any complaints pertaining to Sexual harassment of Women at the Workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 37. General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No instances of frauds reported by Auditors under Section 143(12) of the Act.
- There are no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of one time settlement with any Bank or Financial Institution.

### Acknowledgements

Your Directors take this opportunity to express their deep and sincere 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  
**AVANTI FEEDS LIMITED**

Place: Hyderabad  
Date: 24<sup>th</sup> May, 2023

**A. Indra Kumar**  
Chairman & Managing Director  
DIN:00190168



# Annexure - 1

## THE ANNUAL REPORT ON CSR ACTIVITIES OF AVANTI FEEDS LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') &  
Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder]

1. Brief outline on CSR Policy of the Company

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act, as projects / programmes / activities in accordance with the Companies Act 2013 ('the Act') and any amendments thereof.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Sri A. Indra Kumar	Chairman / Chairman & Managing Director	4	3
2	Sri N. Ram Prasad	Member / Non-Executive Director	4	4
3	Smt. K. Kiranmayee	Member / Non-Executive Independent Director	4	4
4	Sri C. Ramachandra Rao	Member / Joint Managing Director, Company Secretary & CFO	4	4

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company

Sl. No.	Particulars	Weblink
1	Composition of CSR Committee	<a href="https://avantifeeds.com/leadership/">https://avantifeeds.com/leadership/</a>
2	CSR Policy	<a href="https://avantifeeds.com/policies/">https://avantifeeds.com/policies/</a>
3	CSR Projects	<a href="https://avantifeeds.com/csr-projects/">https://avantifeeds.com/csr-projects/</a>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable.

5.	a	Average net profit of the company as per sub-section (5) of section 135	3,10,69,13,790
	b	Two percent of average net profit of the company as per sub-section (5) of section 135.	6,21,38,276
	c	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
	d	Amount required to be set-off for the financial year, if any.	Nil
	e	Total CSR obligation for the financial year [(b)+(c)-(d)].	6,21,38,276

e. CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹) is ₹1,72,86,344.00*				
	Total Amount Transferred to Unspent CSR Account as per Sub-Section (6) of Section 135		Amount Transferred to any Fund Specified Under Schedule VII as per Second Proviso to Sub-Section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
4,48,51,932	1,72,86,344	31/03/2023	Nil	Nil	Nil

\*₹1,72,86,344/- unspent amount has been set aside for Construction & Establishment of Healthcare Centre at Kovvur, West Godavari Dist., Andhra Pradesh, India.

f. Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
i	Two percent of average net profit of the company as per sub-section (5) of section 135	6,21,38,276
ii	Total amount spent for the Financial Year	6,21,38,276
iii	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v	Amount available for set off in succeeding Financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount Transferred to Unspent CSR Account under sub-Section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-Section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount Transferred to a Fund as Specified under Schedule VII as per Second Proviso to Sub-section (5) of section 135, if any		Amount Remaining to be Spent in Succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY-2	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY-3	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created / acquired Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

**Not Applicable**

**A. Indra Kumar**  
 Chairman of CSR Committee &  
 Chairman & Managing Director  
 DIN: 00190168

Place: Hyderabad  
 Date: 24<sup>th</sup> May, 2023

## Annexure - 2

Form No. AOC-1

[Pursuant to first provision to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiary

(₹ in Lakhs)

Name of the Subsidiary	Avanti Frozen Foods Private Limited	Srivathsa Power Projects Private Limited
1. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period.	Not applicable	Not applicable
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	Not applicable
3. Share capital	1,001.67	3,339.71
4. Reserves & Surplus	69,338.61	(1,946.34)
5. Total Assets	75,979.70	1,409.62
6. Total Liabilities	5,639.42	66.25
7. Investments	19,682.10	Nil
8. Turnover	1,04,748.41	265.52
9. Profit/Loss before Taxation	12,451.51	(331.11)
10. Provision for Taxation	4,056.53	(18.90)
11. Profit after Taxation	8,395.85	(312.21)
12. Proposed Dividend (%)	75	Nil
13. % of shareholding	60	100

Names of subsidiaries which have been liquidated or sold during the year:

**Avanti Frozen Foods Inc., USA**, a step down subsidiary of the Company was dissolved with effect from 27<sup>th</sup> March, 2023.

## Part "B": Associates

(₹ in Lakhs)

Name of Associates	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31.03.2023
2. Shares of Associate held by the Company on the year end	1,06,45,200
Amount of Investment in Associates	1,064.52
Extent of Holding %	25.89
Description of how there is significant influence	Two directors nominated
3. Reason why the associate is not consolidated	Not Applicable
4. Net worth attributable to Shareholding as per latest audited Balance Sheet	1,296.35
5. Profit / (Loss) for the year	
i. Considered in Consolidation	121.46
ii. Not Considered in Consolidation	Nil

For and on behalf of the Board  
**AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

Place : Hyderabad

Date : 24<sup>th</sup> May, 2023

## Annexure - 3

# MANAGEMENT'S DISCUSSION AND ANALYSIS

### Caveat

This section of Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India ("SEBI"). Though, utmost care has been taken to ensure that the opinions expressed by the Management herein contain its perceptions on most of the important trends having a material impact on the Company's day-to-day operations, no representation was made that the following presents an exhaustive coverage on and of all issues related to the same. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or statements expressed in this report, consequent to new information, future event, or otherwise.

### Global Economy

The Global Economy in the year 2022 has been a mixture of positive and negative developments contributing to moderate growth. It was expected that the Global Economy would revive after facing severe impact of COVID-19 in the year 2021 and register a comeback to normalcy. However, the world economy belied expectations and had to face several challenges of after effects of COVID-19, protracted confrontation and war between Ukraine and Russia, high inflation leading to steep fall in growth all over the world. Even in the first half of the current year, 2023, things have not improved as expected. The Inflation continues to haunt almost all over the world making growth plans un-achievable. The rest of 2023, also appears to follow suit, alerting the Planners to make strategic changes to adopt to revive the economies, which is in the offing.

### Industry Overview

In 2022, Food & Agriculture Organization ("FAO") of United Nations, realizing the prevalence of moderate raising food insecurity exacerbated by COVID-19, has identified 17 Sustainable Development Goals (SDGs) and their related targets and indicators, central to the achievement of inclusive, sustainable economic growth that encompasses environmental, and economic and social concerns. "The Sustainable Development Goals and Fisheries and Aquaculture" play a significant role in mitigating the global food shortage.

The Fisheries & Aquaculture Sector are increasingly recognized for their essential contribution to global food security and nutrition in the 21<sup>st</sup> Century. Further, expansion of this contribution requires the acceleration of transformative changes in policy, management, innovation and investment to achieve sustainable and equitable global Fisheries and Aquaculture.

The 2030 Agenda of ("UNFAO") for Sustainable Development continue to shape the strategies for development of Fisheries and Aquaculture.

"Blue Transformation", a vision for transforming Aquatic Food Systems. Aquatic Foods offer highly accessible and affordable sources of animal proteins and micro nutrients, playing a vital role in the food and nutrition security of many, particularly, vulnerable coastal population.

Through the "Blue Transformation", Aquatic Food Systems can:

- Support the provision of sufficient Aquatic Foods for a growing population in an environmentally, socially and economically sustainable manner.
- Ensure the availability and accessibility of safe nutritious aquatic food for all, especially vulnerable populations and reduce food loss and waste.
- Ensure that Aquatic Food System contribute to improving the rights and incomes of dependent communities to achieve equitable livelihoods; and
- Support resilience in Aquatic Food Systems, which are highly influenced by dynamic human and environmental processes, including climate change.

The three core objectives of “Blue Transformation” are as follows:

1. Sustainable Aquaculture expansion and intensification – to support global food security targets and satisfy global demand for nutritious aquatic food and equitable distribution of the benefits.
2. Effective Management of all Fisheries – to deliver healthy stocks and secure livelihoods.
3. Upgraded value Chains – to ensure the social, economic and environmental viability of Aquatic Food Systems and secure nutritional outcomes.

According to FAO, in the next 10 years, aquaculture must expand sustainably to satisfy the gap in global demand for aquatic foods, especially, in food- deficit regions, while generating new or securing existing sources of income and employment.

It is evident from the strategic emphasis on Aquaculture and Fisheries by FAO, that the demand for aquatic food is ever green.

## Aquaculture Sector – Indian Scenario

Aquaculture continues to be an important sector in Indian Economy, contributing to not only for Food Security but also providing employment to large scale coastal habitants while earning valuable Foreign Exchange to the country. The Govt. of India recognized transformation of Shrimp Culture in India as “Blue Revolution”, way back in late 80’s and early 90’s. Large coastal region of India has been brought under Shrimp Culture since then and the export of processed shrimp is growing year after year. The production of seafood and Shrimp over the past ‘3’ years i.e. from 2019-20 to 2021-22 is given below:

Exports during the Year	Total Seafood		Frozen Shrimp	
	Qty (in Mts)	Value (₹ in Crores)	Qty (in Mts)	Value (₹ in Crores)
2021-22	13,69,264	57,586.48	7,28,123	42,706.04
2020-21	11,49,510	43,720.98	5,90,275	32,520.29
2019-20	12,89,651	46,662.85	6,52,253	34,152.03

The year 2022 presented some challenges for shrimp production and exports from India. Overall, production declined to around 700,000 tonnes compared to 850,000 tonnes in the previous year.

The major contributing factors for decline in exports during 2022 were decline in demand from main markets like USA, Europe and China etc., caused by high inflation, impact of COVID-19, Ukraine- Russia war, slow moment of inventories.

Despite these challenges, India remains one of the major producers, processors, and exporters of shrimp globally. The country benefits from multiple factors such as its long coastline, conducive climate, and government incentives, which have driven a growing interest in the sector. The availability of large tracts of land serves as an incentive for the farming community to engage in shrimp culture and reap the benefits.

The global increasing demand for seafood consumption is a key driver for the growth of the shrimp exports from India. The changing dietary preference like opting for white meat to red meat which is considered healthier. Further, Policies of Government such as CAPEX Subsidies, incentive for incremental production have encouraged the stakeholders to increase the production capacities in India.

Furthermore, the widespread adoption of technology in the shrimp industry, such as advanced breeding techniques, feed management, and disease control measures, is fostering a positive outlook for the stakeholders of the industry across India.

## Shrimp Feed Consumption

The Shrimp Feed consumption in India decreased to 11 Lakhs MTs in Financial year 2022-23 as compared to 12 Lakhs MTs in Financial year 2022. The forecast is that the consumption would further decrease by about 10%-15% in Financial year 2023-24.

The Company’s feed sales during the Financial year 2023 was 4.97 Lakh MTs as compared to 5.41 Lakhs MTs in Financial year 22. With sustained efforts, the Company is targeting to achieve about 5.20 Lakhs MT of

Feed Sales in Financial year 24 which would, if achieved, resulting an increase of Feed sales by 5% over the previous year.

### Increasing Cost of Raw Materials

The feed business profitability is highly dependent on fluctuating raw material prices as the increase in feed price being in line with increase in inputs is not workable, since most of the time, the cost of the feed major input for Shrimp culture for the farmer and the price beyond a certain level becomes un-affordable to the farmer to continue the Shrimp Culture. Therefore, the Feed producer should exercise utmost care in resorting to increase of Feed price. The other important factor is farm gate price of shrimps which determines the profit margin for the farmer, which ultimately is determined by the Processors depending on international prices. In a nut shell, the raw material prices for feed manufacture play a vital role in this Industry.

### Shrimp Processing and Export

Shrimp processing and exports from India are expected to experience a marginal decline in 2023 due to multiple factors. The main reason being continued inflation almost all over the world resulting in decline in consumption due to non-affordability leading to piling up of inventories in Warehouses. It is taking considerable time in the Supply Chain Management to liquidate the piled up stocks. Till these stocks are not liquidated, the fresh orders would not be generated. Added to this, the rising logistic costs and slow recovery in demand from China and increased production in Ecuador have impacted Indian Shrimp Exports.

### Strengths, Weaknesses, Opportunities and Threats:

#### Strengths

Avanti Feeds is pioneer in Indian Shrimp Industry having over three decades of operations. The company has strong and long lasting collaboration with Thai Union, a multi- national company in Global Seafood Industry. The Company is in constant interaction with Thai Union in exchange of developments in Aquaculture industry, bringing into India and to the door step of the Indian farmer to reap the best results in Aquaculture. The Feed formulation, Disease Management, Global market developments are exchanged periodically and Strategies are formulated to be the best provider of services to the farmer. This has resulted in a strong base of loyal farmers to the Company.

Avanti is well-equipped to meet the comprehensive needs of farmers. It has built a strong PAN-India feed dealership network and established partnerships with channel partners, processing units, and hatcheries. Regular interactions with stakeholders ensure seamless integration of operations. The company maintains constant communication with aqua-farmers, offering outreach programs and round-the-clock services through its qualified and experienced technical staff.

These initiatives have propelled Avanti to achieve a dominant position with a nearly 50% market share in the shrimp feed sector. The company is taking further steps to not only maintain but also increase its market share. Its subsidiary, Avanti Frozen Foods Private Ltd., focused on shrimp processing and export is expected to experience significant growth in both traditional and value-added products. The processing facilities are being expanded, with a particular focus on cooked and value- added products. Avanti is strategically focusing on exploring new export markets for both shrimp feed and shrimp exports.

To achieve these goals and more, Avanti has devised a strategy that allows for rapid scaling up of production through high-value capital expenditure (CAPEX) investments. This strategy positions the company to capitalize on the growing demand and opportunities in the shrimp industry.

#### Weaknesses:

Despite being a significant sector in the Indian economy, the aquaculture industry faces several challenges and weaknesses. These include high production costs, inadequate infrastructure facilities, power supply issues, unregulated cost of raw materials, and shortage of cold storage facilities, and rising cost of ocean freights.

In addition, highly fluctuating raw material costs, dependence on climatic conditions and international developments on Shrimp prices, the Company is put to severe hardship, more often than not, due to factors beyond its control.

While the aquaculture industry and its stakeholders are aware of these challenges and taking measures to address them, government policies are slowly coming into play to help overcome some of these issues. For

instance, in the Union Budget 2023-24, the government announced a reduction in customs duty on key inputs for producing shrimp food, which is expected to boost marine exports gradually. Similarly, the ongoing "Productivity Linked Incentive Scheme" for the marine products industry, which provides incentives based on increased sales year after year, has also proven beneficial. Avanti Frozen Foods has been granted this incentive scheme.

Furthermore, the Government of India is offering grant-in-aid for new processors to cover technical civil works and plant and machinery costs, up to 35% of the total cost with a cap of ₹ 10 crores. AFFPL has been granted this aid.

Avanti Feeds is aware of these weaknesses and challenges and is pro-actively preparing to overcome them through sustained measures. The company remains confident in its ability to address these issues and mitigate their impact on its operations.

### **Opportunities:**

The global seafood market has been witnessing a continuous uptick in recent years riding on recognition of its benefits to health. The growing awareness of the health benefits of seafood, with its nutritional and protein content, presents a favorable environment for increased consumption.

Health experts promoting seafood as a healthier alternative to red meat, which is being associated with challenges to human health, further contributes to the market's potential. Additionally, the rising purchasing power of the middle class and their desire for diverse food choices create opportunities for the seafood industry, including shrimp.

India, with its long coastline, farming community, and availability of land and labor, has emerged as a major player in the global shrimp industry. The Marine Products Export Development Authority (MPEDA), under the Union Ministry of Commerce, has drawn up a plan to achieve marine products exports worth ₹ 1 Lakh crore by 2025, showcasing the government's commitment to supporting and promoting the industry's growth.

However, recent international market challenges, such as high inflation in developed nations, the Russia-Ukraine conflict, and lock downs in China, have posed supply chain and price challenges in the short term. As a result, the rapidly growing shrimp export industry in India has come under pressure.

To mitigate the risks associated with excessive reliance on exports, there is a need to focus on promoting and expanding domestic consumption and markets. Avanti Feeds has recognized this need and is preparing itself accordingly. The company has taken proactive steps, including product innovations, exploring new distribution channels, embracing e-commerce and home deliveries, and optimizing supply chains. These measures have strengthened the company's position and demonstrated its preparedness in anticipation of market trends. The company's performance over the past two years, with increased top-line growth, is a testament to its readiness to tap into domestic opportunities and adapt to market dynamics.

### **Threats**

The aquaculture industry, including shrimp farming, faces various threats and challenges that need to be addressed for sustainable growth. These threats can be categorized into climate-related risks, production costs and disease control, market volatility, and external factors.

- 1. Climate-Related Risks:** Aquaculture is highly dependent on favorable climatic conditions, and events like floods, cyclones, and other natural disasters can disrupt production. Climate change poses long-term risks to the industry, including changes in water temperatures, ocean acidification, and rising sea levels, which can impact shrimp farming.
- 2. Production Costs and Disease Control:** Farmers face challenges related to the cost of production, including feed costs, availability and quality of seeds, disease prevention and control measures, and ensuring food safety standards. Disease outbreaks can cause significant economic losses and affect the overall sustainability of the industry.
- 3. Market Volatility:** The international shrimp market is subject to price volatility, which can impact the profitability of shrimp farmers and exporters. Fluctuating foreign exchange rates and increasing raw material costs, including feed ingredients, can further add to market uncertainties.



**4. External Factors:** Factors such as high inflation in importing nations, restrictions due to the COVID-19 pandemic, and increasing ocean freights can impact international trade and export opportunities. Dependence on imported Specific Pathogen-Free (SPF) Vannamei broodstock raises concerns about the long-term impact if international cargo movements are restricted.

To mitigate these threats and achieve sustainable growth, Avanti Feeds focuses on the following:

**Diversification and Domestic Market Opportunities:** Explore and tap into the potential of the domestic market to reduce reliance on volatile international markets. Developing strategies to meet the growing demand for seafood within the country can help de-risk the industry.

Also diversify into production of formulated Fish Feed for mainly domestic market.

**Traceability and Pond Management:** Implementing strict traceability systems and adopting scientific pond management practices can enhance productivity, reduce disease risks, and ensure compliance with food safety standards. This can help build consumer trust and confidence.

**Forex Management:** Managing foreign exchange risks through effective forex management strategies can help mitigate the impact of fluctuating exchange rates on profitability.

**Research and Development:** Continued investment in research and development is crucial to developing disease-resistant shrimp varieties, improving feed formulations, and implementing sustainable farming practices.

By addressing these threats and implementing necessary measures, Avanti minimizes risks and works towards long-term growth and sustainability.

### Future Outlook for India's Aquaculture Sector:

The Indian aquaculture market reached a size of 12.4 million tonnes in 2022. According to market Analysts the country will be able to sustain an average CAGR of over 8% during 2023-28 to reach a market size of 20 million tonnes by 2028.

The country achieved a record fish production of 162.48 lakh tonnes during 2021-22 with an impressive growth rate of 10.34%. The shrimp culture also showed huge promise with operations and conditions progressing smoothly in both the seasons. After a difficult time on the export front during 2022, the seafood exports are still facing challenges in 2023 and the industry forecast is that the year 2024 would be favourable for the industry.

The Union Budget for 2023-24 too has given a boost to the aquaculture sector. The Pradhan Mantri Matsya Sampada Yojana (PMMSY), a new flagship programme with a significant investment of ₹ 20,050 Crores (US \$ 2.46 billion) for the growth and expansion of the fisheries sector in the nation, was recently unveiled by the Indian government.

Several states which have the advantage of coastline and an enterprising farm community have identified Shrimp farming and culture as lucrative and are holding out incentives for the private sector also to participate.

The future outlook for India's aquaculture sector appears positive with expectations of sustained growth and expansion.

### Power

The Company has investment in the following power projects:

**(a) The 3.2 MW Wind Mill Project in Chitradurg, Karnataka State installed in the year 2005 is operational and has generated 47.95 Lakhs units during the year.**

**(b) Srivathsa Power Projects Private Limited**

Srivathsa Power Projects Private Limited, is a 17.2 MW gas based independent power project situated in Andhra Pradesh.

During the Financial year 2022-23, Plant was operated and generated power only 33 days and the gas supplied by GAIL was only 20,036 SCMD as against the firm allocation of 65,000 SCMD stated to be due to non-availability of APM-Gas. As a result, the power generation was limited to 236.72 Lakhs units

as against generation capacity of 1,100.00 Lakhs units. During the year 2021-22 Plant operated for 8 months, the Company reported a turnover of ₹ 1,181.28 Lakhs and a loss of ₹ 2,181.97 Lakhs after charging interest and depreciation, as per audited financials.

#### (c) Patikari Power Private Limited

The Company holds 25.88% equity shares in PPPL which has a 16 MW Hydel Power Project in Himachal Pradesh. During the Financial year 2022-23 as per audited financials the Company generated 50.50 Million saleable energy units, yielding a gross sales income of ₹ 1,141.33 Lakhs which resulted in a net profit of ₹ 458.93 Lakhs after charging interest, depreciation and tax. For the Financial year 2022-23, the Company has declared dividend of ₹ 1.1 per equity shares including Final dividend of ₹ 0.35 per equity shares with the approval of the shareholders and Interim dividend of ₹ 0.75 per equity shares with the approval of Board of Directors of the Company.

### Internal Control Systems and their Adequacy

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are properly authorized recorded and reported correctly. Further, the internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets.

The Company has engaged an Independent Chartered Accountant firm as Internal Auditor responsible to ensure compliance of all the statutory requirements by the Company. The finance department in co-ordination with Internal Auditor is also responsible for periodical risk appraisal, internal as well as external, of all the functional departments in the organization is being taken up. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

### Discussion on Financial performance with respect to operational performance

#### (i) Operational Performance

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Indian Accounting Standards in India. During the year under review, your company reported profit of ₹ 30,680.90 Lakhs before tax adjustments as compared to profit of ₹ 26,427.74 Lakhs in the previous year.

#### (ii) Segment-wise Performance

The segment-wise performance of the Company during the Financial year 2022-23 is disclosed in the Notes to Accounts at Schedule No. 34.

#### Key Financial Ratios

Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	2023	2022
Operating Profit Margin (%)	6.06%	5.06%
Net Profit Margin (%)	5.76%	4.92%
Debtors Turnover – (No of times)	15.13	25.44
Inventory Turnover	6.33	7.86
Current Ratio	5.88	5.07
Return on Net worth (%)	13.78%	12.78%

#### Notes:

1. Debtors Turnover ratio has been computed for both years on the basis of Gross Sales Value (net of rebates and discounts) instead of Gross Revenue.
2. Net Profit Margin and Return on Net worth ratios have been computed based on Profit After Tax (before exceptional items).
3. Interest Coverage Ratio and Debt Equity ratio are not relevant for the Company as it has negligible debt.

## Human Resources / Industrial Relations

The process of Shrimp Feed production involves specialization in procurement of suitable raw materials, feed formulation, production to suit the needs of Shrimp Culture, which needs qualified and trained staff for these operations. The marketing staff has to be well trained in techniques of shrimp culture to assist to the farmers. In this direction, the Company imparts expert training in the respective field and develops Human Resource capabilities. The periodical trainings, incentives, increments and other welfare measures ensure healthy industrial relations. The total number of employees as on 31<sup>st</sup> March, 2023 are 1,357 employees.

For and on behalf of the Board  
**AVANTI FEEDS LIMITED**

Place: Hyderabad  
Date: 24<sup>th</sup> May, 2023

**A. Indra Kumar**  
Chairman & Managing Director  
DIN:00190168

# Annexure - 4

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

### SECTION A: GENERAL DISCLOSURES

#### 1. DETAILS OF THE ENTITY

Sl. No.	Particulars	Response
1.	Corporate identity Number (CIN)	L16001AP1993PLC095778
2.	Name of the Company	Avanti Feeds Limited
3.	Year of incorporation	6 <sup>th</sup> January, 1993
4.	Registered office address	Flat No. 103, Ground Floor, "R" Square Pandurangapuram, Vishakhapatnam-530003, Andhra Pradesh, India.
5.	Corporate office address	G-2, Concorde Apartments, House No.6-3-658, Somajiguda, Hyderabad-500082, Telangana State, India.
6.	E-mail address	<a href="mailto:investors@avantifeeds.com">investors@avantifeeds.com</a>
7.	Telephone	+91-40-23310260/61
8.	Website	<a href="http://www.avantifeeds.com">www.avantifeeds.com</a>
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11.	Paid-up Equity Share Capital	INR 13,62,45,630
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	<b>Sri C. Ramachandra Rao</b> Joint Managing Director, Company Secretary, Compliance Officer & CFO  Tel: 040-23310260/61. email: <a href="mailto:investors@avantifeeds.com">investors@avantifeeds.com</a> .
13.	Reporting boundary	Standalone basis

#### 2. PRODUCTS/SERVICES

##### 14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Agriculture, forestry, fishing	Fishing and Aquaculture	100

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Shrimp Feed	10809	99.72
2.	Hatchery	03219, 03229	0.24
3.	Power from Windmills	35106	0.04

### 3. OPERATIONS

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	The company possesses the following plants: <ul style="list-style-type: none"> <li>• 6 Shrimp Feed Manufacturing units</li> <li>• 1 Hatchery</li> <li>• 1 Wind Power Generation plant with a capacity of 3.2 MWs</li> </ul>	02	10
International	0	0	Not Applicable

#### 17. Markets served by the entity:

##### a) Number of locations

Locations	Number
National (No. of States)	15
International (No. of Countries)	2

- Avanti's Shrimp Feed is marketed in the states of Andhra Pradesh, Tamil Nadu, Gujarat, West Bengal, Odisha, Maharashtra, Karnataka, Goa, Rajasthan, Haryana, Punjab, Diu & Daman, Pondicherry, Telangana State, Kerala
- Further, we market our products not only in India but also export them to other countries, Bangladesh and Sri Lanka through dealers and distributors. We look forward to expand our presence in other regions as well.

##### b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	0.17%
--	-------

##### c) Type of Customers

A brief on types of customers	<p>Avanti primarily operates within the B2B segment, specializing in the manufacturing and distribution of exceptional quality Shrimp Feed and Shrimp Seed. Our customer base comprises a vast network of dealers and distributors who rely on our products to fulfil the demands of their respective businesses.</p> <p>In addition to our core focus, we have expanded our operations to include the production of renewable energy through wind power. This initiative involves the installation and operation of windmills, which generate electricity. The power generated from these windmills is then supplied to the Bangalore Electricity Supply Company Limited (BESCOM), a government-owned company in Karnataka.</p> <p>To summarize, Avanti serves the following key stakeholders:</p> <p><b>Dealers and Distributors:</b> Our extensive network of dealers and distributors plays a crucial role in the distribution of our high-quality Shrimp Feed to various markets.</p> <p><b>Farmers:</b> We cater to the needs of shrimp farmers by providing them with premium Shrimp Seed, enabling them to enhance their aquaculture operations.</p> <p><b>BESCOM:</b> Avanti's contributes to sustainable energy production by supplying wind-generated power to BESCOM, supporting their efforts to meet the electricity demands of the region.</p> <p>Through our diverse portfolio, we strive to maintain strong partnerships with our customers and make significant contributions to the aquaculture industry and renewable energy sector.</p>
-------------------------------	--

#### 4. EMPLOYEES

##### 18. Details at the end of the year of financial year:

a) Employees and workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	736	705	95.79	31	4.21
2.	Other than Permanent (E)	8	8	100	0	0
3.	Total employees (D + E)	744	713	95.83	31	4.17
<b>Workers</b>						
1.	Permanent (F)	463	463	100	0	0
2.	Other than Permanent (G)	150	150	100	0	0
3.	Total workers (F + G)	613	613	100	0	0

b) Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	1	1	100	0	0
<b>Differently Abled Workers</b>						
1.	Permanent (F)	2	2	100	0	0
2.	Other than Permanent (G)	0	0	0	0	0
3.	Total workers (F + G)	2	2	100	0	0

##### 19. Participation/Inclusion/Representation of women:

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.09
Key Management Personnel	3*	0	0

\*Includes: 1 – Managing Director, 1 Whole time Director, 1 Whole time director, Company Secretary, Chief Financial Officer

**20. Turnover rate for permanent employees and workers:**

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.20	6.50	9.02	5.90	7.10	5.94	3.20	4.30	3.29
Permanent Workers	8.00	0	8.02	3.30	0	3.27	2.40	0	2.37

**5. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)****21. Names of holding / subsidiary / associate companies / joint ventures:**

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Avanti Frozen Foods Private Limited	Subsidiary	60	Yes*
2.	Srivathsa Power Projects Private Limited	Subsidiary	100	No
3.	Patikari Power Private Limited	Associate	25.89	No

Avanti has two Indian subsidiary, along with one associate Company representing a significant part of our commitment to growth and expansion. These Companies play a critical role in our operations, providing support for our core business activities while also enabling us to explore new opportunities and markets.

\*Avanti takes the responsibility for conducting business in a sustainable and ethical manner, with a focus on minimizing the impact on Environment and to promote fair labour practices.

Moreover, during the Financial year 2022-23, Avanti Frozen Foods INC, a foreign subsidiary of the Company with a 60% shareholding, underwent dissolution. This decision was primarily driven by the adverse effects of COVID-19 and subsequent recession in the U.S. After careful evaluation, the Board concluded that establishing a U.S. entity was not considered promising, leading to the decision to dissolve the U.S. subsidiary. Accordingly, Avanti Frozen Foods INC was officially dissolved on 27<sup>th</sup> March, 2023.

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS**

(₹ in Lakhs)

22.1	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
22.2	Turnover	4,04,135.51
22.3	Net worth	1,76,349.74

## 7. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes*	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes*	0	0	Nil	0	0	Nil
Shareholders	Yes*	90	0	The complaints received pertained to matters relating to general corporate affairs.	113	0	The complaints received pertained to matters relating to general corporate affairs.
Employees and workers	Yes*	0	0	Nil	0	0	Nil
Customers	Yes*	0	0	Nil	0	0	Nil
Value Chain Partners	Yes*	0	0	Nil	0	0	Nil

\* The Stakeholder Management Policy of the Company guarantees the proper and structured resolution of complaints raised by both internal and external stakeholders, with the objective of mitigating potential social risks. Strict confidentiality is upheld during the entire grievance management procedure, thereby fostering stronger relationships. Some of the policies/mechanisms guiding the Company's conduct with its stakeholders, including grievance mechanisms are placed on the Company's website [https://avantifeeds.com/policies-vigil\\_mechanism/](https://avantifeeds.com/policies-vigil_mechanism/) and the rest are available internally in the Company.

### 24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.



Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Waste & Materials Management	Risk	<ul style="list-style-type: none"> <li>Improper waste and material management practices can result in the release of pollutants into the environment.</li> <li>Poor waste and material management practices can create health risks for both humans and shrimp.</li> <li>The Company is subject to various regulations and standards related to waste and material management. Failure to comply with these regulations can result in fines, legal action, and damage to the company's reputation.</li> <li>Inefficient waste and material management practices can result in higher costs for the Company.</li> </ul>	Avanti has proper storage, handling, and disposal of waste and materials, as well as measures to reduce waste generation. The company has implemented a recycling program by developing partnership with authorised waste recyclers, implemented environmental management systems and adhering to relevant regulations and standards.	<p>There can be both positive and negative financial implications.</p> <p>Avanti is adopting Waste and Material Management to ensure that there is no negative financial implication.</p>
2.	Labor Practices	Opportunity	<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>A positive and supportive working environment can improve the productivity and quality of work performed by employees. This can lead to improved product quality and customer satisfaction, ultimately benefiting the company's bottom line.</li> <li>Fair wages and working conditions can help to reduce labour turnover, which in turn can lead to reduced to change in work environment impact and improved social sustainability.</li> <li>Consumers are becoming increasingly concerned about the ethics of the products they buy, including the treatment of workers. By adopting fair labour practices, the company can demonstrate its commitment to ethical standards, which can lead to increased consumer trust and loyalty.</li> </ul>	NA	<p>There can be both positive and negative financial implications: Avanti treats its employees and workers equally &amp; fairly and have implemented policies and standing operating procedures in the best interest of the employees and workers.</p> <p>The company thrives on employee satisfaction. We regularly assess the working conditions, train the staff, recognize and reward the workforce and thereby adopting the best labour practices to ensure that there is no negative financial implication.</p>

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Selling Practices	Opportunity	<ul style="list-style-type: none"> <li>The shrimp feed industry is highly competitive, with many companies offering similar products. Adopting unique selling practices can help the company differentiate its products and stand out from the competition, which can attract more customers and increase sales.</li> <li>With the global demand for shrimp increasing, particularly in countries like the United States, Japan, and Europe, there is a growing market for high-quality shrimp feed and as such selling practices like engaging with international buyers, participating in trade shows, and complying with international regulations, Avanti can tap into this market and expand our business.</li> <li>By providing excellent customer service, building trust with customers, and offering customized solutions to their needs, company can build customer loyalty and establish ourselves as a reliable and trusted source of high-quality shrimp feed.</li> </ul>	NA	<p><b>Positive implication:</b></p> <p>Implementing effective selling practices can lead to increased market share and revenue growth over time.</p> <p>Adopting more efficient and streamlined selling practices can result in cost savings</p>
4.	Energy Management	Opportunity	<ul style="list-style-type: none"> <li>Effective energy management can help the Company reduce its energy consumption and lower the energy bills, leading to cost savings as production of feed requires energy-intensive processes such as grinding, mixing, and extrusion</li> <li>Implementing energy practices can reduce a company's carbon footprint and contribute to environmental sustainability as energy consumption is a significant contributor to greenhouse gas emissions.</li> </ul>	NA	<p><b>Positive implication.</b></p> <p>Avanti follows energy management practices such as equipment optimization and maintenance, reducing waste, and using renewable energy sources to an extent which could result in significant cost saving, increased profitability, improved cash flow.</p>

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<ul style="list-style-type: none"> <li>By setting up solar energy plants to reduce emissions and mitigating climate change, which is critical to protecting humans, wildlife, and ecosystems.</li> </ul>		
5.	Product Quality & Safety	Opportunity	<ul style="list-style-type: none"> <li>The Company can tap into growing demand for quality and safe shrimp feed and increase their market share.</li> <li>High-quality and safe shrimp feed can command premium prices in the market and help build a loyal customer base.</li> <li>Avanti can differentiate itself from competitors by producing high-quality and safe feeds. Customers are more likely to purchase products from companies that have a good reputation for quality and safety.</li> </ul>	NA	<p><b>Positive implication:</b> Avanti has established clear quality and safety standards for the production of shrimp feeds based on recognized industry best practices and regulatory requirements. Quality control measures are implemented at every stage of the production process, staffs are trained on the importance of quality and safety and thereby with these measures, the high-quality shrimp feed we produce can attract a loyal customer base thus resulting in increase their revenue and profitability.</p>
6.	Materials Sourcing & Efficiency	Opportunity	<ul style="list-style-type: none"> <li>Efficient sourcing and use of materials can help the Company to reduce production costs, which can ultimately lead to lower prices for customers.</li> <li>Sourcing high-quality materials can help company to produce better-quality shrimp feed, which can lead to improved growth rates and health for shrimp.</li> <li>By focusing on responsible sourcing and sustainability such as sourcing the materials from the verified and authorised vendors, the company can build customer loyalty and strengthen its brand reputation.</li> </ul>		<p><b>Positive implication:</b> Avanti has implemented responsible sourcing practices by identifying and partnering with suppliers who prioritize sustainability and ethical sourcing. These practices can result into cost reduction, increased revenue, improved brand reputation, and compliance with regulations.</p>

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Talent Acquisition and Management	Risk and Opportunity	<p><b>Risk</b></p> <ul style="list-style-type: none"> <li>The company requires a skilled workforce to manage various aspects of the business, such as hatchery operations, feed management, disease control, and harvesting. However, there may be a shortage of skilled labour, which can lead to lower productivity and quality of the shrimp produced.</li> <li>The Company may experience high turnover rates due to the seasonal nature of the business and the physically demanding work.</li> </ul> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>A skilled and engaged workforce can lead to improved productivity and quality of the shrimp produced. This can result in increased profitability for the business and a competitive advantage in the market.</li> <li>A highly skilled workforce can help drive innovation and growth that can lead to the development of new technologies, processes, and products that can help the Company meet changing consumer demands and improve sustainability.</li> <li>The Company provides employment opportunities in many communities. Investing in talent acquisition and management can have a positive impact on the local workforce, resulting in economic growth and improved living standards.</li> </ul>	<p>Avanti has a workforce plan that can help to identify the current and future needs of the business, including the required skills, knowledge, and experience. This can help to avoid a shortage of skilled labour and ensure the business has the right people in the right positions. Providing access to training and development programs can help to improve the skills and knowledge of the workforce, leading to increased productivity and quality.</p>	<p><b>Positive and Negative implication:</b></p> <p>The financial implications of talent acquisition and management for the Company can include increased productivity, improved innovation, stronger customer relationships, and enhanced sustainability. However, there are also costs associated with recruitment, training, turnover, and skills gaps that must be managed.</p>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sl. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c) Web Link of the Policies, if available	Avanti's Policies can be accessed through <a href="https://avantifeeds.com/policies">https://avantifeeds.com/policies</a> Moreover, certain policies of the Company are available internally in the Company.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, The Company has translated the policies into procedures.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Not all the enlisted policies may extend to our value chain partners. Avanti ensures that its suppliers/contractors comply with the law of the land by getting such clauses incorporated in their respective Purchase orders/contracts/agreements and terms and conditions of the tenders.								
4.	Name of the national and international codes / certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The operations are in conformance to the spirit of international standard and certifications like ISO 9001:2015, Best Aquaculture Practices (BAP), Hazard Analysis Critical Control Point (HACCP). However, our operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC), underscoring its unwavering dedication to ethical business practices.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.		
Specific commitments, goals and targets	Description	
Reduction of Grid Electricity Consumption	<p><b>Objective:</b> To transition our energy consumption from grid electricity to sustainable sources, reducing our environmental impact and promoting a more sustainable energy future.</p> <p><b>Commitment:</b> We are dedicated to implementing comprehensive strategy to progressively reduce our reliance on grid electricity and increase the integration of renewable energy sources throughout the operations.</p> <p><b>Targets and Time line:</b></p> <ul style="list-style-type: none"> <li>• Implementing energy-efficient technologies and equipment to optimize electricity usage.</li> <li>• Set an annual target to reduce grid electricity by 10% by 2030.</li> <li>• Monitor and track progress regularly. Conducting quarterly assessments to evaluate the effectiveness of implemented measures and adjust strategies accordingly.</li> </ul>	
Farmers' welfare	<p><b>Objective:</b> To support and empower farmers who are the backbone of the Aqua Culture industry, in growing their businesses and improving productivity.</p> <p><b>Commitment:</b> We are fully committed to implementing a comprehensive support framework that focusses on the development and growth of our farmers. Through assessments, evaluations, engagement, collaboration and training, we aim to drive positive change and uplift the livelihood of farmers.</p> <p><b>Targets:</b></p> <ol style="list-style-type: none"> <li>1 To improve the information system to the farmers for taking timely action depending in international market demand &amp; supply situations.</li> <li>2 Upgrade the skill of the farmer on the Best Practices in Aquaculture Sector.</li> <li>3 Increase of training programs with the Industry Experts &amp;</li> <li>4 Adapting the Cost effective methods followed by farmers in other regions</li> </ol> <p>These programs will focus on enhancing their productivity levels and reducing losses in their operations.</p> <p><b>To achieve this goal, we will:</b></p> <ul style="list-style-type: none"> <li>• <b>Engagement &amp; Collaboration:</b> Foster strong relationships with our farmers through regular communication, feedback channels, and collaboration. By understanding their perspectives and challenges, we can work together to find effective solutions.</li> <li>• <b>Supplier Data Analysis:</b> Analyse farmer data to gain insights into the key issues and pain points faced by the farmers. This analysis will guide our efforts in developing targeted interventions and solutions.</li> <li>• <b>Regular Evaluations:</b> Continuously monitor and evaluate the progress of our farmers, tracking their performance and providing feedback.</li> </ul>	
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Avanti has set specific commitments, goals and targets during the period 2022-23, hence the performance of the Company against the specific commitments, goals and targets along with reasons will be reported next year.

Governance, leadership and oversight	
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</p>	<p>"As the Director responsible for the Business Responsibility and Sustainability Report, I am thrilled to highlight our organization's strong commitment to Environmental, Social, and Governance (ESG) principles. At Avanti, we strive for maximum compliance in terms of governance, environmental practices, and economic strategies. Our vision is not only to be a sustainability leader within our industry but also to set a benchmark across all sectors.</p> <p>We firmly believe that integrating ESG considerations into our business operations is essential for long-term success and resilience. Our focus on ESG encompasses a wide range of initiatives, which extend beyond corporate social responsibility (CSR) efforts to address the broader context of sustainable business practices.</p> <p>From an environmental standpoint, we are dedicated to minimizing our ecological footprint and preserving natural resources. We have implemented robust measures to reduce energy consumption, minimize waste generation, and mitigate environmental risks. Through innovative technologies and sustainable practices, we aim to contribute positively to the fight against climate change and promote a greener future.</p> <p>On the social front, we recognize the importance of inclusivity, diversity, and community engagement. We are actively involved in initiatives that promote education, particularly among children, women, the elderly, and individuals with different abilities. By enhancing vocational skills and creating employment opportunities, we aim to uplift lives and empower communities. Additionally, we support initiatives that promote health and well-being, including preventive healthcare and sanitation programs, contributing to the broader societal goal of eradicating hunger, poverty, and malnutrition.</p> <p>Governance remains a cornerstone of our organizational values. We adhere to the highest ethical standards, transparency, and accountability in all our operations. Our governance framework ensures effective risk management, stakeholder engagement, and regulatory compliance. We continuously assess and enhance our governance practices to maintain the trust of our stakeholders and uphold our commitment to integrity.</p> <p>As the Director responsible for the Business Responsibility Report, I am proud to state that our organization is fully aligned with the principles of ESG. We consistently strive for excellence, continuously enhancing our strategies, and setting ambitious goals to drive positive change. By transparently sharing our sustainability performance and future objectives, we aim to inspire others and contribute to the larger goal of a sustainable and inclusive world."</p> <p style="text-align: right;"><b>- Sri A. Indra Kumar, Chairman &amp; Managing Director</b></p>
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</p>	<p>Sri A. Indra Kumar (DIN: 00190168) Chairman &amp; Managing Director</p>
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details</p>	<p>Sri A. Indra Kumar, (DIN: 00190168) Chairman &amp; Managing Director, and</p> <p>Sri C. Ramachandra Rao, (DIN: 00026010) Joint Managing Director, Company Secretary, Compliance Officer &amp; CFO are responsible for decisions on all sustainability related issues.</p>

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically, on a need basis by CMD /JMD / Board Committees / Board of Directors, where ever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, we comply with statutory requirements relevant to the principles with regard to Statutory requirements and review was undertaken by the Board of Directors.									Quarterly								

**11. Independent assessment/ evaluation of the working of its policies by an external agency:**

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, all the policies of the Company are internally evaluated. Further, J. Sundharesan & Associates, specialising in Compliance, Governance and Sustainability advisory has provided a 'limited assurance' on certain Identified Sustainability Indicators based on NGBRC.								

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

This section does not apply to the Company since it has already implemented comprehensive policies that encompass all the necessary aspects outlined in each of the 9 principles.



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

The purpose of this section is to assist organizations in showcasing their proficiency in integrating principles and core elements into critical processes and decisions. The Company has duly provided all mandatory disclosures as per the BRSR framework. Efforts are underway to disclose leadership indicators for forthcoming fiscal years.

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE



#### ESSENTIAL INDICATORS:

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Training on the principles of BRSR were imparted to the entire Board.	100
Key Managerial Personnel	1	Training on the principles of BRSR were imparted to the entire Board.	100
Employees other than BOD and KMPs	12	i Health and Safety ii Fire Safety, Active Supervision iii Human Rights iv Product Quality	90
Workers	8	i Health and Safety ii Fire Safety, Active Supervision iii Human Rights iv Product Quality	85

Avanti values employee training for personal and professional growth and overall business success. We believe training is a strategic investment with long-term benefits for individuals and the organization. To ensure safety and quality, comprehensive training programs are implemented for the Board, Key Management Personnel, Employees, and Workers.

Our objective is to foster a culture of continuous learning, enabling proficient and secure performance. We provide unwavering support and ample resources for employee development, considering it crucial to our success.

##### 2. Details of fines / penalties / punishment / award/ compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies/ judicial institutions, in the financial year, in the following format:

MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine					
Settlement					
Compounding fee					

There are no such cases during the reporting period

NON-MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		There are no such cases during the reporting period			
Punishment					

Avanti's unwavering commitment to ethical and legal conduct in all operations has ensured a clean record without any fines, penalties, or legal consequences for the company, directors, or key managerial personnel.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
There were no appeal/revision during the reporting year	

**4. Anti-corruption or Anti-bribery policy:**

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.	Yes, Avanti has an anti-corruption and anti-bribery policy. Responsible business conduct plays a vital role in Avanti's aspiration to make ethical and responsible decisions in the interest of all stakeholders which is available internally in the Company.
--	--

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

**7. Corrective Actions**

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest	This section is not applicable to Avanti as there were no fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.
--	--

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**



**ESSENTIAL INDICATORS**

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and CAPEX investments made by the entity, respectively:

	2022-23 Current Financial Year	2021-22 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	--	--	--
CAPEX	--	--	--

\* We have no research and development (R&D) expenditures for the years in question. The company has installed a Bio filter worth ₹ 1,17,31,494 to improve air quality.

**2. Sustainable sourcing:**

<p>Does the entity have procedures in place for sustainable sourcing? (Yes/No)</p>	<p>Avanti maintains a strong and mutually beneficial relationship with its suppliers, vendors, and other service providers, considering them integral to its growth strategy. To ensure a fair selection process, Avanti has implemented a mechanism that ranks and selects suppliers based on parameters such as Quality, Price, and Delivery. These parameters also emphasize the importance of socially responsible and ethical procurement practices.</p> <p><b>Here is a brief overview:</b></p> <p>For the procurement of raw materials used in shrimp feed production, such as Fish Meal and Soya, the Company sources both domestically and from internationally recognized certified suppliers, including International Krill Meal, Fish meal and Fish Oil Organization (IFFO RS), Marine Stewardship Council (MSC), Fishery Improvement Project (FIP), Round Table on Responsible Soy Association (RTRS), and ProTerra.</p> <p>These suppliers adhere to rigorous standards, ensuring that the fish meal is free from antibiotics, pesticides, and pollutants, while the procured Soya is non-GMO and free from toxins, pesticides, and herbicides.</p> <p>Furthermore, Avanti is committed to integrating social, ethical, and environmental considerations into its operational and strategic decisions throughout the entire supply chain. Additionally, Avanti endeavours to minimize the overall distance travelled by its products, thus reducing transportation-related emissions.</p>
<p>If yes, what percentage of inputs were sourced sustainably?</p>	<p>32%</p>

3. **Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:**

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.	<p>We are committed to promoting sustainable and responsible business practices in all aspects of our operations. As part of this commitment, we place a strong emphasis on the safe disposal of packaging material for our natural products.</p> <p>The end product is not to reuse, recycle or dispose as it is a consumable, however, to ensure the safe disposal of our packaging material, we work closely with designated waste recyclers who collect and dispose of our waste in an environmentally friendly manner.</p> <p>In addition to our efforts around packaging waste, we also work to minimize production waste by reusing materials wherever possible.</p> <p>We believe that sustainable production practices are critical to our long-term success, and we will continue to explore new ways to minimize waste and promote sustainable business practices in all areas of our operations.</p>
--	--

4. **Extended Producer Responsibility (EPR) plan:**

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	Yes, Extended Producer Responsibility (EPR) is applicable to the entity's activities. The waste collection plan is in line with the EPR plan submitted to Pollution Control Board.
---	--

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**



**ESSENTIAL INDICATORS:**

1. **A) Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Num-ber (B)	% (B/A)	Num-ber (C)	% (C/A)	Num-ber (D)	% (D/A)	Num-ber (E)	% (E/A)	Num-ber (F)	% (F/A)
<b>Permanent Employees</b>											
Male	705	705	100	705	100	0	0	0	0	0	0
Female	31	31	100	31	100	31	100	0	0	0	0
<b>Total</b>	<b>736</b>	<b>736</b>	<b>100</b>	<b>736</b>	<b>100</b>	<b>31</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent Employees</b>											
Male	8	8	100	8	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>100</b>	<b>8</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**B) Details of measures for the well-being of workers:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	463	463	100	463	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>463</b>	<b>463</b>	<b>100</b>	<b>463</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent workers</b>											
Male	150	150	100	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>150</b>	<b>150</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N / N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N / N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	17	23	Yes	18	22	Yes
Others - Medi - claim	44	16	NA	46	14	NA

**3. Accessibility of workplaces:**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	Yes, the manufacturing plants are accessible to all its employees including persons with disabilities.
---	--

**4. Equal Opportunity Policy:**

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.	In line with the Human Rights policy, we are an equal opportunity employer. The Company's policy promotes mutual respect by creating an inclusive and equal opportunity workplace that prohibits discrimination and harassment such as race, colour, religion, disability, gender, sexual orientation, age, or any other legally protected status. Such Policy is being available internally in the Company. platform of the Company specifically provided for internal usage.
---	--

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:\***

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

During the Financial year 2022-23, no employee or worker took parental leave.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company has a Standard Operating Procedure (SOP) in place which provides guidance to raise a complaint in case of any concerns. The grievances, if any, are at first handled by reporting manager and thereafter may approach HR department through e-mail or in writing, in case the grievance is not resolved. The grievances are resolved in fair and time bound manner and maintaining utmost confidentiality.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the entity:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees /workers in respective category, who are part of association (s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees /workers in respective category, who are part of association (s) or Union (D)	% (D/C)
Total Permanent Employees	736	0	0	715	0	0
Male	705	0	0	684	0	0
Female	31	0	0	31	0	0
Total Permanent Workers	463	0	0	435	0	0
Male	463	0	0	435	0	0
Female	0	0	0	0	0	0

The Company has not recognised any association or union, as such disclosure under the above is not applicable.

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	713	630	89	700	98	692	656	95	609	88
Female	31	31	100	31	100	31	30	97	31	100
<b>Total</b>	<b>744</b>	<b>661</b>	<b>89</b>	<b>731</b>	<b>98</b>	<b>723</b>	<b>686</b>	<b>95</b>	<b>640</b>	<b>89</b>
<b>Workers</b>										
Male	613	523	85	474	77	576	429	74	467	81
Female	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>613</b>	<b>523</b>	<b>85</b>	<b>474</b>	<b>77</b>	<b>576</b>	<b>429</b>	<b>74</b>	<b>467</b>	<b>81</b>

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	713	713	100	692	692	100
Female	31	31	100	31	31	100
<b>Total</b>	<b>744</b>	<b>744</b>	<b>100</b>	<b>723</b>	<b>723</b>	<b>100</b>
<b>Workers</b>						
Male	613	613	100	576	576	100
Female	0	0	0	0	0	0
<b>Total</b>	<b>613</b>	<b>613</b>	<b>100</b>	<b>576</b>	<b>576</b>	<b>100%</b>

10. Health and safety management system:

Sl. No	Particulars	Response
a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes, the Company has implemented an occupational health and safety management system. The Company, apart from conducting sessions on safety related aspects for the employees, provides training related to Hazard Analysis Critical Control Point (HACCP). At our company, we prioritize the well-being of all our employees and workers by focusing on their overall health. In this regard, we have organized various programs and discussions with well-being experts and medical practitioners.

Sl. No	Particulars	Response
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<p>As a responsible organization, we understand the importance of identifying and mitigating work-related hazards and risks. In line with this commitment, our Company regularly conducts mock safety drills to evaluate our safety procedures and identify any potential hazards that may arise during work-related activities.</p> <p>We also regularly engage with our on-field staff to collect feedback and assess any risks that they may have encountered or anticipated. This information is then analysed to determine potential risks and develop strategies to mitigate them.</p> <p>Furthermore, on a quarterly basis, we assess all the risks that our Company may face and take proactive measures to reduce or eliminate them. This includes identifying potential safety hazards and implementing appropriate safety protocols and procedures</p>
c)	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>Yes, the Company has dedicated process for workers to report the work-related hazards and to remove themselves from such risks.</p> <p>At our Company, we believe that the best way to ensure a safe working environment is by encouraging feedback from our workers. One of the measures we have put in place is to actively encourage reporting of near misses, unsafe acts, and unsafe conditions. This dual benefit approach not only increases Health &amp; Safety engagement but also helps to reduce risks through prompt rectification of the issues raised.</p> <p>To facilitate this reporting process, each facility has a safety representative meeting on a quarterly basis, where safety representatives from the workforce can provide formal feedback on all safety matters. This provides a structured platform for workers to voice their concerns, make suggestions and receive feedback from management.</p>
d)	Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Each location has undertaken various certifications and follow the Group policy towards employee safety and wellbeing.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0



**12. Measures to ensure a safe and healthy workplace:**

Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has undertaken voluntary health & safety audit from a third party in its efforts to provide safe and healthy workplace. The Company emphasises on the importance of maintaining a safe and healthy workplace for all its employees.

We have implemented comprehensive health and safety policies and procedures for a safe and healthy workplace for all employees and workers. We believe that a safe and healthy work environment is essential for employee well-being and productivity, and our workplace is regularly evaluated and assessed to ensure that it meets the highest standards for safety and health.

We provide ongoing training and support to our employees and workers, helping them understand how to work safely and stay healthy on the job. We also have a reporting and investigation process in place, so that any incidents or concerns can be quickly addressed.

**13. Number of Complaints on the following made by employees and workers:**

	FY (2022-23) Current Financial Year			FY (2021-22) Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

We are pleased to report that our Company has not received any complaints related to working conditions and health and safety from our employees and workers. This is a reflection of our commitment to providing a safe and healthy working environment for our workforce. We will continue to prioritize the well-being of our employees and maintain the highest standards of safety and health.

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

**15. Corrective actions**

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	This section is not applicable to the Company. The Company has been following standard operating procedures to comply with state/ local level regulations and ensure safety and hygiene protocols.
---	--

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**



## ESSENTIAL INDICATORS

### 1. Identification of stakeholders group

Describe the processes for identifying key stakeholder groups of the entity	<p>Avanti has developed a Stakeholder Engagement Framework for identification of Stakeholders. In line with this framework, the stakeholder identification process at Avanti considers the following scope in identifying the stakeholders:</p> <ul style="list-style-type: none"> <li>• <b>Dependency</b> – groups or individuals who are directly or indirectly dependent on the organisation’s activities, products or services and associated performance, or on whom the organisation is dependent in order to operate.</li> <li>• <b>Responsibility</b> – groups or individuals to whom the organisation has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities.</li> <li>• <b>Attention</b> – groups or individuals who need immediate attention from the organisation about financial, wider economic, social or environmental issues.</li> <li>• <b>Influence</b> – groups or individuals who can have an impact on the organisations or a stakeholder’s strategic or operational decision-making.</li> <li>• <b>Diverse perspectives</b> – groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur.</li> </ul>
---	---

### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> <li>• Annual General Meeting,</li> <li>• Shareholder meets,</li> <li>• E-mail,</li> <li>• Stock Exchange (SE) intimations,</li> <li>• Investor/analysts meet/ conference calls,</li> <li>• annual report, quarterly results, media releases and</li> <li>• Company’s website</li> </ul>	Quarterly, Half yearly and annually	Share price appreciation, dividends, profitability and financial stability, robust ESG practices, risks, growth prospects.
Government/Regulatory authorities	No	<ul style="list-style-type: none"> <li>• Reporting/Filings.</li> <li>• Submissions/Applications.</li> <li>• Industry forum meets.</li> <li>• Representations in person</li> <li>• Attending Workshops conducted by the authorities.</li> </ul>	On periodical basis as provided under relevant legislations	In relation to Compliances with applicable laws, Industry concerns, changes in regulatory frameworks, skill and capacity building, employment.
Dealers	No	<ul style="list-style-type: none"> <li>• E-mails. Regular Meets</li> <li>• Personal Visits / Interviews</li> <li>• Satisfaction Surveys</li> </ul>	Regular	Product quality and availability, responsiveness to needs, after sales service, responsible guidelines / manufacturing, Safety awareness.
Suppliers	No	<ul style="list-style-type: none"> <li>• E-mails,</li> <li>• supplier meetings.</li> </ul>	Regular	Production plans, Invoices, Bill payments, Long term relationship.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees/ Workers	No	<ul style="list-style-type: none"> <li>E-mails</li> <li>Team Engagement</li> <li>Website</li> <li>Engagement through Health Programs</li> <li>Notice Board.</li> </ul>	Periodically	<ul style="list-style-type: none"> <li>Empowered and engaged workforce drives to achieving business targets and serve as a key for successful business</li> <li>Satisfied and motivated talent have higher productivity</li> <li>Right Talent gives a competitive advantage.</li> <li>Career management and growth prospects.</li> <li>Work culture, health and safety matters.</li> </ul>
Bankers	No	<ul style="list-style-type: none"> <li>Periodical Meetings</li> <li>Periodical Reports</li> <li>E-mails</li> </ul>	Requirement basis.	<ul style="list-style-type: none"> <li>Understand the banking compliance</li> <li>Maintaining rapport with our bankers</li> <li>Banking/Credit facilities.</li> </ul>
Communities	No	<ul style="list-style-type: none"> <li>Meets of community / local authorities/location heads. community visits and projects, partnership with local charities. volunteerism, seminars/conferences, CSR Partner's meet directly or through Avanti foundation.</li> </ul>	Periodically	Integrated water management, clean water, Natural Resource Management, community development, livelihood support, disaster relief, support of the UN SDGs, Education, Skill development, Farmer Safety etc.
Farmers	Yes	<ul style="list-style-type: none"> <li>Periodical Meets</li> <li>Personal Visits</li> <li>Satisfaction Surveys</li> </ul>	Periodically	Product quality and availability, responsiveness to needs, after sales service.
Board of Directors	No	<ul style="list-style-type: none"> <li>E-mails.</li> <li>Regular meetings</li> </ul>	Quarterly and on any event/need basis.	Company's business operations, planning, strategies etc.
Industry & Trade Associations	No	<ul style="list-style-type: none"> <li>E-mails.</li> <li>Regular meetings</li> <li>Periodical Reports</li> </ul>	Periodically	Deliberations on policies,
Professionals/ Consultants	No	<ul style="list-style-type: none"> <li>E-mails.</li> <li>Need based meetings.</li> <li>Periodical Reports.</li> </ul>	Quarterly and need basis.	Compliance to legal requirements, advice on business, legal, tax and environment etc related issues.
Subsidiary/Associate Companies	No	<ul style="list-style-type: none"> <li>E-mails.</li> <li>Need based meetings.</li> <li>Periodical Reports.</li> </ul>	Quarterly and need basis.	Discussions on major Investment/ expansion plans', Sharing of performance Data, Facilitate decision making on major topics.
Logistic Partners	No	<ul style="list-style-type: none"> <li>E-mails.</li> </ul>	Half yearly	Safe transit and handling of materials and products.

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**



**ESSENTIAL INDICATORS:**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	736	625	85	715	657	92
Other than permanent	8	7	88	8	6	75
Total Employees	744	632	85	723	663	92
<b>Workers</b>						
Permanent	463	385	83	435	329	76
Other than permanent	150	112	75	141	99	70
Total Workers	613	497	81	576	428	74

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	736	0	0	736	100	715	0	0	715	100
Male	705	0	0	705	100	684	0	0	684	100
Female	31	0	0	31	100	31	0	0	31	100
Other than Permanent	8	0	0	8	100	8	0	0	8	100
Male	8	0	0	8	100	8	0	0	8	100
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
Permanent	463	0	0	463	100	435	0	0	435	100
Male	463	0	0	463	100	435	0	0	435	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	150	100	67	50	33	141	91	65	50	35
Male	150	100	67	50	33	141	91	65	50	35
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format

(₹ in Lakhs)

Category	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	11	14.40	1	16.80
Key Managerial Personnel*	3	1,543.45	0	-
Employees other than BoD and KMP	705	3.84	31	3.54
Workers**	461	3.52	0	NA

\* Comprising Chairman & Managing Director, Whole Time Directors, Chief Financial Officer and Company Secretary.

\*\* Permanent Workers.

4. Focal point for addressing human rights:

Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)
<p>Yes, Avanti places great importance on upholding human rights and has designated a specific individual, namely the plant HR Manager, who is entrusted with the responsibility of receiving and resolving any issues that may arise in this regard. This individual possesses the requisite knowledge and is driven by a strong passion to ensure that our business practices align with our steadfast commitment to human rights.</p> <p>By means of frequent assessments, active engagement with stakeholders, and collaboration with relevant organizations, the Avanti team diligently identifies and tackles any adverse effects on human rights while striving to promote exemplary practices throughout the organization.</p>

5. Internal mechanisms in place to redress grievances related to human rights issues:

Describe the internal mechanisms in place to redress grievances related to human rights issues.
<p>Avanti has implemented multiple internal mechanisms to effectively handle grievances pertaining to human rights issues. Firstly, a confidential and easily accessible complaint system has been established to enable individuals to report any concerns they may have regarding human rights. These complaints are thoroughly investigated by the designated focal point in collaboration with the HR &amp; Admin manager, and appropriate remedial measures are taken as necessary.</p> <p>Additionally, Avanti maintains transparent channels of communication with stakeholders, including local communities, civil society organizations, and relevant government agencies. This ensures that any grievances brought forward are promptly acknowledged and addressed in a timely and efficient manner.</p>

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

**7. Prevention of discrimination and harassment cases:**

**Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Avanti is firmly dedicated to maintaining a harassment-free workplace, which includes a strong stance against sexual harassment. We have a zero-tolerance policy towards such misconduct, considering it completely unacceptable. We actively encourage the reporting of any concerns related to harassment and are committed to promptly addressing complaints regarding harassment or any form of unwelcome or offensive behaviour.

To ensure effective handling of sexual harassment cases, dedicated committees have been established across various locations. These committees are responsible for investigating complaints of sexual harassment and recommending appropriate actions, as required. Regular awareness and training sessions are conducted to ensure that employees are well-informed about the various aspects of sexual harassment and are familiar with the available redressal mechanisms.

**8. Human rights requirements forming part of your business agreements and contracts:**

**Do human rights requirements form part of your business agreements and contracts? (Yes/No).**

As part of the supplier/dealer/vendor on boarding process, Avanti incorporates human rights requirements. This entails that suppliers and dealers must adhere to relevant laws, labour standards, environmental regulations, and uphold human rights, ethics, and integrity principles in their operations. These requirements are a crucial aspect of the on boarding process, ensuring that all business partners align with Avanti's commitment to human rights and responsible practices.

**9. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced / involuntary labour	The implementation of Avanti's policy on Human Rights is directed towards adherence to applicable laws and upholding the spirit of human rights.
Sexual harassment	
Discrimination at workplace	
Wages	The mentioned parameters are frequently assessed by factory inspector and customers performing their due diligence.
Others – please specify	

**10. Corrective Actions to address significant risks / concerns arising from the assessments:**

**Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no significant risk/concern that arose on its self-assessment and from the diligence of customers.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**



**ESSENTIAL INDICATORS:**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	183,362 GJ	187,911 GJ
Total fuel consumption (B)	254,503 GJ	221,277 GJ

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Energy consumption through other sources (C)	2,880 GJ	2,424 GJ
Total energy consumption (A+B+C)	<b>440,746 GJ</b>	<b>411,612 GJ</b>
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	<b>0.0109 (4,40,746/4,041 Cr)</b>	<b>0.0101 (4,11,612/4,047 Cr)</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

A Half-yearly independent assessment is carried out by SV Enviro Labs & Consultants, a pollution control board authorised independent agency to check on the energy consumption parameters. The total energy consumption of the company has been evaluated to be well within the standards as per the norms of pollution laws, as applicable.

**2. Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India:**

Not applicable, as the entity has not been identified as designated consumers under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-2023	FY 2021-2022
Water withdrawal by source (in kilo litres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	1,21,178	91,912
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	80,000	39,000
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilo litres) (i + ii + iii + iv + v)	<b>2,01,178</b>	<b>1,30,912</b>
Total volume of water consumption (in kilo litres)	<b>2,01,178</b>	<b>1,30,912</b>
Water intensity per rupee of turnover (Water consumed / turnover)	<b>0.0049 (2,01,178/4,041 Cr)</b>	<b>0.0032 (1,30,912/ 4,047 Cr)</b>
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Avanti has not conducted any independent assessment, evaluation, or assurance by an external agency.

**4. Mechanism for Zero Liquid Discharge:**

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	<p>Avanti has successfully implemented a comprehensive zero liquid discharge program, which has the objective of completely eliminating liquid waste from our operations. This program encompasses all aspects of our business activities and is specifically designed to minimize the discharge of pollutants into the environment.</p> <p>To achieve this, significant investments have been made in advanced treatment and discharge systems. The water processed through our effluent treatment plant(s) is efficiently treated and subsequently utilized for in-house plantation purposes.</p> <p>Furthermore, we maintain an ongoing commitment to continuous improvement, constantly exploring innovative approaches to enhance our processes and further reduce our environmental footprint.</p>
---	--

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023	FY 2021-2022
NOx	Kgs	3,05,055	2,21,119
Sox	Kgs	3,77,301	2,75,427
Particulate matter (PM)	Kgs	4,00,653	2,78,871
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Yes, a Half-yearly independent assessment is carried out by SV Enviro Labs & Consultants, a pollution control board authorised independent agency to assess on the air emissions.
- Avanti acknowledges the significance of minimizing our environmental impact and safeguarding air quality for present and future generations. To fulfil this commitment, we have undertaken substantial efforts to reduce our air emissions.
- Numerous measures have been implemented, including the installation of Aerox filters and Bio filters, with the explicit goal of minimizing the discharge of odour into the atmosphere. In addition, we have upgraded our equipment and processes, enhanced energy efficiency, and adopted industry-leading practices for effective air quality management.
- We remain steadfast in our pursuit of new opportunities to further decrease our air emissions, as we strive to contribute to a cleaner and healthier future for all.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-2023	FY 2021-2022
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	36,681.34	31,069.06
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent	-	-

Avanti has not measured its Scope 2 emissions but is actively working towards implementing the necessary arrangements for future measurement.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Avanti has not conducted any independent assessment/evaluation by an external agency.

7. Project related to reducing Green House Gas emission:

Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.	No, The Green House Gas emission of company is not significant as such and hence Avanti does not have any specific project for this aspect.
--	---



8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	2812.3155	2611.5536
E-waste (B)	0.295	0.155
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	2.31	0
Radioactive waste (F)	0	0
Other Hazardous waste:		
Used Oil	0.303	0.475
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>2815.2235</b>	<b>2612.1836</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Avanti is in process of establishing a data collection, tracking and monitoring system to formally report on the requirement.	
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Avanti's waste management system consists of proper disposal of waste. However, the company is in the process of establishing a data collection, tracking and monitoring system to formally report on the requirement.	
(i) Incineration		
(ii) Land filling		
(iii) Other disposal operations		
<b>Total</b>		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Avanti has not conducted any independent assessment/ evaluation by an external agency.

9. Waste management practices adopted in the establishment:

<p>Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. We have implemented a range of waste management practices to minimize our waste and ensure that all of our waste is managed in an environmentally responsible manner.</p>	<p>We have established partnerships with authorised organizations and recycling facilities to ensure that all our waste is properly managed and recycled.</p> <p>Our goal is to minimize the amount of waste we generate and to ensure that all our waste is properly managed and disposed of in an environmentally responsible manner.</p> <p>We will continue to prioritize waste reduction and responsible waste management in all our operations.</p>
---	---

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Avanti does not have any offices or operational sites in the vicinity of any ecologically sensitive area.			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Environmental impact assessment is not applicable for Avanti during the reporting financial year.

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, Avanti is fully compliant with all the applicable environmental laws/regulations/guidelines in India including but not limited to Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**



**ESSENTIAL INDICATORS:**

**1. A) Affiliations with trade and industry chambers/ associations:**

Number of affiliations with trade and industry chambers/ associations.	
During the year, Avanti had active affiliations with Seven such trade and industry chambers/ associations.	
Avanti's Policy on Responsible Advocacy provides the framework for necessary interface with Government/Regulatory Authorities on matters concerning various sectors in which the Company operates. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency, and the need to balance the interests of diverse stakeholders. The Company works with apex industry institutions that are engaged in policy advocacy as well as various other forums.	

**B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Chambers of Commerce and Industry	National
2.	The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry	State
3.	The Andhra Pradesh Chambers of Commerce & Industry Federation	State
4.	Indian Wind Power Association	National
5.	Compound Livestock Feed Manufacturers Association of India	National
6.	Federation of Indian Export Organization.	National
7.	Soya bean Processors Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
Avanti has not engaged in any anti-competitive conduct.		

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**



The Company places a high priority on its social responsibilities, encompassing a wide range of objectives such as healthcare and wellness, education, training for promoting rural sports, rural development projects, and initiatives to eradicate hunger, poverty, and malnutrition.

Furthermore, the Company actively engages in fostering the social and economic progress of the communities where it operates. This commitment is reflected in its comprehensive Corporate Social Responsibility (CSR) policy, which covers the formulation, implementation, monitoring, evaluation, documentation, and reporting of CSR activities.

Through its social investments, the Company addresses various community needs in the vicinity of its outlets and offices. These initiatives are designed to have a positive and long-lasting impact on the well-being and development of the local communities it serves.

**ESSENTIAL INDICATORS:**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
This section is not applicable to Avanti as there were no projects that required Social Impact Assessment (SIA) to be undertaken under the law					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
This section is not applicable to Avanti as there were no projects that required Rehabilitation and Resettlement (R&R).						

3. Community redressal mechanism:

Describe the mechanisms to receive and redress grievances of the community.
Grievance Redressal Mechanism (GRM) is an important aspect of assuring our strong relation with the community as it provides us social license the to operate and execute the community initiative projects. As part of our grievance redressal mechanism, we have deployed our local employees who regularly visit the community and interact with people to gauge and address community concerns. Based on these interactions, we have not encountered any specific grievances from the community at present.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	FY 2022-23 (Current Financial Year) %	FY 2021-22 (Previous Financial Year) %
Directly sourced from MSMEs/ small producers	31	38
Sourced directly from within the district and neighbouring districts	NIL	NIL

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**



**ESSENTIAL INDICATORS:**

1. **Consumer Complaints and feedback:**

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
Avanti has a robust system in place to handle consumer feedback, offering various channels for consumers to connect with them, including e-mail, telephone, website, and feedback forms.
Furthermore, each of Avanti's businesses has dedicated technicians in the field to address customer queries and gather feedback on products, enabling continuous improvement of both products and services.
Avanti actively collects consumer feedback after a thirty-day period from product dispatch, and regular follow-up calls are made, particularly in the Hatchery domain, to ensure a comprehensive understanding of consumer experiences.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover %
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. **Number of consumer complaints in respect of the following:**

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

**4. Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	None	None
Forced recalls	None	None

**5. Cyber Security Policy:**

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes, Avanti's exposure to cyber security is insignificant, however, a policy on cyber security is adopted by Avanti to ensure that the due process is followed avert any potential issues. Avanti has a dedicated information technology team which checks and tracks IT related issues on a daily basis which is accessible via the internal platform specifically provided for internal usage.

**6. Corrective Actions:**

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

This section is not applicable to Avanti as there have been no reported incidents of such issues till date.

# REPORT ON CORPORATE GOVERNANCE

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the Financial year 2022-23 is given herein below:

## 1. Company's Philosophy on Code of Governance

Avanti Feeds Limited ('AFL' / 'the Company' / Avanti) is committed to implement strong corporate governance practices. At Avanti, Corporate Governance has been an intrinsic part of our fiduciary responsibility as a responsible corporate citizen. Corporate Governance is about commitment to values and ethical business conduct. Our philosophy on Corporate Governance envisages achievement of highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, lenders and the Government. Timely and accurate disclosure of information regarding the financial performance, ownership and governance of the Company is an important part of Corporate Governance. The Board extends its fiduciary responsibilities in the widest sense of the term and also endeavors to enhance long term shareholder value by serving and protecting the interests of all the stakeholders.

## 2. Board of Directors

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors including one Independent Woman Director, in conformity with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Listing Regulations. The chairperson of the Board is a Non-Executive Independent Director where in one third of the Board of Directors comprises of Independent Directors. As on 31<sup>st</sup> March, 2023, the Company has eleven (11) Directors, of which, eight (8) are Non-Executive Directors out of which four (4) are Independent Directors including One (1) Independent Woman Director. The Board comprises of a Nominee Director from APIDC. The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. All the directors have confirmed that they are not debarred from holding the office of director.

The functions, responsibilities, role (s) and accountability of the Board are well defined. The detailed reports of the Company's activities and performances are periodically placed before the Board for effective decision making.

The day-to-day management of the Company is conducted by the Chairman & Managing Director, Joint Managing Director and Executive Director subject to the overall supervision and control of the Board of Directors.

**2.01.** The names and categories of the Directors on the Board, their attendance at Board Meetings held during Financial year 2022-23 and at the 29<sup>th</sup> Annual General Meeting ("AGM") and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2023 are tabulated below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, Chairmanship and Membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

None of the Directors on the Board:

- Hold directorships in more than ten public companies;
- Serve as Director or as Independent Directors (ID) in more than seven listed entities; and
- Who are the Executive Directors, serve as Independent Directors (ID) in more than three listed entities.

All the necessary disclosures have been obtained from the Directors regarding their Directorship(s) including committee positions in other public companies and have been taken on record by the Board. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Sl. No.	Name of the Director / Director Identification Number (DIN)	Category @	Number of Board Meeting(s) Held	Number of Board Meeting(s) entitled to attend	Number of Board Meeting(s) Attended	Whether attended the Last AGM held on 12 <sup>th</sup> August, 2022	Directorship(s) in Other Public Companies	Number of Committee Position(s) Held in Other Public Companies		Name of the other Listed Entities for Directorship	Category in other listed Companies
								Chairman	Member		
1	Sri A. Indra Kumar DIN: 00190168	Chairman & Managing Director – Promoter	7	7	7	Yes	4	-	1	Nava Limited ID	
2	Sri C. Ramachandra Rao DIN:00026010	Joint Managing Director, Company Secretary, Compliance Officer & CFO	7	7	7	Yes	2	-	1	-	-
3	Sri N. Ram Prasad DIN: 00145558	NED	7	7	7	Yes	1	-	-	-	-
4	Sri A. Venkata Sanjeev DIN: 07717691	ED	7	7	7	Yes	-	-	-		
5	Sri J. V. Ramudu DIN: 03055480	NED / ID & Chairman of the Board	7	7	7	Yes	2	1	4	1. Suven Pharmaceuticals Limited 2. Krishna Institute of Medical Sciences Limited (KIMS)	1. NED 2. ID
6	Mr. Bunluesak Sorajjakit DIN: 02822828	NED	7	7	7	Yes	1	-	-	-	-
7	Mr. Peerasak Boonmechote* DIN: 10047883	NED	7	1	1	NA	1	-	-	-	-

Sl. No.	Name of the Director / Director Identification Number (DIN)	Category @	Number of Board Meeting(s) Held	Number of Board Meeting(s) entitled to attend	Number of Board Meeting(s) Attended	Whether attended the Last AGM held on 12 <sup>th</sup> August, 2022	Directorship(s) in Other Public Companies	Number of Committee Position(s) Held in Other Public Companies		Name of the other Listed Entities for Directorship	Category in other listed Companies
								Chairman	Member		
8	Mr. Wai Yat Paco Lee** DIN: 02931372	NED	7	6	6	Yes	1	-	-	-	-
9	Smt K. Kiranmayee DIN:07117423	NED / IWD	7	7	7	Yes	-	-	-	-	-
10	Sri N. V. D. S Raju DIN:05183133	NED / ID	7	7	7	Yes	1	-	-	-	-
11	Sri V. Narsi Reddy DIN: 08685359	NED / ID	7	7	7	Yes	1	-	2	-	-
12	Sri G. Sudarsan Babu## DIN: 09402807	NED / ND	7	2	1	NA	-	-	-	-	-
13	Sri R. Karikal Valven, IAS# DIN: 01519945 Nominee of A.P.I.D.C represented as Equity Investor	NED/ND	7	6	1	No	14	-	-	The Andhra Petrochemicals Limited	-

@ Executive Director (ED), Non-Executive Director (NED), Independent Director (ID), Independent Women Director (IWD), and Nominee Director (ND).

\*Appointed w.e.f 20<sup>th</sup> February, 2023.

\*\* Resigned w.e.f 16<sup>th</sup> February, 2023.

# Resigned w.e.f 06<sup>th</sup> February, 2023.

##Appointed w.e.f 11<sup>th</sup> February, 2023.



## 2.02. Details of Meetings of Board of Directors

Seven (7) Meetings of Board of Directors were held during the Financial year 2022-23. The time gap between two consecutive Board Meetings did not exceed by more than one hundred and twenty days (120 days). The details of the Meetings were held during the Financial year 2022-23 were as tabulated below:

Sl. No.	Date of Board Meeting
1	12 <sup>th</sup> May, 2022
2	10 <sup>th</sup> August, 2022
3	25 <sup>th</sup> August, 2022
4	14 <sup>th</sup> October, 2022
5	10 <sup>th</sup> November, 2022
6	11 <sup>th</sup> February, 2023
7	28 <sup>th</sup> March, 2023

The necessary quorum was present for all the Board Meetings. All the Board Meetings in Financial year 2022-23 were held through Video Conferencing ("VC") except for the Board Meeting convened and conducted on 11<sup>th</sup> February, 2023.

## 2.03. Independent Directors

The Board consists of four (4) Independent Directors including one (1) Independent Woman Director i.e., Sri J. V. Ramudu, Sri N. V. D. S. Raju, and Sri V. Narsi Reddy and Smt. K. Kiranmayee respectively. All Independent Directors possess the requisite qualifications and are very experienced in their own fields. The letter(s) of appointment of the above Independent Directors were issued by the Company on their appointment and the same are disseminated on the website of the Company i.e. [www.avantifeeds.com](http://www.avantifeeds.com).

## 2.04. Criteria of Independence of Independent Directors

The Independent Directors have furnished a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Based on the declarations received under section 149 (7) of the act, from the Independent Directors, in the opinion of the Board, the Independent Directors fulfil conditions as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and other applicable regulations as laid down under SEBI (LODR) Reg., 2015, as amended from time to time and that they are independent of the management.

Further, the Independent Directors have included their names in the data bank of Independent Directors as maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial year 2022-23.

## 2.05. Familiarization Programme for Directors (including Independent Directors)

Familiarization Programme for Independent Directors aims to familiarize them about the Company, the nature of industry in which the Company operates, the business model, their roles, rights and responsibilities in the Company, etc. In pursuit of this, the Company provides the Independent Directors an insight into the Company, its products, business and updates them through various programme on changes / developments in the corporate and industry scenario including those pertaining to statutes / legislation and on matters affecting the Company, to enable them to take well informed decision and discharge their duties and responsibilities in an efficient manner and to contribute significantly towards the growth of the Company.

Business strategy, operations, market share, financial parameters, regulatory and business scenario of the industry, changes in business model and other details relating to the operations

of the Company are informed to the Directors during the Board and Committee Meetings. A presentation is also given during the Board Meeting highlighting the performance of the Company every quarter. Such Programmes provide an opportunity to the Directors to interact with the senior management team of the Company and understand the business of the Company in detail.

Further each member of the Board, including the Independent Directors, are given complete access to any information relating to the Company, whenever they request and are informed of the important developments of the Company and the Industry through e-mails and telephonic conversations at times.

The details of the familiarization programme held on 29<sup>th</sup> March, 2023 is disseminated on the website of the Company at <https://avantifeeds.com/board-of-directors/#Familiarization-Programme>.

#### 2.06. A matrix setting out the skills / expertise / competence of the Board of Directors is as under:

In terms of the requirement of the Listing Regulations, the Board has identified the following skills / expertise / competencies, fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill / expertise / competence are as follows:

Sl. No.	Name of the Director	Skills / Expertise / Competence of the Directors
1	<b>Sri A. Indra Kumar</b>	Technical, Administrative / HR & Aquaculture
2	<b>Sri C. Ramachandra Rao</b>	Financial, Administrative / HR & Legal
3	<b>Sri N. Ram Prasad</b>	Technical, Financial & Administrative / HR
4	<b>Sri J. V. Ramudu</b>	Financial, Administrative / HR & Legal
5	<b>Sri A. Venkata Sanjeev</b>	Technical & Administrative / HR
6	<b>Mr. Bunluesak Sorajjakit</b>	Technical, Administrative / HR & Aquaculture
7	<b>Mr. Peerasak Boonmechote</b>	Technical, Financial & Administrative / HR
8	<b>Sri N. V. D. S. Raju</b>	Financial, Administrative / HR & Legal
9	<b>Smt. K. Kiranmayee</b>	Administrative / HR
10	<b>Sri G. Sudarsan Babu</b>	Financial & Administrative / HR
11	<b>Sri V. Narsi Reddy</b>	Financial, Administrative / HR & Legal

### 3. Changes in Directors

The changes in the Directors during the year under review are disclosed in the Board's Report.

### 4. Audit Committee

#### 4.01. Composition & Attendance details

The Audit Committee comprises entirely of (three) 3 Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in their respective fields. The Company Secretary acts as secretary of the Audit Committee. The permanent invitees include Managing Director, Chief Financial Officer, and representatives of Independent Auditors, internal auditors and such other executives of the Company.

During the Financial year 2022-23, the Audit Committee met Eight (8) times on (i) 14<sup>th</sup> April, 2022, (ii) 11<sup>th</sup> May, 2022, (iii) 10<sup>th</sup> August, 2022, (iv) 25<sup>th</sup> August, 2022 (v) 14<sup>th</sup> October, 2022, (vi) 10<sup>th</sup> November, 2022, (vii) 7<sup>th</sup> February, 2023 and (viii) 28<sup>th</sup> March, 2023 and the time gap between two consecutive Audit Committee meetings did not exceed by more than one hundred and twenty days (120 days). The Chairman of the Audit Committee attended the Annual General Meeting for the Financial year 2021-22 held on 12<sup>th</sup> August, 2022 to answer shareholders' queries wherever necessary.

The composition of the Audit Committee and details of the Meetings attended by the Members during the Financial year 2022-23 are as follows:

Sl. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1	Sri N. V. D. S. Raju	Independent Director	Chairman	8	8
2	Sri J. V. Ramudu	Independent Director	Member	8	8
3	Sri V. Narsi Reddy	Independent Director	Member	8	8

The Company Secretary of the Company acted as Secretary to the Committee.

#### 4.02. Brief description of terms of reference

In addition to the matters provided in the Listing Regulations and Section 177 of the Act, the Audit Committee reviews reports issued by Internal Auditor, meets Independent Auditors as and when required and discuss their findings, suggestions, observations and other related matters, (if any). It also reviews major accounting policies followed by the Company. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Act and the Listing Regulations. The Audit Committee comprises entirely of Independent Directors.

#### 4.03. General

The Minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and duly taken note. The Audit Committee considered and reviewed the accounts for the Financial year 2022-23, before it was placed before the Board. The Committee periodically interacts with the Independent Auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies. The Internal Auditor reports directly to the Audit Committee.

## 5. Nomination & Remuneration Committee

#### 5.01. Composition & Attendance details

The Nomination and Remuneration Committee comprises of four (4) Directors, majority of them are Independent Directors. During the Financial year 2022-23, the Nomination and Remuneration Committee met two (2) times i.e., on 11<sup>th</sup> May, 2022 and 7<sup>th</sup> February, 2023.

The composition of the Nomination and Remuneration Committee and details of meetings attended by the Members during the Financial year 2022-23 are as follows:

Sl. No.	Name	Category	Designation	No. of Meetings held	No. of Meetings attended
1	Sri N. V. D. S. Raju	Independent Director	Chairman	2	2
2	Sri J. V. Ramudu	Independent Director	Member	2	2
3	Sri A. Indra Kumar	Chairman & Managing Director	Member	2	2
4	Sri V. Narsi Reddy	Independent Director	Member	2	2

The Company Secretary of the Company acted as Secretary to the Committee.

#### 5.02 Brief Description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- For every appointment of an Independent Director, the Board shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for an Independent Director.
- For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria as laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management

## 6. Evaluation

### 6.01. Nomination & Remuneration Committee

Pursuant to the provisions of the Act, and of the Listing Regulations, as amended from time to time, the Nomination and Remuneration Committee evaluated the performance of the Directors on 29<sup>th</sup> April, 2023 on the basis of criteria for evaluation of Directors formulated by it. The evaluation of the other Directors was made on the basis of a structured questionnaire taking into account the indicative criteria as prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge & competency, ability to function as a team, availability and attendance etc. The Director being evaluated did not participate in the evaluation process.

### 6.02. Separate Meeting of Independent Directors

A separate Meeting of all the Independent Directors without the attendance of any Non-Independent Directors or members of the management was held on 7<sup>th</sup> April, 2023. The Independent Directors (a) reviewed the performance of the Non-Independent Directors and the Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation was made on the basis of a structured questionnaire taking into account all the indicative criteria as prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge & competency, ability to function as a team, availability and attendance etc. The Independent Directors evaluated the performance of non- Independent Directors Chairman and the Board.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions as received from the Directors were considered at the Board meeting and have been effectively implemented from time to time as may be required.

### 6.03. Evaluation by Board

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The evaluation was made on the basis of a structured questionnaire taking into account the indicative criteria as prescribed by SEBI in its Guidance Note. The criteria inter alia include Qualification, experience, knowledge & competency, ability to function as a team, availability and attendance etc.

## 7. Remuneration of Directors

### 7.01. Criteria for making payments to Non-Executive Directors

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available in the Nomination & Remuneration Policy disseminated on website of the Company at <https://avantifeeds.com/policies/>.

### 7.02. Non-Executive Directors' Compensation & Disclosures

The Non-Executive Directors are entitled for (i) Sitting fee of ₹ 40,000/- (Rupees Forty thousand

only) and (ii) reimbursement of travel and accommodation and other expenses incurred by them, for attending Board / Committee Meetings.

### 7.03. Nomination & Remuneration Policy & Policy on Board Diversity

The Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits and achievements and promote excellence in their performance. The Nomination and Remuneration Policy of the Company is disseminated on the website of the Company at <https://avantifeeds.com/policies/>. The Policy on Board diversity of the Company was reviewed by the Nomination and Remuneration Committee and is disseminated on the website of the Company at <https://avantifeeds.com/policies/>.

### 7.04. Details of remuneration paid / payable to the Non-Executive Directors for the Financial Year 2022-23 and the shares held by them are as follows:

Sl. No.	Name	No. of Equity Shares	Sitting Fees ₹ in Lakhs	Commission ₹ in Lakhs
1	Sri J. V. Ramudu	-	8.90	25.00
2	Sri N. Ram Prasad	2,29,701 (On behalf of HUF)	7.50	10.00
3	Sri N. V. D. S. Raju	-	11.90	15.00
4	Mr. Bunluesak Sorajjakit	-	3.50	10.00 <sup>5</sup>
5	Mr. Wai Yat Paco Lee <sup>1</sup>	-	3.00	-
6	Mr. Peerasak Boonmechote <sup>2</sup>	-	0.50	10.00*
7	Smt. K. Kiranmayee	5,550	8.90	10.00
8	Sri V. Narsi Reddy	-	8.90	10.00
9	Sri R. Karikal Valaven, IAS <sup>3</sup>	-	0.40*	-
10	Sri G. Sudarsan Babu <sup>4</sup>	-	0.40*	10.00*
<b>Total</b>		<b>2,35,251</b>	<b>53.90</b>	<b>100.00</b>

<sup>1</sup>Resigned w.e.f. 16<sup>th</sup> February, 2023.

<sup>2</sup>Appointed w.e.f. 20<sup>th</sup> February, 2023.

<sup>3</sup>Resigned w.e.f. 6<sup>th</sup> February, 2023.

<sup>4</sup>Appointed w.e.f. 11<sup>th</sup> February, 2023.

<sup>5</sup>Commission payable to **Thai Union Group PCL** and **APIDC**, as directors are representatives from their respective Companies.

\*Sitting fee payable to Nominee Director of APIDC is payable directly to APIDC.

**Notes:** There are no material pecuniary relationships or transactions by the Non-Executive Directors with the Company, except those disclosed in the Annual Report, if any.

### 7.05 The remuneration paid / payable to the Chairman & Managing Director; Joint Managing Director, Company Secretary & CFO and Executive Director of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 is as under:

(₹ in Lakhs)

Details	Sri A. Indra Kumar, CMD	Sri C. Ramachandra Rao, JMD, CS & CFO	Sri A. Venkata Sanjeev, ED
Salary	427.25	227.04	118.04
Ex-gratia	49.68	26.40	13.73
Superannuation	--	--	7.90
Perks	5.88	--	--
Commission on Profits	1,935.17	1,290.11	322.53
<b>Total</b>	<b>2,417.98</b>	<b>1,543.55</b>	<b>462.19</b>

**Service Contracts, Severance Fees and Notice Period:** The tenure of the office of Chairman & Managing Director, Joint Managing Director and Whole time Directors is of five (5) years from their respective dates of their appointment(s) and the notice period for terminating the service contract of Managing Director, Joint Managing Director and Whole-Time Director (ED) is based on the Company's HR Policy. Further, there is no separate provision for payment of severance fee.

The Company had not granted any Employee Stock Option to any Directors. Hence, the disclosure of the same is not applicable.

## 8. Corporate Social Responsibility Committee

### 8.01. Composition & Attendance details

The Corporate Social Responsibility Committee comprises of four (4) directors including one Independent Woman Director. During the Financial year 2022-23, the Corporate Social Responsibility Committee met four (4) times i.e., on 11<sup>th</sup> May, 2022, 16<sup>th</sup> July, 2023, 28<sup>th</sup> October, 2022 and 4<sup>th</sup> February, 2023.

The composition of the Corporate Social Responsibility Committee and details of meetings attended by the Members during the Financial year 2022-23 are as follows:

Sl. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1	<b>Sri A. Indra Kumar</b>	Chairman & Managing Director	Chairman	4	3
2	<b>Sri N. Ram Prasad</b>	Independent Director	Member	4	4
3	<b>Smt K. Kiranmayee</b>	Independent Director	Member	4	4
4	<b>Sri C. Ramachandra Rao</b>	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer	4	4

The Company Secretary of the Company acted as Secretary to the Committee.

### 8.02. Brief description of terms of reference

The terms of reference of the Corporate Social Responsibility Committee are as prescribed under the Act, and the Rules framed thereunder, and it discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Committee includes formulating and recommending to the Board of Directors a Corporate Social Responsibility ("CSR") Policy indicating all the activities to be undertaken by the Company as specified in the Act, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR Policy of the Company from time to time. The Corporate Social Responsibility Committee also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company.

### 8.03. CSR Policy

The Company's CSR Policy is disseminated at the website of the Company at <https://avantifeeds.com/policies/>.

## 9. Stakeholders Relationship Committee

### 9.01. Composition & Attendance details

The Stakeholders Relationship Committee comprises of three (3) directors including two (2) being the Independent Directors, where one being Independent Woman Director. The Chairman of the Stakeholders Relationship Committee was present at the 29<sup>th</sup> Annual General Meeting of the Company. During the period under review, the Stakeholders Relationship Committee met four (4) times i.e., on 11<sup>th</sup> May, 2022, 16<sup>th</sup> July, 2022, 28<sup>th</sup> October, 2022 and 4<sup>th</sup> February, 2023.

The composition of the Stakeholders Relationship Committee and details of meetings attended by the Members during the Financial Year ended 31<sup>st</sup> March, 2023 are as follows:

Sl. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1	<b>Sri N. Ram Prasad</b>	Non-Executive Director	Chairman	4	4
2	<b>Smt. K. Kiranmayee</b>	Independent Woman Director	Member	4	4
3	<b>Sri N. V. D. S. Raju</b>	Independent Director	Member	4	4

The Company Secretary of the Company acted as Secretary to the Committee.

#### 9.02. Brief description of terms of reference

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on to:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors;
- review of measures taken for effective exercise of voting rights by shareholders.

#### 9.03. Details of shareholders' requests / complaints received and resolved during the Financial Year 2022-23 are as under:

a. No. of requests / complaints Received	:	118
b. No. of requests / complaints Resolved	:	118
c. No. of requests / complaints not solved to the satisfaction of the Shareholders	:	NIL
d. No. of pending requests / complaints	:	NIL

#### Name, designation, and address of the Compliance Officer

##### **Sri C. Ramachandra Rao**

Joint Managing Director, Company Secretary, Compliance officer & CFO

##### **Avanti Feeds Limited**

**Reg. Office:** Flat No. 103, Ground Floor, "R" Square Pandurangapuram, Vishakhapatnam- 530003, Andhra Pradesh, India

**Corp. Office:** G-2, Concorde Apartments, House No. 6-3-658, Somajiguda, Hyderabad- 500082, Telangana State, India.

Telephone: 040-23310260/61 | e-mail: [investors@avantifeeds.com](mailto:investors@avantifeeds.com)

## 10. Risk Management Committee

#### 10.01. Composition & Attendance at the Meeting

The Risk Management Committee comprises of five (5) directors including two (2) Independent Directors. During the Financial year 2022-23, the Risk Management Committee met two (2) times on 11<sup>th</sup> May, 2022 and 28<sup>th</sup> October, 2022.

The composition of the Risk Management Committee and the details of meetings attended by the Members during the Financial year 2022-23, are as follows:

Sl. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1	<b>Sri A. Indra Kumar</b>	Chairman & Managing Director	Chairman	2	2
2	<b>Sri N. V. D. S Raju</b>	Independent Director	Member	2	2
3	<b>Smt. K. Kiranmayee</b>	Independent Woman Director	Member	2	2
4	<b>Sri A. Venkata Sanjeev</b>	Executive Director	Member	2	2
5	<b>Sri C. Ramachandra Rao</b>	Joint Managing Director, Company Secretary & CFO	Member & Compliance Officer	2	2

The Company Secretary of the Company acted as Secretary to the Committee.

#### 10.02 Terms of Reference

- To identify and assess all the risks that the organization faces and establish a risk management framework capable of addressing / mitigating those risks.
- To oversee in conjunction with the Board risks such as strategic, financial, market, Foreign exchange, security, IT, legal, regulatory, reputational and other risks.
- To monitor and review the risk management plan of the Company including cyber security, from time to time as may be required.

### 11. General Body Meetings

#### 11.01. Annual General Meeting (AGM)

The details of the Annual General Meetings held in last 3 years along with the details of the Special Resolutions, as more particularly set out in the notices of the respective AGMs and passed by the members are as follows:-

No. of AGM / Financial Year	Day, Date, Time and Location	Special Resolution(s) passed
29 <sup>th</sup> AGM 2021-22	Friday, 12 <sup>th</sup> August, 2022 at 11:00 A.M (IST) through Video conferencing (VC) / other Audio Visual Means (OAVM)	1. Revision in Managerial Remuneration of Sri A. Indra Kumar, Chairman & Managing Director of the Company. 2. Revision in Managerial Remuneration of Sri A. Venkata Sanjeev, Whole-time Director of the Company.
28 <sup>th</sup> AGM 2020-21	Saturday, 14 <sup>th</sup> August, 2021 at 11:00 A.M (IST) through Video conferencing (VC) / other Audio Visual Means (OAVM)	1. Amendment to Articles of Association of the Company. 2. Re-appointment of Sri A. Indra Kumar, CMD for a period of five (5) years.
27 <sup>th</sup> AGM 2019-20	Saturday, 29 <sup>th</sup> August, 2020 at 11:00 A.M (IST) through Video conferencing (VC) / other Audio Visual Means (OAVM)	No special resolution passed

#### 11.02. Extraordinary General Meeting (EGM)

During the year no Extraordinary General Meeting was held.

### 12. Postal Ballot Resolutions

No special resolution passed through postal ballot during the Financial year 2022-23.

### 13. Means of Communication

Sl. No.	Description	Remarks
1	Quarterly results	The quarterly results of the Company are submitted to the Stock Exchanges in accordance with the requirements of the Listing Regulations.
2	Newspapers wherein results are normally published	Quarterly / Half Yearly / Annual Audited Results are generally published in widely circulated newspapers viz., Financial Express (English daily) and Andhra Prabha (Regional Newspaper – Telugu Daily).
3	Website where the results are displayed	<a href="http://www.avantifeeds.com">www. avantifeeds.com</a>
4	Whether the website also display official news releases	Yes. Official news releases, if any, are displayed on the Company's website: <a href="http://www.avantifeeds.com">www.avantifeeds.com</a> .



Sl. No.	Description	Remarks
5	Presentations made to institutional investors or to analysts	Yes. The presentations, if any, are placed on the Company's website: <a href="http://www.avantifeeds.com">www.avantifeeds.com</a> .

#### 14. Credit Rating

During the year under review, India Ratings & Research Private Limited (the 'India Ratings'), Affirmed the Credit rating to the as under:

Sl. No.	Details	Rating Affirmed
1	Avanti Feeds Ltd – Long Term Issuer Rating	IND AA(-) Stable
2	Fund Based Working Capital Limits ₹ 50 Crores including non-fund based ₹ 20 Crores	IND AA(-) Stable
3	Non-Fund Based Working Capital Limits ₹ 42.79 Crores	IND A1+

#### 15. General Shareholders' Information

AGM	<b>30<sup>th</sup> AGM for the Financial Year 2022-23</b>
Day & Date	<b>11<sup>th</sup> August, 2023</b>
Time	11:00 A.M (IST)
Venue	Video Conference (VC) / Other Audio-Visual Means (OAVM)
Dates of Book closure	Friday, 4 <sup>th</sup> August, 2023 to Friday, 11 <sup>th</sup> August, 2022 (Both days inclusive)
Registered office	Flat No. 103, Ground Floor, "R" Square Pandurangapuram Vishakhapatnam- 530003, Andhra Pradesh, India
Registrar and Transfer Agent	<b>KFin Technologies Limited</b> (Unit Avanti Feeds Limited) Selenium Building Tower B, Plot No. 31-32 Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 Telangana State, India Tel: 1800 309 4001 e-mail address: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a> and / or <a href="https://ris.kfintech.com/">https://ris.kfintech.com/</a>
Whether the securities are suspended from trading during the year 2022-23	The equity shares of the Company were not suspended at any point of time during the Financial year 2022-23 and also till the date of the Report.
Dividend payment date	The Board, at its meeting held on 24 <sup>th</sup> May 2023, recommended a Dividend of ₹ 6.25 (Rupees Six and twenty five paise only) per equity share of ₹ 1/- each fully paid for the Financial year 2022-23. On approval of the members, the Dividend will be paid within the time lines prescribed under the Companies Act, 2013.
Financial Calendar for the year 2023-24 (tentative schedule)	First Quarter Results – By 14 <sup>th</sup> August, 2023. Second Quarter / Half Year Results – By 14 <sup>th</sup> November, 2023 Third Quarter / Nine Months Results – By 14 <sup>th</sup> February, 2024 Fourth Quarter / Year end Results – By 30 <sup>th</sup> May, 2024.

Corporate Identification Number	L16001AP1993PLC095778
Name and address of Stock Exchange(s) at which the equity shares are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges	<ol style="list-style-type: none"> <li>1. BSE Limited, 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, Dalal Street, Mumbai – 400001, Maharashtra State, India. BSE Code : <b>512573</b></li> <li>2. National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai – 400051 Maharashtra State, India. NSE Symbol: <b>AVANTIFEED</b></li> </ol>
Annual Listing Fee	The Company has duly paid the Listing fees and depository for the year 2023-24 to BSE Limited, National Stock Exchange of India Ltd and NSCL / CSDL
NSDL / CSDL ISIN	<b>INE871C01038</b>

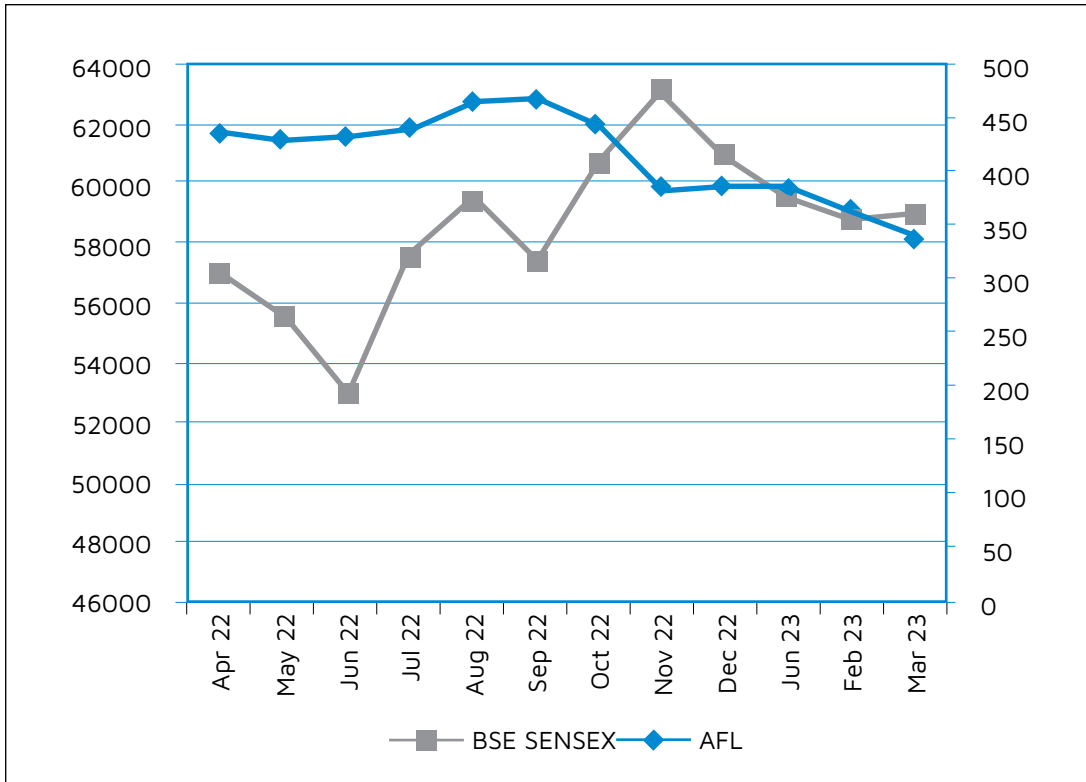
## 16. Market Price Data

The monthly high and low prices of your Company's share at BSE and NSE for the year ended 31<sup>st</sup> March, 2023 are as under:

Month	BSE		BSE Sensex	Market Price – Closing (₹)	NSE		NIFTY 50	Market Price – Closing (₹)
	High	Low			High	Low		
Apr-22	515.90	413.30	57060.87	436.40	516.00	413.40	17102.55	436.10
May-22	478.00	384.90	55566.41	429.00	483.00	384.20	16584.55	429.10
Jun-22	439.10	395.50	53018.94	43.03	439.40	395.35	15780.25	432.85
Jul-22	461.85	424.55	57570.25	441.25	462.00	425.00	17158.25	440.55
Aug-22	522.25	441.00	59537.07	465.75	522.50	442.50	17759.30	463.90
Sep-22	527.95	450.05	57426.92	468.70	527.85	450.00	17094.35	466.05
Oct-22	504.85	434.45	60746.59	442.95	504.85	434.65	18012.20	441.35
Nov-22	474.55	363.95	63099.65	384.85	473.80	364.10	18758.35	385.05
Dec-22	409.95	374.00	60840.74	385.80	410.00	374.00	18105.30	385.35
Jan-23	401.90	370.85	59549.90	385.65	396.45	373.90	17662.15	384.90
Feb-23	416.50	365.00	58962.12	365.80	417.00	365.75	17303.95	365.75
Mar-23	377.65	321.15	58991.52	339.75	375.70	321.10	17359.75	339.45

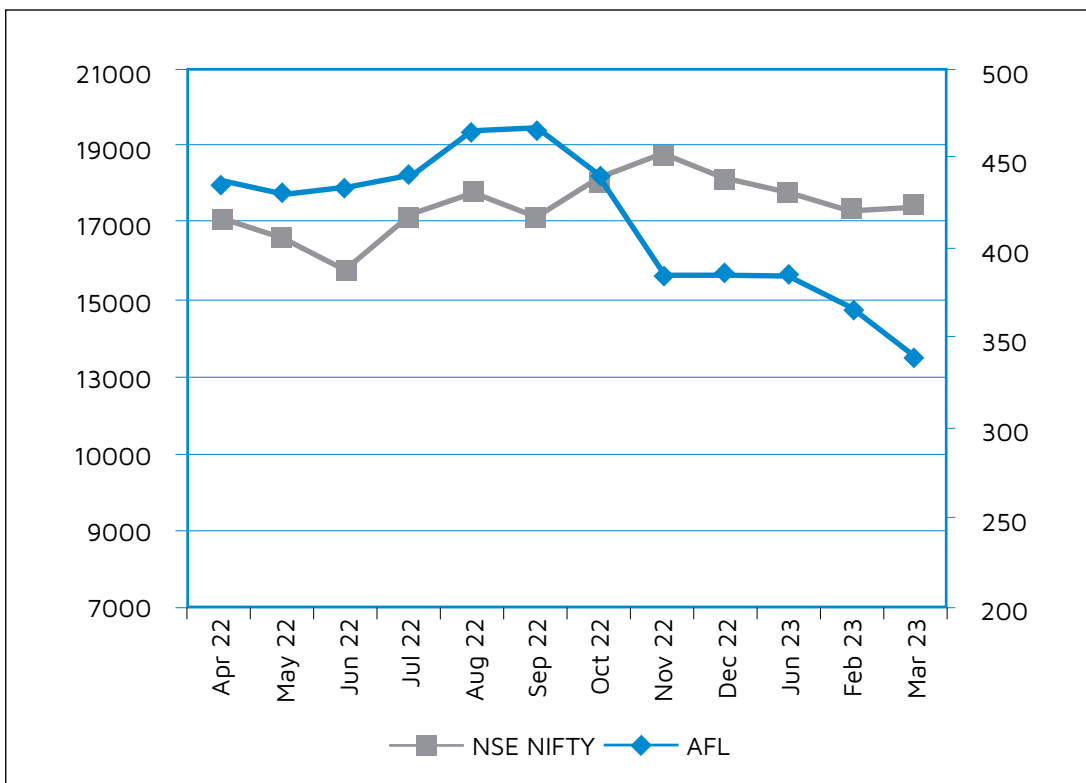
### Price Movement Graph (BSE)

1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023 (Equity share of ₹1/- each)



### Price Movement Graph (NSE)

1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023 (Equity share of ₹1/- each)



sources: BSE & NSE Websites

## 17. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

All transfers received are electronically processed and approved by the Share Allotment and Transfer Committee which normally meets once in a fortnight (if any) or more depending upon the volume of transfers. The summary of transfers, transmissions etc., are placed before every Board Meeting and Stakeholders Relationship Committee Meeting. The Company obtains, from Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad, yearly Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and filed a copy of the said Certificate with BSE Ltd and National Stock Exchange of India Ltd.

## 18. Scores

SEBI vide Circular No. CIR/OIAE/2/2011 dt. 3<sup>rd</sup> June, 2011 informed the Company that they had commenced processing of investor complaints in a web based complaints, redressal system, "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the Companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints under SCORES are passed directly to Registrars and Transfer Agents of the Company i.e. KFin Technologies Limited, Gachibowli, Hyderabad. For any clarification / complaint, shareholders may contact:

Name : Sri Rajeev Kumar  
Designation : Manager, KFin Technologies Limited  
e-mail ID : [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)  
Tele. No. : 1800-309-4001

## 19. Distribution Schedule as on 31<sup>st</sup> March, 2023

The details of Distribution Schedule of equity shares as on 31<sup>st</sup> March, 2023 are as under:

Sl. No.	Category (Shares)	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	115758	99.57	1,34,08,049	9.84
2	5001- 10000	221	0.19	15,86,116	1.16
3	10001- 20000	125	0.11	17,31,186	1.27
4	20001- 30000	43	0.04	10,57,237	0.78
5	30001- 40000	23	0.02	7,98,288	0.59
6	40001- 50000	15	0.01	6,65,543	0.49
7	50001- 100000	22	0.02	15,04,799	1.10
8	100001& Above	55	0.05	11,54,94,412	84.77
	<b>Total</b>	<b>1,16,262</b>	<b>100.00</b>	<b>13,62,45,630</b>	<b>100.00</b>

## 20. Dematerialization of Shares and Liquidity

The details of dematerialization of shares as on 31<sup>st</sup> March, 2023 is as under:

Sl. No.	Description	No of Holders	Equity Shares of ₹ 1/- each	% to Equity
1	NSDL	39,618	12,66,30,639	92.94
2	CDSL	76,351	85,40,855	6.27
3	Physical	293	10,74,136	0.79
	<b>Total</b>	<b>1,16,262</b>	<b>13,62,45,630</b>	<b>100.00</b>

The Company has entered into a tripartite agreement with NSDL and CDSL to establish electronic connectivity through Company's Electronic Registrar i.e., KFin Technologies Ltd., Hyderabad and

facilitate scrip less trading. Trading in the equity shares of the Company shall be in dematerialized form for all investors. Investors are therefore advised to open a demat account with the Depository participant of their choice, if not already done, to trade in the equity shares of the Company. The list of depository participants is available with NSDL and CDSL.

## 21. Reconciliation of Equity Share Capital and Dematerialization of Equity Shares

A quarterly audit was conducted by Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad, for the Financial year 2022-23, reconciling the issued and listed capital of the Company with the aggregate of the number of Equity shares held by Investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March, 2023, there was no difference between the issued and listed capital and the aggregate of Equity shares held by investors in both physical form and in electronic form with the depositories. 13,51,71,494 Equity shares of ₹ 1/- (Rupees One only) representing 99.21% (Previous year 13,50,14,894 Equity shares of ₹ 1/- each representing 99.10%) of the paid-up equity capital of the Company have been dematerialized as on 31<sup>st</sup> March, 2023. Pursuant to Reg. 40(9) of the Listing Regulations, certificates have been issued on annual basis by Sri V. Bhaskara Rao, Practicing Company Secretary, certifying due compliance of share transfer formalities by the Company and the Certificates filed by the Company with the BSE Ltd and National Stock Exchange of India Ltd.

## 22. Outstanding GDRs or ADRs or warrants or convertible instruments

There were no Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments during the Financial year 2022-23.

## 23. Commodity Price Risk or Foreign Exchange Risk and hedging activities

The major raw materials for Shrimp Feed manufacturing are fish meal, soya DOC (De-oiled Cake) and wheat flour. Company has a policy of planning for raw material requirement for coming 3 months based on estimated sales. Accordingly, raw materials like fish meal and soya DOC are procured after considering the availability of these raw materials as both the raw materials are seasonal products. Wheat Flour having very low shelf life being perishable is purchased regularly. However, as a policy Company does not to keep more than 90 days of stock of any indigenously available raw materials. This ensures availability of raw material for the culture season and ensures price stability during negative raw material price movements.

## 24. Plant Locations

The Shrimp Feed Production Plants at Kovvur, Vemuluru and Bandapuram West Godavari District of Andhra Pradesh and Plant at Valsad, Balda Village, Pardi Tq., Gujarat are ISO 9001:2015 (for Quality Management Systems) and certified for implementing Best Aqua Culture Practices (BAP) by Global Aquaculture Alliance, USA and Shrimp Hatchery in Visakhapatnam.

<b>Shrimp Feed Plant – I</b> No.15-11-24, Kovvur-534350, West Godavari District, Andhra Pradesh, India.	<b>Shrimp Feed Plant – II</b> Vemuluru, Kovvur-534350 West Godavari District, Andhra Pradesh, India.
<b>Shrimp Feed Plant – III</b> No.15-11-24, Kovvur-534350 West Godavari District Andhra Pradesh, India.	<b>Shrimp Feed Plant – IV</b> Survey No. 1789 & 1802, Pardi-Nashik Road Balda Village, Pardi Taluk, Valsad District Gujarat-396125, India.
<b>Shrimp Feed Plant – V</b> Survey No. 65/1, 65/2, 69, 70/1, 70/2 Deverapalli Mandal, Bandapuram Village West Godavari District, Andhra Pradesh, India.	<b>Shrimp Feed Plant – VI</b> Survey No. 155/5A, 155/5B, 155/4B, 155/6, 156 561/1, 70/3, Deverapalli Mandal, Bandapuram Village, West Godavari District Andhra Pradesh, India.
<b>Shrimp Hatchery</b> R. SY. No. 209 & 208/2, Gudiwada Village S. Rayavaram Mandal Visakhapatnam District-531083 Andhra Pradesh, India.	<b>Wheat Flour Plant</b> No.15-11-24, Kovvur-534350 West Godavari District Andhra Pradesh, India.
<b>Wind Mill</b> Lakkihalalli Village, Hiriyur Taluk, Chitradurga District, Karnataka State, India.	

## 25. Registered Office and Corporate Office addresses are as under:

### Registered Office

Flat No: 103, Ground Floor, "R" Square  
Pandurangapuram, Visakhapatnam-530003  
Andhra Pradesh, India

### Corporate Office & address for correspondence

G-2, Concorde Apartments, 6-3-658  
Somajiguda, Hyderabad-500082  
Telangana State, India

## 26. Other Disclosures

Sl. No.	Details	Remarks
1	Disclosure on materially significant Related Party Transactions.	There are no materially significant transactions with the related parties. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <a href="https://avantifeeds.com/policies/">https://avantifeeds.com/policies/</a> .
2	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any Statutory Authority on any matter related to Capital markets during last 3 years.	No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.
3	Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation.	The Company established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct or ethics policy and code of conduct to regulate, monitor and report trading by Insiders. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Company affirms that no personnel has been denied access to the Audit Committee. The details of the whistle blower policy is disseminated on the website of the Company at <a href="https://avantifeeds.com/policies/">https://avantifeeds.com/policies/</a> .
4	Inter Relationships between Directors and Key Managerial personnel of the Company.	Sri N. Ram Prasad, Director is the spouse of Sri A. Indra Kumar's (Chairman & Managing Director) Sister. Sri A. Venkata Sanjeev, Executive Director is the son of Sri A. Indra Kumar, Chairman & Managing Director. None of the Other Directors related to anyone of the Board of Directors except the above.
5	Compliance of SEBI (LODR) Regulations, 2015.	<b>Mandatory Requirements:</b> It is confirmed that the Company has complied with the requirements under Regulation 17 to 27 and Reg. 46(2) (b) to (i) of the SEBI (LODR) Reg., 2015. <b>Non-Mandatory Requirements:</b> The Company has adopted the following non-mandatory (i.e. Discretionary) Requirements of Part-E of Schedule-II of SEBI (LODR) Reg., 2015: Audit Qualifications: The Company is in the regime of unqualified financial statements. Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.
6	Web-link where details of familiarization programme imparted to Independent Directors is disclosed.	<a href="https://avantifeeds.com/board-of-directors/">https://avantifeeds.com/board-of-directors/</a> .
7	Web-link where policy determining the material subsidiaries is disclosed.	<a href="https://avantifeeds.com/policies/">https://avantifeeds.com/policies/</a> .

Sl. No.	Details	Remarks
8	Web-link where policy on dealing with Related Party Transactions is disclosed.	<a href="https://avantifeeds.com/policies/">https://avantifeeds.com/policies/</a> .
9	Disclosure of commodity price risks and commodity hedging activities.	Nil
10	Web link where the dividend distribution policy of the Company is disseminated.	<a href="https://avantifeeds.com/policies/">https://avantifeeds.com/policies/</a> .
11	Disclosure of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Reg. 32(7A).	Not Applicable
12	Where the Board had not accepted any recommendation of any Committee of the Board is mandatorily required, in the relevant financial year, details and the reasons for such non-acceptance.	The Board has accepted the recommendations of all the Committees during the Financial year 2022-23.
13	Total fee for all services paid by the listed entity and its subsidiaries to the Statutory Auditor.	M/s Tukaram & Co., LLP, Chartered Accountants, are the Independent Auditors only for Avanti Feeds Limited. The remuneration paid to Tukaram & Co LLP for the company is as under: Audit Fee ₹ 35.40 Lakhs p.a. and ₹ 7.08 Lakhs (Limited Review Report including applicable taxes) and ₹ 8.98 Lakhs for out of pocket expenses.
14	Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.	No. of complaints filed during the Financial Year 2022-23: Nil. No. of complaints disposed of during the Financial year 2022-23: Nil. No. of complaints pending as on 31 <sup>st</sup> March, 2023: Nil.
15	Certificate from a Company Secretary in practice that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.	Sri V. Bhaskara Rao, Practicing Company Secretary Hyderabad has issued a Certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority.
16	Disclosure by AFL and AFFPL in connection with Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Nil
17	Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.	<p><b>1. Name: Avanti Frozen Foods Private Limited</b>  <b>Date and place of Incorporation:</b>  17<sup>th</sup> April, 2015, Vishakhapatnam, Andhra Pradesh, India  <b>Statutory Auditors details:</b>  M/s. Karvy &amp; Co., Chartered Accountants.  <b>Date of appointment of the Statutory Auditors:</b>  28<sup>th</sup> August, 2020</p> <p><b>2. Name: Srivathsa Power Projects Private Limited</b>  <b>Date and place of Incorporation:</b>  22<sup>nd</sup> May, 1995, Hyderabad, Telangana State.  <b>Statutory Auditors details:</b>  M/s. Karvy &amp; Co., Chartered Accountants.  <b>Date of appointment of the Statutory Auditors:</b>  25<sup>th</sup> August, 2022</p>

## 27. Disclosure in respect of demat suspense account / unclaimed suspense account as on 31<sup>st</sup> March, 2023.

- |   |     |
|---|-----|
| a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | Nil |
| b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year.        | Nil |
| c) Number of shareholders to whom shares were transferred from suspense account during the year.                          | Nil |
| d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the Year.      | Nil |
| e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares    | Nil |

## 28. Code for Prohibition of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Further the Company has also adopted Code of conduct to Regulate, Monitor and Report Trading by Insiders.

## 29. Disclosure of Accounting Treatment

The Company in the preparation of financial statements has followed the treatment laid down in the Accounting standards prescribed by the Institute of Chartered Accountants of India. There are no audit qualifications on the Company's financial statements for the year under review.

## 30. Management Discussion and Analysis Report

The Management Discussion and Analysis Report is enclosed at **Annexure 3** which forms part of this Report.

## 31. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report in terms of Regulations is enclosed at **Annexure 4** which forms part of this Report.

## 32. Scheduling and Selection of Agenda Items for Board Meetings

- 32.1. Minimum four Board Meetings are held in each year, which are pre-scheduled after the end of each financial quarter. Apart from the pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- 32.2. The minimum information placed before the Board is as per the schedule II (Part-A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and inter alia include.
  - Quarterly results of the Company and its operating divisions or business segments.
  - Minutes of the meetings of Audit Committee and other Committees of the Board.
  - The information on recruitment and remuneration of senior personnel just below the Board Level, including appointment of Chief Financial Officer and the Company Secretary.
  - Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' services such as delay in share transfers etc.
  - Show cause, demand prosecution notices and penalty notices which are materially important.
  - General notice of interest of Directors.
  - Terms of reference of Board Committees.
  - Any material default in financial obligations to and by the Company etc.



### 33. Orderly Succession for appointments to the Board and to Senior Management

The Company has laid down an orderly succession Plan for appointments to the Board and to Senior Management.

### 34. Compliance Certificate from the Independent Auditors

The Compliance certificate from M/s. Tukaram & Co., LLP, Chartered Accountants, Hyderabad, Independent Auditors of the Company on Compliance of conditions of Corporate Governance is annexed.

### 35. Subsidiary Companies

The Company has two subsidiaries:

- (i) **Avanti Frozen Foods Private Limited ("AFFPL"), a Material Subsidiary** of the Company in terms of SEBI (LODR) Reg., 2015.

AFFPL, a subsidiary of Avanti Feeds Limited, had incorporated a subsidiary i.e., Avanti Frozen Foods Inc., ("AFFI") in U.S.A in the state of Delaware on 22<sup>nd</sup> April, 2019, as a Corporation registered in Delaware State, U.S.A. The object of incorporating US entity was to expand the U.S business of the Company. However, due to impact of COVID-19, followed by recession in the U.S, setting up of U.S entity is considered non-encouraging by the Board and decided to dissolve the U.S subsidiary. Accordingly, the AFFI is dissolved on 27<sup>th</sup> March, 2023.

- (ii) **Srivathsa Power Projects Private Limited ("SPPPL")**, is a Wholly Owned Subsidiary.

SPPPL is a 17.02 MW gas based independent power project situated in Andhra Pradesh. During the year the Company had purchased of 1,66,98,545 equity shares of ₹ 10/- each fully paid up of Srivathsa Power Projects Private Limited ("SPPPL"), held by Asia Infrastructure Pte Ltd., ("AIPL"), at the rate of ₹ 2.30/- per equity share representing 50.00 % and executed Share Sale and Purchase Agreement. In addition to that purchased of 4,915 equity shares of ₹ 10/- each fully paid from other individual shareholders of SPPPL representing 0.01%. After above acquisition, the shareholding of the Company in SPPPL has increased from 49.99 % to 100% and the Company is now beneficial owner of the assets of SPPPL.

A separate note regarding details of operations of subsidiaries is included in Board's Report.

The minutes of the meetings of the Board of Directors of Subsidiaries along with a report on the significant transactions with the subsidiaries during the Financial year 2022-23 are placed before the meetings of the Audit Committee once in a quarter. The Company has formulated a policy for determining the Material subsidiary and the policy is disseminated on the website of the Company at <https://avantifeeds.com/policies/>.

### 36. Declaration on Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company which has been disseminated on the web site of the Company at <https://avantifeeds.com/code-of-conduct/>. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial year 2022-23, as envisaged in Reg. 26 (3) of Listing Regulations.

For and on behalf of the Board  
**AVANTI FEEDS LIMITED**

**A. Indra Kumar**  
Chairman & Managing Director  
DIN: 00190168

Place : Hyderabad  
Date : 24<sup>th</sup> May, 2023

## COMPLIANCE CERTIFICATE

### MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We, A. Indra Kumar, Chairman & Managing Director and C. Ramachandra Rao, Joint Managing Director, Company Secretary & Chief Financial Officer of Avanti Feeds Limited certify that:

- a) We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal controls over financial reporting during the year.
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - iii) That there have been no instances of significant fraud of which we have become aware, involving the management or an employee having a significant role in the Company's internal control system over financial reporting.

**A. Indra Kumar**

Chairman & Managing Director  
DIN: 00190168

**C. Ramachandra Rao**

Joint Managing Director,  
Company Secretary & CFO  
DIN: 00026010

Place : Hyderabad

Date : 24<sup>th</sup> May, 2023

## INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of  
AVANTI FEEDS LIMITED

1. We, M/s. TUKARAM & CO LLP., Chartered Accountants, the Statutory Auditors of Avanti Feeds Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31<sup>st</sup> March, 2023.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### For TUKARAM & CO. LLP.,

Chartered Accountants  
ICAI Firm Registration No: 004436S/S200135

### (RAJENDER REDDY K)

Partner  
Membership No.231384  
UDIN: 23231834BGOVHYN5130

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023

# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members of  
**Avanti Feeds Limited**  
CIN: L16001AP1993PLC095778  
Registered Office: Flat No. 103, Ground Floor,  
"R" Square, Pandurangapuram,  
Visakhapatnam -530003,  
Andhra Pradesh, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avanti Feeds Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable to the Company during the Audit period.

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 which was replaced by the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable to the Company during the Audit period.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which was replaced by the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable to the Company during the Audit period and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable to the Company during the Audit
- (vi) Other applicable Acts
- (a) The Factories Act, 1948
  - (b) The Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) The Employee State Insurance Act, 1948
  - (f) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
  - (g) The Payment of Bonus Act, 1965
  - (h) The Payment of Gratuity Act, 1972
  - (i) The Contract Labour (Regulation & Abolition) Act, 1970
  - (j) The Maternity Benefit Act, 1961
  - (k) The Child Labour (Prohibition & Regulation) Act, 1986
  - (l) The Industrial Employment (Standing Order) Act, 1946
  - (m) The Employee Compensation Act, 1923
  - (n) The Apprentices Act, 1961
  - (o) Equal Remuneration Act, 1976
  - (p) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
  - (q) The Trade Marks Act, 1999
  - (r) The Customs Act, 1962
  - (s) Shops and Establishment Act, 1988
  - (t) The Water (Prevention and control of pollution) Act, 1974
  - (u) The Air (Prevention and control of pollution) Act, 1981
  - (v) The Environment Protection Act, 1986 and rules made there under
  - (w) The Explosive Act, 1884
  - (x) The Indian Boilers Act, 1923
  - (y) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
  - (z) Hazardous Waste (Management and Handling and transboundary Movement) Rules, 2008
  - (aa) Food Safety and Standards Act, 2006
  - (ab) The Biological Diversity Act, 2002
  - (ac) The Indian Stamp Act, 1899

- (ad) The Registration Act, 1908
- (ae) AP Fire Safety Act, 1999 and Rules 2006
- (af) The Legal Metrology Act, 2009
- (ag) The Andhra Pradesh Animal Feed (Regulation of Manufacture, Quality Control, Sale and Distribution) Act, 2020

We have relied on the representations made by the Company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, Laws and regulations applicable to the Company as mentioned above.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Listing Agreements entered by the Company with BSE Ltd and National Stock Exchange of India Ltd;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, and Standards, etc., mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at the Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and there were no members dissenting the resolution(s) during the year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that, as informed, the Company has responded appropriately to notices/queries received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**We further report that,** during the audit period the company has carried the following transactions/actions bearing on the company affairs in pursuance of above applicable acts, rules and regulations etc.

1. During the year under review, based on the Company's application filed with BSE Limited and National Stock Exchange India Limited for re-classification of a few Shareholders in the "Promoter Category" to "Public Category" on 22<sup>nd</sup> July, 2021, the approval has given by the BSE Limited and National Stock Exchange India Limited on 22<sup>nd</sup> August, 2022.
2. During the period under review, commercial production at new Feed Manufacturing plant situated at Bandapuram, Andhra Pradesh has commenced with effect from 3<sup>rd</sup> December, 2022.
3. During the year under review, Sri G. Sudarsan Babu was appointed as Nominee Director of APIDC w.e.f. 11<sup>th</sup> February, 2023 in place of Sri R. Karikal Valaven, IAS and Mr. Peerasak Boonmechote was appointed as an Additional Non-Executive Director w.e.f. 20<sup>th</sup> February, 2023 in place of Mr. Wai Yat Paco Lee. The appointment of both the Non-Executive Directors were approved by the Shareholders at the Extraordinary General Meeting held on 29<sup>th</sup> April, 2023 by way of passing ordinary resolutions.

4. During the period under review, Avanti Frozen Foods Inc, Step down subsidiary of the Company has been dissolved on 27<sup>th</sup> March, 2023.
5. During the year the Company had purchased 1,66,98,545 equity shares of ₹ 10/- each of Srivathsa Power Projects Private Limited ("SPPPL"), held by Asia Infrastructure PTE Ltd., ("AIPL"), at the rate of ₹ 2.30/- per equity share representing 50.00 % and executed Share Sale and Purchase Agreement. In addition to that the Company purchased 4,915 equity shares of ₹ 10/- each fully paid from other individual shareholders of SPPPL representing 0.01%. On completion of the above acquisition, the shareholding of the Company in SPPPL has increased from 49.99 % to 100% and the SPPPL becomes Wholly Owned Subsidiary Company.

**V. Bhaskara Rao and Co**  
Company Secretaries

**V. Bhaskara Rao**  
Proprietor

FCS No.5939, CP No.4182  
Peer Review No.670/2020  
UDIN: F005939E000366662

Place : Hyderabad  
Date : 24<sup>th</sup> May, 2023

This Report is to be read with our letter of even date which is given as Annexure-A and forms an integral part of this report.

## 'ANNEXURE- A'

To  
The Members of  
**Avanti Feeds Limited**  
CIN: L16001AP1993PLCO95778  
Registered Office Address: Flat No. 103, Ground Floor,  
"R" Square, Pandurangapuram  
Visakhapatnam-530003,  
Andhra Pradesh, India

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**V. Bhaskara Rao and Co**  
Company Secretaries

**V. Bhaskara Rao**  
Proprietor  
FCS No.5939, CP No. 4182  
Peer Review No. 670/2020  
UDIN: F005939E000366662

Place : Hyderabad  
Date : 24<sup>th</sup> May, 2023



The background is a solid blue color with a pattern of semi-transparent, light blue water droplets of various sizes scattered across the page. The droplets are most concentrated on the left side and become sparser towards the right.

# Standalone Financials 2022-23

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Avanti Feeds Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Avanti Feeds Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit Matters	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS 115 "Revenue from Contracts with Customers" (revenue accounting standard)</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 2.4.c and 21 to the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. <ul style="list-style-type: none"> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>• Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ul> </li> <li>• Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, were tested using a combination of sales orders, gate-in and gate-out passes,</li> <li>• Shipping bills including packing lists, subsequent customs invoicing, bills of lading, customer acceptances and historical trend of collections and disputes.</li> </ul> </li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>• We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul>

2.	<p>The Company enters into various financial instruments such as investments in quoted and unquoted equity instruments, quoted mutual funds and quoted non-convertible debentures. As at 31<sup>st</sup> March, 2023, financial instruments carried at fair value through profit and loss totaled ₹ 64,015.00 Lakhs (current investments of ₹ 64,011.80 Lakhs and non-current investments of ₹ 3.20 Lakhs) as disclosed in Note 6 to the Standalone Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</li> <li>• Utilizing our treasury experts, we also tested on a sample basis the existence and valuation of derivative contracts as at 31<sup>st</sup> March, 2023. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and</li> <li>• Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in Note 37 to the Financial Statements.</p>
3.	<p><b>Inventory valuation and existence:</b></p> <p>At the balance sheet date, the value of inventory amounted to ₹ 56019.88 Lakhs representing 27.13% of total assets. Inventories were considered as key audit matter due to the size of the balance and because inventory valuation involves management judgment.</p> <p>As described in note 2.4.i of the financial statements, inventories are carried at the lower of cost and net realizable value on a weighted average basis</p> <p>The Company has segment specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ul style="list-style-type: none"> <li>• Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.</li> <li>• Observed the stock take process at Factory locations during the year and at the end of the year and undertook our test counts where ever necessary.</li> <li>• Compared the Quantities we counted with Quantities recorded.</li> <li>• Analysing the Inventory Ageing reports and Net realizable value of inventories</li> <li>• Tested that inventory on hand at the end of the period was recorded at the lower of cost and net realizable value by testing a sample of inventory items to the most recent retail price.</li> </ul>

<p>4</p>	<p><b>Purchase of Raw material:</b> Purchase of Raw material are being key audit matter as the Company procures its principle raw materials from the suppliers and the price of the same is highly volatile to the market conditions.</p> <p>Based upon the production requirements and after considering the tentative prices, the management decides the raw materials which have to be procured.</p> <p>The total cost of Raw material purchased by the Entity for the financial year 2022-23 is ₹ 3,33,190.16 Lakhs.</p>	<p>The following are some of the substantive tests that were part of our auditing procedures in addition to testing the internal controls' design and effectiveness.:</p> <ul style="list-style-type: none"> <li>• Internal controls relating to the purchase of raw materials and payments made to the suppliers of the raw materials on the basis of source documentation have been assessed in terms of their design and tested in terms of their implementation.</li> <li>• We have performed test of controls over procurement procedures to assess the operating effectiveness of the controls placed in recognition of the cost of material consumption.</li> <li>• We have conducted test of details through correlating the raw materials procured and the raw material consumed as per the production and stock reports.</li> <li>• Understood the credit terms for payments to suppliers and assessed whether the same have been complied with.</li> </ul>
----------	--	---

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility and Those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether these Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note 30 to the financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv

- a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v

- a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
  - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1<sup>st</sup> April, 2023 to the Company, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

**For TUKARAM & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

**(K RAJENDER REDDY)**

Partner

Membership No: 231834

UDIN: 23231834BGVHYL6376

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023



## “Annexure – A” to the Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended March 31, 2023, we report that:

Re: Avanti Feeds Limited (‘the Company’)

- i. In respect of the Company’s Property, Plant and Equipment (including right-of-use assets) and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) As explained to us, the management has physically verified a substantial portion of the Property, Plant and Equipment during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of Property, Plant and Equipment as compared to the books of account were not material and have been properly dealt with in the books of accounts.
  - c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. The discrepancies identified during such verification were not more than 10% in the aggregate for each class of inventory as compared to the books of account.
  - b) The Company has been sanctioned working capital limits in excess of five crore rupees from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

According to the information and explanations given to us, in our opinion, the investments made by the Company are prima facie not prejudicial to the interest of the Company.

- iii. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii)(a) to 3(iii)(f) are not applicable.
- iv. There are no loans, guarantees and security in respect of which provisions of sections 185 of the Act are applicable. Investments in respect of which provisions of section 186 of the Act are applicable, have been complied with by the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act, related to generation of electricity and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory dues:

- a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees state insurance, income-tax, goods and service tax, value added tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of provident fund, employees state insurance, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute. The details of dues of value added tax, duty of customs and Income Tax Act that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount 'Rs' in Lakhs	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009-2010 to 2011-2012	CESTAT, Chennai
Income Tax Act	Income Tax	12.23	2013-2014	Commissioner Appeals, Income Tax, Hyderabad

viii According to information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

xi

- a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to banks. There are no dues to financial institutions or government.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- er) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. The Company does not have any joint venture.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associates and hence reporting under clause 3(ix)(f) of the Order is not applicable.

x

- a) According to the information and explanations given to us, the Company has not raised any money during the year by way of public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.

- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi

- a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv

- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xvii There has been no resignation of the statutory auditors of the Company during the year.

xix On the basis of the financial ratios disclosed in Note 39 to the Standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that

this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx

- a) In our opinion and according to the information and explanations given to us, there is no unspent amount towards Corporate Social Responsibility under sub-section (5) of section 135 of the said Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- b) In respect of ongoing projects, the Company has transferred unspent CSR amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Companies Act, 2013.

**For TUKARAM & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

**(K RAJENDER REDDY)**

Partner

Membership No: 231834

UDIN: 23231834BGVHYL6376

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023

# “Annexure – B” to the Auditors’ Report

## Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Avanti Feeds Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Standalone Financial Statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For TUKARAM & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

### **(K RAJENDER REDDY)**

Partner

Membership No: 231834

UDIN: 23231834BGVHYL6376

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023

# Balance Sheet as at 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Note	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	23,540.94	14,622.48
Capital work-in-progress	3	2,001.65	2,312.85
Intangible assets	4	3.64	7.15
Right-of-use Assets	5(a)	99.93	177.95
Financial assets			
Investments	6(a)	13,892.08	20,702.54
Loans	7(a)	182.88	60.81
Other financial assets	8	668.78	645.08
Non-current tax assets (net)	20(b)	1,244.63	1,642.37
Other non-current assets	9 (a)	832.99	779.52
<b>Total Non-current Assets</b>		<b>42,467.52</b>	<b>40,950.75</b>
<b>Current Assets</b>			
Inventories	10 (a)	56,019.88	71,467.25
Biological Assets	10 (b)	123.07	84.14
Financial assets			
Investments	6(b)	77,042.72	72,201.54
Trade receivables			
Billed	11(a)	6,281.93	2,197.83
Unbilled	11(b)	9.92	6.57
Cash and cash equivalents	12(a)	2,550.93	4,995.61
Other bank balances	12(b)	20,468.31	912.39
Loans	7(b)	86.02	82.31
Other current assets	9(b)	1,441.37	1,042.76
<b>Total Current Assets</b>		<b>1,64,024.15</b>	<b>1,52,990.40</b>
<b>Total Assets</b>		<b>2,06,491.67</b>	<b>1,93,941.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	1,362.46	1,362.46
Other equity	14	1,74,987.28	1,60,245.23
<b>Total Equity</b>		<b>1,76,349.74</b>	<b>1,61,607.69</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial liabilities			
Lease Liabilities	5(b)(i)	72.39	110.89
Other financial liabilities	15(a)	372.00	372.00
Provisions	16(a)	-	-
<b>Deferred tax liabilities (net)</b>	20(a)	1,789.21	1,658.83
<b>Total non-current liabilities</b>		<b>2,233.60</b>	<b>2,141.72</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	-	-
Lease Liabilities	5(b)(ii)	40.06	74.83
Trade payables:			
i) Total outstanding dues of Micro enterprises and small enterprises	19	946.53	1,881.58
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	19	23,299.69	23,828.61
Other financial liabilities	15(b)	249.54	355.87
Other current liabilities	17	3,195.24	3,984.13
Provisions	16(b)	177.27	66.72
<b>Total Current Liabilities</b>		<b>27,908.33</b>	<b>30,191.74</b>
Notes forming part of the Financial Statements	1-41		
<b>Total Equity and Liabilities</b>		<b>2,06,491.67</b>	<b>1,93,941.15</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for TUKARAM & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 004436S / S200135

**K. Rajender Reddy**

Partner

Membership No. 231834

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

For and on behalf of the Board of Directors

AVANTI FEEDS LIMITED

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,

Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director

# Statement of Profit & Loss for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Note	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Income</b>			
Revenue from operations	21	4,04,135.51	4,04,754.95
Other Income (net)	22	6,275.05	6,045.82
<b>Total Income</b>		<b>4,10,410.56</b>	<b>4,10,800.77</b>
<b>Expenses</b>			
Cost of materials consumed	23	3,47,604.57	3,54,577.88
Purchase of bearer biological assets	23	181.52	123.11
Changes in inventories of Finished Goods, work-In-Progress & Biological assets	24	(3,318.30)	2,081.90
Employee benefits expense	25	13,073.06	9,907.82
Finance costs	26	74.40	114.97
Depreciation and amortization expenses	27	2,302.19	2,110.01
Other expenses	28	19,812.22	15,457.34
<b>Total expenses</b>		<b>3,79,729.66</b>	<b>3,84,373.03</b>
<b>Profit before tax</b>		<b>30,680.90</b>	<b>26,427.74</b>
<b>Tax Expense</b>			
Current tax	20(c)	7,266.10	6,499.00
Deferred tax	20(c)	130.38	3.24
<b>Total tax expenses</b>		<b>7,396.48</b>	<b>6,502.24</b>
<b>Profit for the year</b>		<b>23,284.42</b>	<b>19,925.50</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Premeasurement of the defined benefit plans		(27.02)	(128.71)
<b>Total comprehensive income for the period (Comprising Profit and other Comprehensive Income for the period)</b>		<b>23,257.40</b>	<b>19,796.79</b>
<b>Earnings per equity share (EPS)</b>			
(Equity shares, par value of ₹1/- each)			
Basic and diluted EPS (in ₹)			
Basic	29	17.09	14.62
Diluted	29	17.09	14.62

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 0044365 / S200135

**K. Rajender Reddy**

Partner

Membership No. 231834

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director



# Statement of Changes in Equity for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

## a. Equity Share Capital

Particulars	Number of Shares	Amount
<b>Balance at 1<sup>st</sup> April, 2021</b>	<b>13,62,45,630</b>	<b>1,362.46</b>
Changes in equity share capital during the year	-	-
Changes in equity share capital due to prior period errors	-	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>13,62,45,630</b>	<b>1,362.46</b>
Changes in equity share capital during the year	-	-
Changes in equity share capital due to prior period errors	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>13,62,45,630</b>	<b>1,362.46</b>

## b. Other Equity

Particulars	Reserves and Surplus			
	General Reserve	Securities Premium	Retained Earnings	Total
<b>Balance at 1<sup>st</sup> April, 2021</b>	<b>20,065.72</b>	-	<b>1,28,898.07</b>	<b>1,48,963.79</b>
Profit for the year	-	-	19,925.50	19,925.50
Other comprehensive income	-	-	(128.71)	(128.71)
Dividends	-	-	(8,515.35)	(8,515.35)
Transfer from retained earnings to general reserve	2,500.00	-	(2,500.00)	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>22,565.72</b>	-	<b>1,37,679.51</b>	<b>1,60,245.23</b>
Profit for the year	-	-	23,284.42	23,284.42
Other comprehensive income	-	-	(27.02)	(27.02)
Dividends	-	-	(8,515.35)	(8,515.35)
Transfer from retained earnings to general reserve	2,500.00	-	(2,500.00)	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>25,065.72</b>	-	<b>1,49,921.56</b>	<b>1,74,987.28</b>

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 004436S / S200135

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**K. Rajender Reddy**

Partner

Membership No. 231834

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

# Statement of Cash Flows for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	30,680.90	26,427.74
Adjustments for :		
Depreciation and amortisation expense	2,302.19	2,110.01
Provision for employee benefits	177.27	66.72
Finance costs	74.40	114.97
Loss on disposal of property, plant and equipment	11.75	10.41
Interest income	(2,291.96)	(832.18)
Dividend from Subsidiaries	(300.50)	(300.50)
Dividend from Associates	(159.68)	(106.45)
Dividend from others	-	(1.80)
Gain/loss from sale of financial assets measured at fair value through profit and loss	(2,579.85)	(3,633.13)
Fair valuation of financial assets measured at fair value through profit and loss	(279.97)	(607.23)
Foreign exchange gain/(Loss)	(231.79)	(95.97)
<b>Operating profit before working capital changes</b>	<b>27,402.76</b>	<b>23,152.59</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables		
Billed	(4,084.10)	(164.18)
Unbilled	(3.35)	0.04
Other financial assets	(422.31)	334.97
Inventories	15,447.37	(40,133.52)
Other assets	(179.25)	25.14
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,463.97)	4,355.72
Other financial liabilities	(106.33)	144.81
Other current liabilities	(882.63)	983.18
<b>Cash generated from operations</b>	<b>35,708.19</b>	<b>(11,301.24)</b>
Income taxes paid, net	(6,868.36)	(6,551.83)
<b>Net cash from operating activities (A)</b>	<b>28,839.83</b>	<b>(17,853.07)</b>
<b>B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, including capital advances	(10,890.56)	(4,224.92)
Proceeds from disposal of Property, Plant and Equipment	3.12	31.77
Investment in Subsidiary	(384.24)	-
Purchase of Investments	(79,425.19)	(56,524.91)
Redemption proceeds of Investments	84,638.53	87,095.56
Interest received	2,291.96	832.18
Dividend from Subsidiaries	300.50	300.50
Dividend from Associates	159.68	106.45
Dividend from others	-	1.80
Changes in Other bank balances	(19,555.92)	429.32
<b>Net cash from / (used in) investing activities (B)</b>	<b>(22,862.12)</b>	<b>28,047.75</b>

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>		
Finance costs	(74.40)	(100.81)
Repayment of lease liabilities	(74.60)	(56.23)
Dividends paid	(8,505.18)	(8,514.30)
Foreign exchange gain/(Loss)	231.79	95.97
<b>Net cash from/(used in) financing activities (C)</b>	<b>(8,422.39)</b>	<b>(8,575.37)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(2,444.68)</b>	<b>1,619.31</b>
Cash and cash equivalents at the beginning of the year	4,995.61	3,376.30
Cash and cash equivalents at the end of the year (Refer Note (i) below)	2,550.93	4,995.61
<b>Note (i): cash and cash equivalents comprises of:</b>		
Cash in hand	2.71	7.89
Balances with Banks	2,548.22	4,987.72
	<b>2,550.93</b>	<b>4,995.61</b>
The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in Ind AS-7, 'Statement of Cash Flows' specified under section 133 of the Companies Act, 2013 Purchase of property, plant and equipment includes movements of capital work-in-progress during the year. Figures in brackets indicate cash outflows.		

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 0044365 / S200135

**K. Rajender Reddy**

Partner

Membership No. 231834

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director

# Notes Forming Part of the Financial Statements

## 1. Corporate Information

Avanti Feeds Limited, ("the Company") is a listed public company incorporated under "The Companies Act, 1956", with its registered office in Visakhapatnam. Avanti Feeds Limited has started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed.

The financial statements are approved for issue by the Company's Board of Directors on 24<sup>th</sup> May, 2023.

## 2. Basis of Preparation of Financial Statements and Significant Accounting Policies

### 2.1 Basis of preparation and measurement

#### (i) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of The Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

#### (ii) Basis of measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for the following financial instruments which are measured at fair values:

- certain financial assets and liabilities that are measured at fair value
- biological assets - measured at fair value; and
- defined benefit plans - plan assets measured at fair value

### 2.2 Measurement of fair values

"The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified."

"Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the

# Notes Forming Part of the Financial Statements

same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 2.3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation
- Useful life of property, plant and equipment
- Fair value of biological asset

## 2.4 Significant accounting policies

### a. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Chairman and Managing Director (CMD) of the Company has been identified as the chief operating decision maker for the segment information presented.

### b. Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of its primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is the Company's functional and presentation currency.

#### (ii) Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction

### c. Revenue recognition

The Company earns revenue primarily from sale of Shrimp Feed. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the

# Notes Forming Part of the Financial Statements

consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract.

## **d. Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Loans received from government in the nature of interest free deferred sales taxes are treated in the nature of government grant. The difference between the fair value of the loan and the amount of loan received is accounted as government grant. The government grant is recognised in the Statement of Profit and Loss over the period of loan.

## **e. Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It

# Notes Forming Part of the Financial Statements

establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **f. Ind AS 116 - Leases**

*As a lessee*

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

## **g. Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

# Notes Forming Part of the Financial Statements

The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **h. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet includes cash at bank and cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. For the purpose of statement of cash flows, cash and cash equivalents and short term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **i. Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **j. Biological assets**

The Company recognises biological assets only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company. Biological assets of the Company are in the nature of Consumable Biological Assets. It is bifurcated into Brood Stock, (the Parents) and harvested species which undergo biological transformation under different stages as Nauplius, Zoea, Mysis and Post Larvae. The Company sells the biological assets harvested from brood stock at Nauplius and Post Larvae Stages. The Brood Stock has a maximum useful life of 6 months for laying eggs. and thereafter these are destroyed.

The valuation of the Brood stock biological assets are determined on the following basis:

Brood stock are used for captive consumption or to support farmers, it can not be sold before the end of its useful life and as such, there is no active market. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, brood stock and Shrimp seed (Different stages) are measured at cost, less depreciation and impairment losses.

The transmission phase from Nauplius to Zoea and Mysis are not considered as significant transformation of biological asset and hence Zoea and Mysis are not valued as per Ind AS - 41.

The Company recognises other biological assets at the fair value or cost of the assets that can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.



# Notes Forming Part of the Financial Statements

Management estimates the fair value less costs to sell of biological assets, taking into account the most reliable evidence available at each reporting date. The future realization of these biological assets may be affected by their survival rate, age and / or other market-driven changes that may reduce the future economic benefits associated with such assets. The fair value is arrived at based on the observable market prices of biological assets adjusted for cost to sells, as applicable.

## **k. Investments and other financial assets**

### *(i) Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### *(ii) Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction prices.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and

## Notes Forming Part of the Financial Statements

Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in Statement of Profit and Loss as other income when the Company right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### *(iii) Impairment of financial assets*

The Company assesses on a forward booking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

### *(iv) Derecognition of financial assets*

"A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset."

# Notes Forming Part of the Financial Statements

## (v) *Income recognition*

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

## (vi) *Dividends*

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## **I. Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

## **m. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

## **n. Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value - Depreciation on tangible assets is calculated on a straight-line basis so as to expense the cost less residual value over the estimated useful life's prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. Assets costing individually rupee equivalent of INR 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

# Notes Forming Part of the Financial Statements

## **o. Intangible assets**

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

### *(i) Computer software*

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### *(ii) Amortisation methods and periods*

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (6 years in case of computer softwares) on a straight line basis.

## **p. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the year end which are unpaid . The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **q. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## **r. Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

# Notes Forming Part of the Financial Statements

Other borrowing costs are expensed in the period in which they are incurred.

## s. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

## t. Employee benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as Provident fund, Employee State Insurance and Superannuation fund

#### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

# Notes Forming Part of the Financial Statements

The present value of the defined benefit obligation denominated by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

## Defined contribution plans

The Company pays provident fund contributions to publicly administered Provident funds and Employee State Insurance funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Company) is a defined contribution plans, where the Company has no further obligations under the plan beyond its monthly/ quarterly contributions.

### (iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## u. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## v. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before end of the reporting period but not distributed at the end of the reporting period.

## w. Earnings per share

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

# Notes Forming Part of the Financial Statements

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## x. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

## 2.5 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April, 2023, as below:

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 3. Property, Plant and Equipment and Capital Work - in-Progress

	Land-Free Hold	Buildings	Roads	Plant & Machinery	Wind Mills	Electrical Installation	Lab Equipment	Office Equipment	Computers	Furniture and Fixtures	Motor Vehicles	Total Tangible Assets	Capital Work-in-Progress
<b>As at 31<sup>st</sup> March, 2021</b>	<b>2,295.41</b>	<b>5,452.87</b>	<b>366.58</b>	<b>11,024.17</b>	<b>649.31</b>	<b>2,223.20</b>	<b>403.43</b>	<b>233.55</b>	<b>186.91</b>	<b>175.21</b>	<b>1,149.46</b>	<b>24,160.11</b>	<b>12.26</b>
Additions	339.39	384.17	-	266.49	-	36.09	16.70	9.38	22.12	5.78	49.74	1,129.86	3,155.67
Disposals	-	-	-	16.03	-	-	20.98	4.41	6.96	0.21	72.85	121.44	855.08
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2,634.80</b>	<b>5,837.04</b>	<b>366.58</b>	<b>11,274.63</b>	<b>649.31</b>	<b>2,259.29</b>	<b>399.15</b>	<b>238.52</b>	<b>202.07</b>	<b>180.78</b>	<b>1,126.35</b>	<b>25,168.53</b>	<b>2,312.85</b>
Additions	62.25	3,507.53	456.61	5,676.20	-	1,019.24	138.80	32.98	68.15	40.51	162.70	11,164.97	10,829.29
Disposals	-	-	-	211.04	-	0.14	4.13	2.50	44.28	0.28	3.65	266.02	11,140.49
<b>As at 31<sup>st</sup> March, 2023</b>	<b>2,697.05</b>	<b>9,344.57</b>	<b>823.19</b>	<b>16,739.79</b>	<b>649.31</b>	<b>3,278.39</b>	<b>533.82</b>	<b>269.00</b>	<b>225.94</b>	<b>221.01</b>	<b>1,285.40</b>	<b>36,067.48</b>	<b>2,001.65</b>
<b>Depreciation</b>													
<b>Up to 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>536.77</b>	<b>133.87</b>	<b>5,714.20</b>	<b>270.62</b>	<b>970.20</b>	<b>151.18</b>	<b>136.52</b>	<b>137.75</b>	<b>80.08</b>	<b>442.33</b>	<b>8,573.52</b>	<b>-</b>
Charge for the year	-	174.65	39.16	1,308.21	54.14	233.07	42.24	34.15	30.44	19.42	116.90	2,052.38	-
Disposals	-	-	-	11.36	-	-	12.75	3.92	6.83	0.10	44.89	79.85	-
Up to 31 <sup>st</sup> March, 2022	-	711.42	173.03	7,011.05	324.76	1,203.27	180.67	166.75	161.36	99.40	514.34	10,546.05	-
Charge for the year	-	206.29	34.90	1,422.57	54.14	262.54	45.97	31.93	38.07	19.28	114.15	2,229.84	-
Disposals	-	-	-	199.00	-	0.11	2.97	2.48	42.57	0.16	2.06	249.35	-
<b>Up to 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>917.71</b>	<b>207.93</b>	<b>8,234.62</b>	<b>378.90</b>	<b>1,465.70</b>	<b>223.67</b>	<b>196.20</b>	<b>156.86</b>	<b>118.52</b>	<b>626.43</b>	<b>12,526.54</b>	<b>-</b>
<b>Net block</b>													
As at 31 <sup>st</sup> March, 2022	2,634.80	5,125.62	193.55	4,263.58	324.55	1,056.02	218.48	71.77	40.71	81.38	612.01	14,622.48	2,312.85
As at 31 <sup>st</sup> March, 2023	2,697.05	8,426.86	615.26	8,505.17	270.41	1,812.69	310.15	72.80	69.08	102.49	658.97	23,540.94	2,001.65

#### Notes

- Refer to note 18 for information on property, plant and equipment pledged as security by the company.
- Refer to note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- ₹11140.49 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023
- ₹855.08 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Ageing of Capital Work-in-Progress as on 31<sup>st</sup> March, 2023

Particulars	Amount in Capital Work-in-Progress for a Period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Admin Building at Kovvur	263.00	196.25	-	-	459.25
Compound wall at Bandapuram	246.48				246.48
Office Equipment at Kovvur	265.56				265.56
Data processing Equipment at Kovvur	24.45				24.45
Temporary Shed at Kovvur	12.92				12.92
Guest House at Kovvur	750.45	222.89	-	-	973.34
Plant & Machinery at Kovvur	3.45	-	-	-	3.45
Plant & Machinery at Gujarat	16.21	-	-	-	16.21
<b>Total</b>	<b>1,582.51</b>	<b>419.14</b>	<b>-</b>	<b>-</b>	<b>2,001.65</b>

### Ageing of Capital Work-in-Progress as on 31<sup>st</sup> March, 2022

Particulars	Amount in capital Work-in-Progress for a Period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Shrimp Feed Plant at Bandapuram	1,866.67	-	-	-	1,866.67
Admin Building, Kovvur	196.78	-	-	-	196.78
Guest House at Kovvur	222.89	-	-	-	222.89
Plant & Machinery at Gujarat	20.29	-	-	-	20.29
Plant & Machinery at Gujarat	6.22	-	-	-	6.22
<b>Total</b>	<b>2,312.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,312.85</b>

#### 4. Intangible Assets

Description of Assets	Computer Software
Gross carrying amount	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>26.36</b>
Additions	-
Disposals	0.81
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>25.55</b>
Additions	-
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>25.55</b>
Amortization expense	
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>15.09</b>
Amortization expense for the year	3.53
Disposals	0.22
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>18.40</b>
Amortization expense for the year	3.51
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>21.91</b>
<b>Net Block</b>	
Balance as at 31 <sup>st</sup> March, 2022	<b>7.15</b>
Balance as at 31 <sup>st</sup> March, 2023	<b>3.64</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 5. Right of Use Asset

#### (a) ROU as at 31<sup>st</sup> March, 2023

Particulars	Category of ROU Asset	Total
	Buildings	
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>132.05</b>	<b>132.05</b>
Additions	100.00	100.00
Deletion	-	-
Depreciation	54.10	54.10
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>177.95</b>	<b>177.95</b>
Additions	4.34	4.34
Deletion	13.52	13.52
Depreciation	68.84	68.84
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>99.93</b>	<b>99.93</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

#### (b) Lease liabilities as at 31<sup>st</sup> March, 2023

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(i) Non-Current	72.39	110.89
(ii) Current	40.06	74.83
<b>Total</b>	<b>112.45</b>	<b>185.72</b>

The movement in lease liabilities during the year ended 31<sup>st</sup> March, 2023 is as follows:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Balance as at 1<sup>st</sup> April, 2022</b>	185.72	127.78
Additions	2.23	100.00
Finance cost accrued during the year	12.61	14.17
Deletions	15.33	-
Remeasurement of Leases	1.80	-
Payment of lease liabilities	74.60	56.23
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>112.45</b>	<b>185.72</b>

Rental expenses recorded on short-term leases was ₹40.00 Lakhs

The details of the contractual maturities of lease liabilities as at 31<sup>st</sup> March, 2023 on an undiscounted basis are as follows:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Less than one year	40.00	62.88
One year to three years	72.45	120.11
More than three years	-	2.73
<b>Total</b>	<b>112.45</b>	<b>185.72</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 6(a) Investments

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Non - current investments ( Refer note i below)</b>		
<b>Investments carried at cost</b>		
(i) Equity instruments of subsidiaries (unquoted)	10,515.78	8,461.00
(ii) Equity instruments of associated companies (unquoted)	1,064.52	2,735.06
(iii) Equity instruments of other entities (unquoted)	795.77	507.31
<b>Investments carried at fair value through profit and loss</b>		
(iv) Equity instruments of other entities (quoted)	3.20	2.16
<b>Investments carried at amortised cost</b>		
(v) Investments in Non Convertible Debentures (quoted)	1,512.81	8,997.01
<b>Total</b>	<b>13,892.08</b>	<b>20,702.54</b>
<b>b) Current investments (Refer note ii below)</b>		
<b>Investments carried at fair value through profit and loss</b>		
(i) Investments in Mutual Funds (quoted)	56,635.87	65,995.72
(ii) Investments in Non Convertible Debentures (quoted)	7,375.93	1,099.55
<b>Investments carried at amortised cost</b>		
(iii) Investments in term deposits:	13,030.92	5,106.27
<b>Total</b>	<b>77,042.72</b>	<b>72,201.54</b>
<b>Note i: Details of non-current investments</b>		
<b>Equity instruments of subsidiaries (unquoted)</b>		
Avanti Frozen Foods Private Limited	8,461.00	8,461.00
60,10,000 ( 31 <sup>st</sup> March 2022 : 60,10,000) equity shares of ₹ 10/- each fully paid up )		
Srivathsa Power Projects Private Limited	2,054.78	-
3,33,97,090 (31 <sup>st</sup> March, 2022: NIL) equity shares of ₹ 10/- each fully paid up		
<b>Total a(i)</b>	<b>10,515.78</b>	<b>8,461.00</b>
<b>Equity instruments of associate companies (unquoted)</b>		
Patikari Power Private Limited	1,064.52	1,064.52
1,06,45,200 (31 <sup>st</sup> March, 2022: 1,06,45,200) equity shares of ₹ 10/- each fully paid up		
Srivathsa Power Projects Private Limited	-	1,670.54
NIL (31 <sup>st</sup> March, 2022: 1,66,93,630) equity shares of ₹ 10/- each fully paid up		
<b>Total a(ii)</b>	<b>1,064.52</b>	<b>2,735.06</b>
<b>Equity instruments of other entities (unquoted)</b>		
<b>Bhimavaram Hospitals Limited</b>	12.00	12.00
1,20,000 (31 <sup>st</sup> March, 2022: 1,20,000) equity shares of ₹ 10/- each fully paid up		
PT Thai Union Kharisma Lestari	783.77	495.31
15,46,800 (31 <sup>st</sup> March, 2022: 9,99,600) equity shares of IDR 10,000/- each fully paid up		
<b>Total a(iii)</b>	<b>795.77</b>	<b>507.31</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

<b>Equity instruments of other entities (quoted)</b>		
IDBI Bank Limited	1.30	1.23
2,880 (31 <sup>st</sup> March, 2022: 2,880) equity shares of ₹ 10/- each fully paid up		
UCO Bank Limited	1.90	0.93
7,800 (31 <sup>st</sup> March, 2022: 7,800) equity shares of ₹ 10/- each fully paid up		
<b>Total a(iv)</b>	<b>3.20</b>	<b>2.16</b>
<b>Investments in Non Convertible Debentures (quoted)</b>		
5.23% LIC Housing July 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,038.56
5.40% HDFC Aug 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,038.78
5.70% Bajaj Finance Aug 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,041.31
7.2871% HDB Financial July 2023 : Nil (31 <sup>st</sup> March 2022 : 200 nos)	-	2,149.45
8.00% Reliance Industries Ltd. - 09-April-2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,108.69
8.00% Reliance Industries Ltd. - 16-April-2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,108.07
7.7541% Tata Motors Finance Holding Limited: 100 Nos (31 <sup>st</sup> March 2022 : 100 nos)	1,512.81	1,512.15
<b>Total a(v)</b>	<b>1,512.81</b>	<b>8,997.01</b>
<b>Total a(i+ii+iii+iv+v)</b>	<b>13,892.08</b>	<b>20,702.54</b>
Aggregate amount of quoted investments and market value thereof	1,516.01	8,999.17
Aggregate amount of unquoted investments	12,376.07	11,703.37
Aggregate amount of impairment in the value of investments in unquoted equity shares	-	-
<b>Total</b>	<b>13,892.08</b>	<b>20,702.54</b>

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Note:ii Current investments</b>		
<b>Investment in quoted mutual funds</b>		
Franklin Ultra Short Bond Fund - SIP - Growth - Nil (31 <sup>st</sup> March, 2022: 5,34,000.71 units of ₹ 34.2623 each)	-	182.96
IDFC Low duration Fund - Growth Regular plan - 15,69,870 units of ₹ 32.8705 each (31 <sup>st</sup> March, 2022: 63,05,779.878 units of ₹ 31.3573 each)	516.02	1,977.32
Axis Banking & PSU Debt Fund - Direct Plan - Growth - 3,99,401.665 units of ₹ 2288.5724 each (31 <sup>st</sup> March, 2022 - 3,99,401.665 units of each ₹ 2187.0567)	9,140.60	8,735.14
IDFC Banking & PSU Debt Fund - Direct Plan - Growth - 3,25,81,564.193 units of ₹ 21.3529 each (31 <sup>st</sup> March, 2022 - 3,25,81,564 units of ₹ 20.3992 each)	6,957.11	6,646.38
Nippon India Arbitrage Fund - Direct Growth Plan - 61,66,826.829 units of ₹ 24.1388 each (31 <sup>st</sup> March, 2022 - 61,66,826.829 units of ₹ 22.828 each)	1,488.60	1,407.76

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
SBI Banking & Psu Debt Fund - Nil (31 <sup>st</sup> March, 2022 - 3,68,267.002 units of ₹ 2,668.0358 each)	-	9,825.50
SBI Magnum Ultra Short Duration Fund Direct Growth - 1,26,767,310 units of ₹ 5,158.4197 (31 <sup>st</sup> March, 2022 - 30785.20 units of ₹ 4,897.0747 each)	6,539.19	1,507.60
IDFC Corporate Bond Fund - Direct - Growth - 3,06,60,171.091 units of ₹ 16.6022 each (31 <sup>st</sup> March, 2022 - 4,01,28,672.543 units of ₹ 16.0402 each)	5,090.09	6,436.72
ICICI Pru Corporate Bond Fund - Direct - Growth - 2,33,28,738.974 units of ₹ 26.0278 each (31 <sup>st</sup> March, 2022 - 3,26,90,929.564 units of ₹ 24.5863 each)	6,071.83	8,037.49
HDFC Corporate Bond Fund - Direct - Growth - 1,94,78,542.345 units of ₹ 27.6193 each (31 <sup>st</sup> March, 2022 - 3,85,83,986,108 units of ₹ 26.4814 each)	5,379.84	10,217.58
Aditya Birla S.L. Floating Rate Debt Fund - Direct - Growth - 10,78,576.43 units of ₹ 299.2125 each (31 <sup>st</sup> March 2022:10,78,576.43 units of ₹ 283.55 each)	3,231.27	3,058.30
HDFC Floating Rate Debt Fund - Direct - Growth - 71,35,334.839 units of ₹ 42.3701 each (31 <sup>st</sup> March, 2022 : 71,35,334.839 units of ₹ 40.0951 each)	3,023.25	2,860.93
IDFC Arbitrage Regular - Growth - Nil (31 <sup>st</sup> March, 2022: 1,93,33,390.10 units of ₹ 26.3898 each)	-	5,102.04
SBI Liquid Fund Direct Growth : 1,17,220.180 units of ₹ 3523.303 each (31.03.2022: Nil)	4,130.02	-
SBI Savings Fund Direct Plan Growth : 54,96,254.129 units of ₹ 37.5713 each (31.03.2022 Nil)	2,065.01	-
Aditya Birla S.L. Nifty SDL Plus PSU Bond Sept 2026 50:50 Index Fund - Direct - Growth : 47,74,124.871 units of ₹ 10.488 each (31.03.2022: Nil)	500.71	-
Aditya Birla Sun Life Corporate Bond Fund - Direct - Growth: 10,47,117.406 Units of ₹ 95.61 each (31.03.2022 : Nil)	1,001.10	-
Bandan Crisil IBX Gilt April 2028 Index Lumsup Fund Direct Plan - Growth : 91,37,471.01 units of ₹ 10.9493 each (31.03.2022: Nil)	1,000.49	-
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund - Direct: 48,07,775.535 unit of ₹ 10.4153 each (31.03.2022: Nil)	500.74	-
<b>Total b(i):</b>	<b>56,635.87</b>	<b>65,995.72</b>
<b>Investments in Non Convertible Debentures (quoted) - Current</b>		
Shriram City Union Finance MLD: Nil (31 <sup>st</sup> March 2022: 100 nos)	-	1,099.55
5.23% LIC Housing July 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,036.01	-
5.40% HDFC Aug 2023 :100 nos (31 <sup>st</sup> March 2022 : Nil)	1,035.41	-
5.70% Bajaj Finance Aug 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,037.60	-
7.2871% HDB Financial July 2023 : 200 nos (31 <sup>st</sup> March 2022 : Nil)	2,110.41	-
8.00% Reliance Industries Ltd. - 09 <sup>th</sup> April, 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,078.59	-

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
8.00% Reliance Industries Ltd. - 16 <sup>th</sup> APRIL, 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil )	1,077.91	-
<b>Total b(ii)</b>	<b>7,375.93</b>	<b>1,099.55</b>
<b>Term deposit with LIC of India:</b>		
Term deposit with LIC of India	13,030.92	5,106.27
<b>Total b(iii)</b>	<b>13,030.92</b>	<b>5,106.27</b>
<b>Total b(i+ii+iii)</b>	<b>77,042.72</b>	<b>72,201.54</b>
Aggregate amount of quoted investments and market value thereof	64,011.80	67,095.27
Aggregate amount of unquoted investments	13,030.92	5,106.27
<b>Total</b>	<b>77,042.72</b>	<b>72,201.54</b>

### 7. Loans

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Non-Current</b>		
Unsecured, considered good Loans to employees	182.88	60.81
<b>Total</b>	<b>182.88</b>	<b>60.81</b>
<b>b) Current</b>		
Unsecured, considered good Loans to employees	86.02	82.31
<b>Total</b>	<b>86.02</b>	<b>82.31</b>

### 8. Other Financial Assets

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Non-Current</b>		
Unsecured, considered good Security deposits	668.78	645.08
<b>Total</b>	<b>668.78</b>	<b>645.08</b>

### 9. Other Assets

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Non-Current</b>		
Unsecured, considered good Taxes paid under protest	2.94	2.94
Unsecured, considered doubtful Capital Advances	846.05	792.58
Less: Provision for Bad and doubtful advances	(16.00)	(16.00)
<b>Total</b>	<b>832.99</b>	<b>779.52</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>b) Current</b>		
Unsecured, considered good		
Prepaid expenses	397.95	364.64
Advance for expenses	94.27	56.16
Export Incentives Receivables	0.77	1.10
RODTEP scripts on hand	329.98	352.43
GST Receivable	0.12	2.86
Advance to suppliers	573.12	225.35
Interest accrued on electricity deposits	33.20	20.46
Captive power settlement from APEPDCL	-	16.97
PT Thai Union Kharisma Lestari	11.96	2.79
<b>Total</b>	<b>1,441.37</b>	<b>1,042.76</b>

### 10. a) Inventories (valued at lower of cost or net realizable value)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Raw materials		
- in godown	46,498.29	59,870.61
- stock in transit	724.87	1,394.46
Packing materials	512.03	884.54
Work-in-progress	809.21	634.26
Finished goods	5,109.14	2,004.72
Stores and spares	2,297.67	5,195.83
Stores and spares - in transit	68.67	1,482.83
<b>Total</b>	<b>56,019.88</b>	<b>71,467.25</b>

### 10. b)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Biological Assets (Refer note below)</b>		
<b>Note</b>		
Brood stock	-	51.93
Post Larval	123.07	32.21
<b>Total</b>	<b>123.07</b>	<b>84.14</b>

#### Reconciliation of changes in the carrying amount of biological assets

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
As at beginning of the year	84.14	66.25
Increase due to purchase / production / physical change	1,769.93	742.00
Decrease due to Physical change / sales	1,731.00	724.11
Net change in the Fair value less estimated cost to sell	<b>123.07</b>	<b>84.14</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 11. Trade Receivables

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Billed:</b>		
<b>Secured:</b>		
<b>Undisputed</b>		
Considered good	2,490.56	1,593.59
Considered doubtful	-	-
<b>Disputed</b>		
Considered good	148.31	148.91
Considered doubtful	-	-
<b>Unsecured</b>		
Considered good	3,643.06	455.33
Considered doubtful	-	-
<b>Total (a)</b>	<b>6,281.93</b>	<b>2,197.83</b>
<b>b) Unbilled</b>	9.92	6.57
<b>Total (b)</b>	<b>9.92</b>	<b>6.57</b>
<b>Total (a+b)</b>	<b>6,291.85</b>	<b>2,204.40</b>

Ageing for trade receivables - billed current outstanding as at 31<sup>st</sup> March, 2023 is as follows:

Particulars	Outstanding for Following Periods from Due Date of Payment					Total
	Less than 6 Months	6 Months to one Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables - secured - considered good	1,619.39	871.17	-	-	-	2,490.56
Undisputed trade receivables - Unsecured - considered good	2,516.25	1,100.84	8.80	17.17	-	3,643.06
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	148.31	148.31
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
	<b>4,135.64</b>	<b>1,972.01</b>	<b>8.80</b>	<b>17.17</b>	<b>148.31</b>	<b>6,281.93</b>
Trade receivables - unbilled	-	-	-	-	-	9.92
<b>Total</b>	<b>4,135.64</b>	<b>1,972.01</b>	<b>8.80</b>	<b>17.17</b>	<b>148.31</b>	<b>6,291.85</b>



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed current outstanding as at 31<sup>st</sup> March, 2022 is as follows:

Particulars	Outstanding for Following Periods from Due Date of Payment					Total
	Less than 6 Months	6 Months to one Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables – secured - considered good	1,593.59	-	-	-	-	1,593.59
Undisputed trade receivables – unsecured - considered good	438.06	-	17.27	-	-	455.33
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – secured - considered good	-	-	17.27	131.64	-	148.91
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	<b>2,031.65</b>	<b>-</b>	<b>34.54</b>	<b>131.64</b>	<b>-</b>	<b>2,197.83</b>
Trade receivables - unbilled	-	-	-	-	-	6.57
<b>Total</b>	<b>2,031.65</b>	<b>-</b>	<b>34.54</b>	<b>131.64</b>	<b>-</b>	<b>2,204.40</b>

### 12(a) Cash and Cash Equivalents

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balances with banks		
- in current accounts	2,548.22	4,987.72
Cash in hand	2.71	7.89
In Fixed deposit Accounts (Maturity less than 3 months)	-	-
<b>Total</b>	<b>2,550.93</b>	<b>4,995.61</b>

### 12(b) Other Bank Balances

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Current</b>		
- Fixed deposit Accounts (Maturity more than 3 months)	20,200.25	508.81
- Unpaid dividend accounts	199.84	210.01
- Margin money accounts *	68.22	193.57
<b>Total</b>	<b>20,468.31</b>	<b>912.39</b>

#### \*Margin money deposits given as security

Margin Money deposits with bank of a carrying amount of ₹ 68.22 Lakhs (31<sup>st</sup> March, 2022: ₹ 193.57 Lakhs) are lien marked for BG, import L.C.s.

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 13. Equity Share Capital

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Authorised share capital:</b> 15,85,00,000 equity shares of ₹ 1/- each (31 <sup>st</sup> March, 2022: 15,85,00,000 equity shares of ₹1/- each)	1,585.00	1,585.00
<b>Issued, subscribed and fully paid up capital:</b> 13,62,45,630 equity shares of ₹ 1/- each (31 <sup>st</sup> March, 2022: 13,62,45,630 equity shares of ₹1/- each)	1,362.46	1,362.46
<b>Total</b>	<b>1,362.46</b>	<b>1,362.46</b>

Notes:

#### (a) Reconciliation of the number of shares outstanding:

Particulars	No. of Shares	Amount
Balance at 1 <sup>st</sup> April, 2021	13,62,45,630	1,362.46
Shares issued during the year	-	-
Balance at 31 <sup>st</sup> March, 2022	13,62,45,630	1,362.46
Shares issued during the year	-	-
Balance at 31 <sup>st</sup> March, 2023	<b>13,62,45,630</b>	<b>1,362.46</b>

#### (b) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Number of Shares Held	% Holding of Equity Shares	Number of Shares Held	% Holding of Equity Shares
Equity shares of ₹1/- each fully paid up (31 <sup>st</sup> March, 2022: ₹ 1/- each)				
1. Srinivasa Cystine Private Limited	3,62,99,115	26.64	3,62,99,115	26.64
2. Thai Union Group Public Company Limited	2,10,30,630	15.44	2,10,30,630	15.44
3. Thai Union Asia Investment Holding Limited	1,19,54,826	8.77	1,19,54,826	8.77
4. Alluri Indra Kumar	83,30,700	6.11	83,30,700	6.11
5. Alluri Indra Kumar (HUF)	81,89,250	6.01	81,89,250	6.01

As per records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

#### (c) Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1/- per share (31<sup>st</sup> March, 2022: ₹1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (d) Equity shares movement during the 5 years preceding 31<sup>st</sup> March, 2023 on account of Equity shares issued as bonus

The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹ 438.00 Lakhs and general reserve amounting to ₹ 16.15 Lakhs, which was approved by the shareholders by means of a special resolution through E.G.M. held on 14.06.2018.

### (e) Details of Share Holding of Promoters

Name of the Promoter	As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
	Shares held by Promoter			Shares held by Promoter		
	No. of Shares	% of Total Shares	% Change during the Year	No. of Shares	% of Total Shares	% Change during the Year
Nuthakki Ram Prasad	2,29,701	0.17	-	2,29,701	0.17	-
Alluri Indra Kumar HUF	81,89,250	6.01	-	81,89,250	6.01	-
Sanjeev Agrovat Private Limited	42,35,265	3.11	-	42,35,265	3.11	-
Srinivasa Cystine Private Limited	3,62,99,115	26.64	-	3,62,99,115	26.64	-
Sudha Vadlamudi	37,500	0.03	-	37,500	0.03	-
Amar Kumar Chukkapalli	37,500	0.03	-	37,500	0.03	-
Vijaya Kumar Chukkapalli	18,750	0.01	-	18,750	0.01	-
Katneni Jagan Mohan Rao	37,500	0.03	-	37,500	0.03	-
N Naga Ratna	95,022	0.07	-	95,022	0.07	-
Indra Kumar Alluri	83,30,700	6.11	-	83,30,700	6.11	-
Ratna Manikyamba Katneni	37,500	0.03	-	37,500	0.03	-
Arun Kumar Chukkapalli	18,750	0.01	-	18,750	0.01	-
Putchala Srinivas	-	-	(0.00)	1,500	0.00	-
G Venkatesh	-	-	(0.34)	4,62,196	0.34	-
Bommidala Srimannarayana	-	-	(0.01)	9,600	0.01	-
Rayapaneni Raveena	-	-	(0.03)	37,500	0.03	-
Venkata Sanjeev Alluri	7,10,700	0.52	-	7,10,700	0.52	-
Alluri Nikhilesh Chowdary	6,91,650	0.51	-	6,91,650	0.51	-
Geda Sai Padmini	-	-	(0.03)	43,650	0.03	-
<b>Total</b>	<b>5,89,68,903</b>	<b>43.28</b>	<b>(0.41)</b>	<b>5,95,23,349</b>	<b>43.69</b>	<b>-</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 14. Other Equity

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
General reserve	25,065.72	22,565.72
Retained earnings	1,49,921.56	1,37,679.51
<b>Total Other Equity</b>	<b>1,74,987.28</b>	<b>1,60,245.23</b>
<b>General Reserve</b>		
Balance at beginning of year	22,565.72	20,065.72
Less: Utilised for Bonus	-	-
Transferred from Surplus in Retained earnings	2,500.00	2,500.00
<b>Balance at end of year</b>	<b>25,065.72</b>	<b>22,565.72</b>
<b>Retained earnings</b>		
Balance at beginning of year	1,37,679.51	1,28,898.07
Profit attributable to owners of the Company	23,284.42	19,925.50
Other comprehensive income	(27.02)	(128.71)
Transfer to general reserve	(2,500.00)	(2,500.00)
Dividend	<b>(8,515.35)</b>	<b>(8,515.35)</b>
<b>Balance at end of year</b>	<b>1,49,921.56</b>	<b>1,37,679.51</b>

#### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The reserve is utilised for Bonus issue in accordance with the provisions of Companies Act 2013.

### 15. Other Financial Liabilities

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Non-Current</b>		
Security deposits*	372.00	372.00
<b>Total</b>	<b>372.00</b>	<b>372.00</b>
<b>b) Current</b>		
Unpaid dividend	199.84	210.01
Creditors for capital works	49.70	145.86
<b>Total</b>	<b>249.54</b>	<b>355.87</b>

\*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31<sup>st</sup> March, 2022: 9% p.a.)

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 16. Provisions

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Provisions (refer note 35)</b>		
Provision for gratuity	123.43	34.42
Provision for leave encashment	53.84	32.30
<b>Total</b>	<b>177.27</b>	<b>66.72</b>
a. Non-Current portion	-	-
b. Current portion	177.27	66.72
<b>Total</b>	<b>177.27</b>	<b>66.72</b>

### 17. Other Liabilities

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Current		
Advance from customers	2,922.85	3,695.13
Statutory dues	272.39	289.00
<b>Total</b>	<b>3,195.24</b>	<b>3,984.13</b>

### 18. Current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured</b>		
Working capital loan from State Bank of India	-	-
Working capital loan from HDFC Bank	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The working capital limits, sanctioned by State Bank of India (SBI) and HDFC Bank as at 31<sup>st</sup> March, 2023, are ₹ 3,000.00 Lakhs and ₹ 2,000.00 Lakhs, respectively (31<sup>st</sup> March, 2022: ₹ 3,000.00 Lakhs and ₹2,000.00 Lakhs respectively).

The working capital limits from SBI is secured by first charge on all current assets, Collateral First charge on Property, Plant and Equipment of the company. The same is repayable on demand and carries interest @ 8.20% p.a.

The working capital limits from HDFC Bank is secured by first charge on all current assets, Collateral First charge on Property, Plant and Equipment of the company. The same is repayable on demand and carries interest @ 8.00% p.a.

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts

Note: Debit balance in cash credit accounts as at 31<sup>st</sup> March, 2023 (and 31<sup>st</sup> March, 2022) have been grouped under the head "Cash and Cash equivalents".

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 19. Trade Payables

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to micro enterprises and small enterprises (Refer Note below)	946.53	1,881.58
Dues to creditors other than micro enterprises and small enterprises	23,299.69	23,828.61
Disputed dues MSME	-	-
Disputed dues others	-	-
<b>Total</b>	<b>24,246.22</b>	<b>25,710.19</b>

#### Dues to micro and small enterprises

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year	946.53	1,881.58
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

#### Ageing for Trade Payables Outstanding as at 31<sup>st</sup> March, 2023 is as Follows:

Particulars	Outstanding for Following Periods from Due Date of Payment				Total
	Less than One Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Trade payables</b>					
MSME	946.53	-	-	-	946.53
Others	9,128.75	-	-	-	9,128.75
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
Accrued expenses					14,170.94
<b>Total</b>	<b>10,075.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,246.22</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Ageing for trade payables outstanding as at 31<sup>st</sup> March, 2022 is as follows:

Particulars	Outstanding for Following Periods from Due Date of Payment				Total
	Less than One Year	1-2 Years	2-3 Years	More than 3 Years	
Trade payables					
MSME	1,881.58	-	-	-	1,881.58
Others	19,776.25	5.06	4.52	0.91	19,786.74
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
Accrued expenses					4,041.87
<b>Total</b>	<b>21,657.83</b>	<b>5.06</b>	<b>4.52</b>	<b>0.91</b>	<b>25,710.19</b>

Commission to whole time directors and non-whole time directors included in accrued expenses will be paid after approval of books of accounts at the ensuing A.G.M.

## 20. Income Taxes

### 20 (a) Deferred taxes

For the period ended 31<sup>st</sup> March, 2023

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
<b>Deferred tax liabilities/(assets) in relation to</b>				
Depreciation and amortisation	573.68	42.49	-	616.17
Fair valuation of Investments	1,131.72	69.19	-	1,200.91
Fair valuation of derivative instruments	-	-	-	-
Lease Liabilities	(46.74)	18.44	-	(28.30)
Others	0.17	0.26	-	0.43
<b>Total</b>	<b>1,658.83</b>	<b>130.38</b>	<b>-</b>	<b>1,789.21</b>

For the year ended 31<sup>st</sup> March, 2022

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liabilities/(assets) in relation to				
Depreciation and amortisation	708.69	(135.01)	-	573.68
Fair valuation of Investments	978.94	152.78	-	1,131.72
Lease Liabilities	(32.16)	(14.58)	-	(46.74)
Others	0.12	0.05	-	0.17
<b>Total</b>	<b>1,655.59</b>	<b>3.24</b>	<b>-</b>	<b>1,658.83</b>

### 20 (b) Non-current Tax Assets

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Non-current tax assets (net of provision for tax)	1,244.63	1,642.37
<b>Total</b>	<b>1,244.63</b>	<b>1,642.37</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 20 (c) Tax expense recognised in Statement of Profit and Loss

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Current tax</b>		
In respect of the current year	7,442.83	6,499.00
In respect of the earlier years	(176.73)	-
<b>Total</b>	<b>7,266.10</b>	<b>6,499.00</b>
<b>Deferred tax</b>		
In respect of the current year	130.38	3.24
<b>Total</b>	<b>130.38</b>	<b>3.24</b>
<b>Total tax expense</b>	<b>7,396.48</b>	<b>6,502.24</b>

### 20 (d) - Tax Expense recognised in Other comprehensive income

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Deferred tax		
In respect of the current year	-	-
	-	-

### 20 (e) - Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Profit before tax	30,653.88	26,299.03
Income tax expense calculated at 25.168%	7,714.97	6,618.94
Impact of expenses that are not deductible (taxable) in determining taxable profit		
Deduction u/s 80M	(115.82)	(102.87)
Interest on Income tax	0.64	-
Corporate Social Responsibility & Donations	156.39	172.73
Earlier taxes	(176.73)	-
Others	(182.98)	(186.56)
<b>Income tax expense recognised in profit or loss</b>	<b>7,396.48</b>	<b>6,502.24</b>

## 21. Revenue from Operations

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Sale of Products (Manufactured)</b>		
Finished goods - Domestic - Billed	4,03,418.52	4,04,425.40
Finished goods - Domestic - Unbilled	9.92	6.57
Finished goods - Exports	706.07	322.52
<b>Other Operating Revenue</b>		
Export Incentives	1.00	0.46
<b>Total</b>	<b>4,04,135.51</b>	<b>4,04,754.95</b>



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Reconciliation of Revenue from sale of products with contracted price</b>		
Contracted Price	4,99,682.52	5,02,006.20
Less: Sales Returns	(185.27)	(58.79)
Less: Trade and other Discounts	(95,362.74)	(97,192.93)
<b>Sale of Products</b>	<b>4,04,134.51</b>	<b>4,04,754.48</b>
<b>Finished goods sold</b>		
Shrimp Feed		
i) Domestic	4,01,675.41	4,03,645.42
ii) Exports	706.07	322.52
Shrimp Seed	1,588.41	618.89
Power	160.50	163.36
Other sales	4.13	4.30
<b>Total</b>	<b>4,04,134.52</b>	<b>4,04,754.49</b>

### 22. Other Income (net)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Interest Income on Financial Assets carried at amortized cost</b>		
Bank deposits	1,319.73	320.15
Secured Bonds	-	45.05
Non-convertible debentures	939.02	444.88
Others	33.21	22.10
Dividend Income		
Received from Subsidiaries	300.50	300.50
Received from Associates	159.68	106.45
Received from others	-	1.80
Net gain on sale of investments		
On sale of non-convertible debentures	161.85	-
On sale of Mutual Funds	2,418.00	3,633.13
MTM gain on investments carried at fair value through profit or loss	279.97	607.23
Net Foreign exchange gain / (loss)	231.79	95.97
Fair value gain/loss on derivative instruments measured at fair value through profit and loss	-	0.76
Profit on sale of Assets	-	2.87
Miscellaneous income	431.30	464.93
<b>Total</b>	<b>6,275.05</b>	<b>6,045.82</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 23. Cost of Materials Consumed

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Inventory at the beginning of the year	62,149.61	24,818.78
Add: Purchases	3,33,190.16	3,91,908.71
<b>Total</b>	<b>3,95,339.77</b>	<b>4,16,727.49</b>
Less: Inventory at the end of the year	47,735.200	62,149.61
<b>Cost of materials consumed</b>	<b>3,47,604.57</b>	<b>3,54,577.88</b>
<b>Purchase of bearer biological Assets:</b>		
Purchase brood stock	181.52	123.11
<b>Total</b>	<b>181.52</b>	<b>123.11</b>

### 24. Changes in Inventories of Finished Goods, Work-in-Progress and Biological Assets

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Closing Stock</b>		
Finished goods	5,109.14	2,004.72
Work-in-progress	809.21	634.26
Biological assets	123.07	84.14
<b>Total</b>	<b>6,041.42</b>	<b>2,723.12</b>
<b>Opening Stock</b>		
Finished goods	2,004.72	4,119.10
Work-in-progress	634.26	619.67
Biological assets	84.14	66.25
<b>Total</b>	<b>2,723.12</b>	<b>4,805.02</b>
<b>Net (increase) /decrease</b>	<b>(3,318.30)</b>	<b>2,081.90</b>

### 25. Employee benefits expense

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Salaries, wages and bonus	12,020.22	8,934.11
Contribution to provident and other funds	603.31	555.82
Gratuity expense (Refer Note 35)	193.01	175.53
Staff welfare expenses	256.52	242.36
<b>Total</b>	<b>13,073.06</b>	<b>9,907.82</b>

### 26. Finance Costs

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Interest expense</b>		
- Interest on bank overdrafts and loans	0.18	20.20
- Interest on Lease Liability	12.61	14.17
Other borrowing costs	61.61	80.60
<b>Total</b>	<b>74.40</b>	<b>114.97</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 27. Depreciation and Amortisation Expense

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Depreciation of property, plant and equipment	2,229.84	2,052.38
Depreciation of ROU Assets	68.84	54.10
Amortisation of intangible assets	3.51	3.53
<b>Total</b>	<b>2,302.19</b>	<b>2,110.01</b>

### 28. Other Expenses

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Rent (refer note (i)) below	244.31	201.71
Power & fuel	6,551.96	5,319.02
Repairs & maintenance		
- Buildings	195.60	29.37
- Plant & machinery	101.76	89.10
- Others	13.77	14.17
Consumable stores	2,441.57	1,653.53
Other manufacturing expenses	3,634.29	2,892.06
Rates & taxes	318.89	202.65
Insurance	363.35	309.26
Electricity charges	10.22	8.33
Vehicle maintenance	144.55	106.35
Travelling & conveyance	846.22	640.36
Communication costs	50.70	44.31
Printing & stationery	44.33	39.27
Directors' sitting fees	43.60	42.40
<b>Auditors Remuneration:</b>		
As Auditors	35.40	23.60
Other Services	7.08	3.54
Reimbursement of expenses	8.98	4.64
Professional charges	197.92	390.58
Corporate Social Responsibility (refer note 32)	621.38	683.31
Donations	0.05	3.00
Bank charges	77.63	75.03
Assets written off	10.90	10.41
Advertisement charges	11.26	9.95
Carriage outward	335.23	729.24
Marketing expenses	1,836.91	316.32
Royalty	964.30	1,066.15
Loss on sale of Fixed Assets	0.85	-
Commission on profits to Non executive Directors	100.00	100.00
General expenses	599.21	449.68
<b>Total</b>	<b>19,812.22</b>	<b>15,457.34</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Notes

#### i) Operating leases

Lease payments made under operating leases aggregating to ₹ 244.31 Lakhs (31<sup>st</sup> March, 2022: ₹ 201.71 Lakhs) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil.

### Earnings per share

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Profit after Tax (PAT)(A)	23,284.42	19,925.50
Weighted average number of equity shares for Basic EPS (B)	13,62,45,630	13,62,45,630
Basic earnings per share (A/B)	17.09	14.62

### Note

There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares.

## 30. Contingent Liabilities

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company	102.27	102.27

Details of demands raised by customs, service tax, sales tax, income tax and other authorities:

Name of the Statute	Nature of the Dues	Amount	Period to which the Amount Relates	Forum where Dispute is Pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai
Income tax Act	Income tax	12.23	2013-2014	Commissioner Appeals, Income tax, Hyderabad
	<b>Total</b>	<b>102.27</b>		

- (i) The Company purchased soya bean in the year 2004-05, converted the same into DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to ₹ 29.22 Lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
- (ii) Company is importing Squid Liver Powder (SLP) which was one of the raw materials for manufacturing of shrimp feed. SLP was imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

- iii) The Income Tax Department has completed the assessment for the assessment year 2013-14 and has raised an additional demand of ₹ 12.23 Lakhs which the Company has contested and filed an appeal with the Commissioner of Appeals, Income Tax.

### 31. Capital Commitments

Estimated amount of capital contracts remaining to be executed to the extent not provided for (net of advances) ₹ 1,673.96 Lakhs (31<sup>st</sup> March, 2022: ₹ 3,504.80 Lakhs).

### 32. Corporate Social Responsibility Expenditure

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 621.38 Lakhs (31<sup>st</sup> March 2021: ₹ 850.92 Lakhs) in accordance with Section 135 of the Act. The following amounts were actually spent during the current & previous year:

Amount spent during the year on:	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>i. Details of corporate social responsibility expenditure:</b>		
A. Amount required to be spent during the year	621.38	683.30
B. Amount spent during the year		
1. Construction/acquisition of any asset	-	-
2. Purpose other than (1) above	621.38	683.31
C. Shortfall at the end of the year	-	-
D. Total of previous years shortfall	-	-
E. Reason for shortfall	Not applicable	Not applicable
F. Nature of CSR activities	Promoting Education, Healthcare, Rural Development, Disaster relief, Technological advancement.	
<b>G. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:</b>		
Contribution to Avanti Foundation in relation to CSR expenditure	293.00	505.40
H. Provision made with respect to a liability incurred by entering into a contractual obligation		

### 33. Related Party Disclosures

#### 1. Names of related parties and related party relationship

<b>Related parties where control exists</b>	
<b>Subsidiary Companies</b>	Avanti Frozen Foods Private Limited Srivathsa Power Projects Private Limited (w.e.f. 29.03.2023)
<b>Key Managerial Personnel (KMP)</b>	<b>Whole Time Directors</b> Sri A. Indra Kumar, Chairman and Managing Director Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO Sri A. Venkata Sanjeev, Executive Director <b>Non-Whole Time Directors</b> Sri J.V. Ramudu

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	Sri N. Ram Prasad Sri N.V.D.S. Raju Mr. Wai Yat Paco Lee (Up to 16.02.2023) Mr. Bunluesak Sorajjakit Mr. Peerasak Boonmechote (w.e.f. 20.02.2023) Smt. K. Kiranmayee Sri V. Narsi Reddy Sri G. Sudarsan Babu (w.e.f. 11.02.2023) Sri R. Karikal Valaven, IAS (Up to 06.02.2023)
<b>Relatives of Key Managerial Personnel</b>	Sri A. Nikhilesh Chowdary Sri N. Ramprasad
<b>Associate Companies</b>	Patikari Power Private Limited Srivathsa Power Projects Private Limited (up to 28.03.2023)
<b>Entities over which KMP has significant influence</b>	Sanjeev Agro-Vet Private Limited Sri Sai Srinivasa Agro Farms & Developers LLP Avanti Foundation A. V. R. Trust C. R. Reddy College Sakuntala Professional Associates LLP Nava Limited (formerly known as Nava Bharat Ventures Limited)
<b>Entities having significant influence over the Company</b>	Srinivasa Cystine Private Limited Thai Union Feed Mill Co. Ltd., Thailand Thai Union Group Public Co. Ltd. Thai Union Asia Investment Holding Co. Ltd.

### 2. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties:

Particulars	Key Management Personnel		Entities having Significant Influence Over the Company		Subsidiaries		Associated Companies		Entities Over which KMP has Significant Influence	
	For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Whole time directors remuneration	4,423.72	2,253.37	-	-	-	-	-	-	-	-
Non whole time directors sitting fees & commission**	143.60	142.40	-	-	-	-	-	-	-	-
Rent paid	7.91	7.39	3.67	3.06	-	-	-	-	21.40	3.57
Rent Received	-	-	2.28	2.64	3.33	0.15	-	1.69	1.48	1.70
Contributions towards corporate social responsibility	-	-	-	-	-	-	-	-	293.00	505.40
Royalty paid	-	-	964.30	1,066.15	-	-	-	-	-	-
Dividend paid	1,134.50	1,134.50	4,330.29	4,330.29	-	-	-	-	264.70	264.70
Dividend Received	-	-	-	-	300.50	300.50	159.68	106.45	-	-
Power Purchase	-	-	-	-	758.55	-	-	918.39	-	-

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Key Management Personnel		Entities having Significant Influence Over the Company		Subsidiaries		Associated Companies		Entities Over which KMP has Significant Influence	
	For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Legal Services received	-	-	-	-	-	-	-	-	8.53	7.08
Purchase of MEIS License & others	-	-	-	-	2,229.67	822.66	-	-	-	-
Sale of Goods	-	-	-	-	185.38	323.33	-	-	-	-
Sale of property, plant and machinery	-	-	-	-	-	1.71	-	-	-	-
Purchase of property, plant and machinery	-	-	-	-	-	0.41	-	-	-	-
Lab services	-	-	-	-	0.14	0.35	-	-	-	-

### Year end Balances

Particulars	Key Management Personnel		Entities having Significant Influence Over the Company		Subsidiary		Associated Companies		Entities Over which KMP has Significant Influence	
	For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended		For the Year Ended	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Investment	-	-	-	-	10,515.78	8,461.00	1,064.52	2,735.06	-	-
Whole time directors remuneration	3,637.62	1,608.25	-	-	-	-	-	-	-	-
Non whole time directors sitting fees & commission**	100.00	100.00	-	-	-	-	-	-	-	-
Rent deposit received	-	-	0.45	0.45	-	-	-	-	0.24	0.24
Rental deposit paid	-	-	-	-	-	-	-	-	-	6.05
Royalty	-	-	179.56	234.15	-	-	-	-	-	-
Legal Services payable	-	-	-	-	-	-	-	-	-	0.54
Advance received from customers	-	-	-	-	35.59	21.13	-	-	-	-

\* below the rounding off norm adopted by the Company

\*\* Commission to whole time directors and non-whole time directors will be paid after approval of books of accounts at the ensuing A.G.M.

## 34 Segment Reporting

"The Company is engaged in the business of Shrimp feed, Shrimp Hatchery and power generation. The Chairman and Managing Director (CMD) has been identified as the Chief Operating Decision maker (CODM). There are three segments in the Company i.e. Shrimp Feed, Shrimp Hatchery, Wind Mills.

As the Company does not have revenue from any significant external customer amounting to 10% or more of the Company's total revenue, the related information as required under paragraph 34 of Ind AS 108 has not been disclosed."

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp.

Company had installed four wind mills of 3.2 MW at Chitradurga, Karnataka. Power generated from wind mills is sold to BESCO under Power Purchase agreement.

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Shrimp Hatchery produces shrimp seed and sold to aqua farmers.

### Segment Revenue and Results

All segment revenues & expenses that are directly attributable to the segments are reported under the respective segment. The revenues and expenses that are not directly attributable to any segments are shown as unallocated expenses.

### Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally Property, Plant and Equipment, Debtors and Inventories. Segment liabilities primarily include creditors and other liabilities. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively.

Particulars	Shrimp Feed		Wind Mills		Hatchery		Unallocated		Total	
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Revenue</b>										
External Sales	4,02,386.60	4,03,972.70	160.50	163.36	1,588.41	618.89	-	-	4,04,135.51	4,04,754.95
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>4,02,386.60</b>	<b>4,03,972.70</b>	<b>160.50</b>	<b>163.36</b>	<b>1,588.41</b>	<b>618.89</b>	<b>-</b>	<b>-</b>	<b>4,04,135.51</b>	<b>4,04,754.95</b>
<b>Segment Result</b>										
Operating Profit	24,411.03	20,926.48	19.67	25.93	49.55	(455.52)	-	-	24,480.25	20,496.89
Other Income	685.95	563.42	-	-	3.89	2.99	5,585.21	5,479.41	6,275.05	6,045.82
Interest Expense	73.54	112.11	-	-	0.86	2.86	-	-	74.40	114.97
Income tax - Current year & previous year	-	-	-	-	-	-	7,266.10	6,499.00	7,266.10	6,499.00
- Deferred Tax	-	-	-	-	-	-	130.38	3.24	130.38	3.24
<b>Net Profit</b>	<b>25,023.45</b>	<b>21,377.79</b>	<b>19.67</b>	<b>25.93</b>	<b>52.58</b>	<b>(455.39)</b>	<b>(1,811.27)</b>	<b>(1,022.83)</b>	<b>23,284.43</b>	<b>19,925.50</b>
<b>Other Information</b>										
Segment Assets	95,099.67	1,00,795.44	508.52	436.36	3,402.94	3,433.17	1,07,480.56	89,276.18	2,06,491.69	1,93,941.15
Segment Liabilities	23,159.21	27,816.60	-	-	82.31	83.52	6,900.40	4,433.34	30,141.92	32,333.46
<b>Capital Employed</b>	<b>71,940.46</b>	<b>72,978.84</b>	<b>508.52</b>	<b>436.36</b>	<b>3,320.63</b>	<b>3,349.65</b>	<b>1,00,580.16</b>	<b>84,842.84</b>	<b>1,76,349.77</b>	<b>1,61,607.69</b>

## 35. Employee Benefits

### (i) Leave Obligations

"The leave obligations cover the Company's liability towards earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:"

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Current leave obligations expected to be settled within the next 12 months	-	-



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (ii) Defined Contribution Plans

"The Company also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary); Employee State Insurance and Superannuation Fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 371.88 Lakhs (31<sup>st</sup> March, 2022 - ₹ 309.76 Lakhs)."

### (iii) Post Employment Benefit Obligation

"The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments." The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

Particulars	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
Opening balance	1,774.87	1,740.45	34.42	1,383.27	1,278.72	104.55
Current Service Cost	190.53	-	190.53	168.48	-	168.48
Past Service Cost	-	-	-	-	-	-
Interest expense	127.70	-	127.70	93.30	-	93.30
Interest income	-	125.22	(125.22)	-	86.25	(86.25)
Contributions	-	-	-	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>318.23</b>	<b>125.22</b>	<b>193.01</b>	<b>261.78</b>	<b>86.25</b>	<b>175.53</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/income	-	1.52	(1.52)	-	11.57	(11.57)
(Gain)/loss from change in demographic assumptions	-	-	-	33.92	-	33.92
(Gain)/loss from change in financial assumptions	(49.79)	-	(49.79)	(58.53)	-	(58.53)
Experience (gains)/losses	78.33	-	78.33	164.89	-	164.89
<b>Total amount recognised in other comprehensive income</b>	<b>28.54</b>	<b>1.52</b>	<b>27.02</b>	<b>140.28</b>	<b>11.57</b>	<b>128.71</b>
Employer contributions	-	131.01	(131.01)	-	374.37	(374.37)
Benefit payments	(27.05)	(27.05)	-	(10.46)	(10.46)	-
<b>Closing Balance</b>	<b>2,094.60</b>	<b>1,971.16</b>	<b>123.43</b>	<b>1,774.87</b>	<b>1,740.45</b>	<b>34.42</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Present value of funded obligations	2,094.60	1,774.87
Fair value of plan assets	1,971.16	1,740.45
Deficit of funded plan	123.43	34.42
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>123.43</b>	<b>34.42</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (ii) Significant Estimates: Actuarial Assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.50%	7.20%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	5.00%	5.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Normal retirement age	60 years	60 years

### (iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

₹ in Lakhs

Particulars	Change in Assumption			Impact on defined benefit obligation				
				Increase in Assumption		Decrease in Assumption		
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	1.00%	1.00%	Decrease by	150.62	131.99	Increase by	176.81	155.37
Attrition rate	50.00%	50.00%	Decrease by	62.36	60.61	Increase by	87.39	85.32
Salary escalation rate	1.00%	1.00%	Increase by	170.77	149.60	Decrease by	149.65	129.98

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (iv) The major categories of plan assets are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Funds managed by SBI Life Insurance Company Limited	1,971.16	1,740.45
<b>Total</b>	<b>1,971.16</b>	<b>1,740.45</b>

### (v) Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. The Company's plan assets are insurer managed funds and are subject to less material risk.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities and the Company ensures that it has enough reserves to fund the liability

### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31<sup>st</sup> March, 2024 is ₹ 300.45 Lakhs

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
<b>31<sup>st</sup> March, 2023</b>				
Gratuity	629.92	462.26	776.76	2,809.62
<b>Total</b>	<b>629.92</b>	<b>462.26</b>	<b>776.76</b>	<b>2,809.62</b>
<b>31<sup>st</sup> March, 2022</b>				
Gratuity	516.50	383.37	654.09	2,347.51
<b>Total</b>	<b>516.50</b>	<b>383.37</b>	<b>654.09</b>	<b>2,347.51</b>

### 36. Fair Value Measurements

Financial Instruments by Category	31 <sup>st</sup> March, 2023		31 <sup>st</sup> March, 2022	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial Assets</b>				
Investments				
- in equity instruments				
- Quoted	-	3.20	-	2.16
- Unquoted	12,376.07	-	11,703.37	-
- in mutual funds	-	56,635.87	-	65,995.72
- in Secured Bonds	-	-	-	-
- Non Convertible debentures	1,512.81	7,375.93	8,997.01	1,099.55
- In Term deposits	13,030.92	-	5,106.27	-
Trade receivables	6,291.85	-	2,204.40	-
Cash and cash equivalents	2,550.93	-	4,995.61	-
Other bank Balances	20,468.31	-	912.39	-
Loans	268.90	-	143.12	-
Security deposits	668.78	-	645.08	-
<b>Total Financial Assets</b>	<b>57,168.57</b>	<b>64,015.00</b>	<b>34,707.25</b>	<b>67,097.43</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Short term borrowings from banks	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-
Security deposits	372.00	-	372.00	-
Trade payables	24,246.22	-	25,710.19	-
Derivative financial instrument	-	-	-	-
Unpaid dividend	199.84	-	210.01	-
Lease Liabilities	112.45	-	185.72	-
Capital creditors	49.70	-	145.86	-
<b>Total Financial Liabilities</b>	<b>24,980.21</b>	<b>-</b>	<b>26,623.78</b>	<b>-</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (i) Fair value hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits, are considered to be same as their fair values. With respect to Corporate Guarantees, the management has determined the fair value of such guarantee contracts as 'Nil' as the subsidiary company is not being benefited significantly from such guarantees. The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unquoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'."

### 37. Financial Risk Management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis Credit ratings of customers and subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	Working capital management by General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Joint Managing Director. The capital requirements are managed by analysing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/payables)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

# Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

The Company's risk management is carried out by the JMD under policies approved by the Risk Management Committee a sub-committee of the Board of Directors. The Committee provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

## Credit Risk

### (i) Credit Risk Management

Credit risk arises from cash and cash equivalents, loans, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

"Credit risk is managed by the Marketing General Manager of the Avanti Feeds Limited. The Company has few customer with most of them being foreign customers. The Company provides a credit period of 60-90 days which is in line with the normal industry practice. The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices."

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- actual or expected significant changes in the operating results of the borrower.
- significant increase in credit risk on other financial instruments of the same borrower.
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

### (ii) Provision for Expected Credit Losses

The Company provides for expected credit loss based on the following:

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Category	Description of Category	Basis for Recognition of Expected Credit Loss Provision		
		Investments	Loans and Deposits	Trade Receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss	Asset is written off		

### Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

#### Year Ended 31<sup>st</sup> March, 2023

Particulars	Asset Group	Estimated Gross Carrying Amount at Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount Net of Impairment Provision
Loss allowance measured at 12 month expected credit losses -	Other bank balances	20,468.31	0%	-	20,468.31
Financial assets for which credit risk has not increased significantly since initial recognition	Loans and advances	268.90	0%	-	268.90
	Security deposits	668.78	0%	-	668.78

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Year Ended 31<sup>st</sup> March, 2022

Particulars	Asset Group	Estimated Gross Carrying Amount at Default	Expected Probability of Default	Expected Credit Losses	Carrying Amount Net of Impairment Provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	912.39	0%	-	912.39
	Loans and advances	143.12	0%	-	143.12
	Security deposits	645.08	0%	-	645.08

### Expected credit loss for trade receivables under simplified approach

#### Year Ended 31<sup>st</sup> March, 2023

Ageing	Less than 6 Months	6 Months to one Year	1- 2 Years	2- 3 Years	More than 3 Years	Total
Gross carrying amount	4,145.56	1,972.01	8.80	17.17	148.31	6,291.85
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	4,145.56	1,972.01	8.80	17.17	148.31	6,291.85

#### Year Ended 31<sup>st</sup> March, 2022

Ageing	Less than 6 Months	6 Months to one Year	1- 2 Years	2- 3 Years	More than 3 Years	Total
Gross carrying amount	2,038.22	-	34.54	131.64	-	2,204.40
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	2,038.22	-	34.54	131.64	-	2,204.40

### Liquidity Risk

"Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Joint Managing Director monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds."

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (i) Maturities of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

#### Contractual Cash Flows

31 <sup>st</sup> March, 2023	Carrying Amount	Total	0-1 Year	1-2 Years	2-3 Years	3-5 Years	More than 5 Years
Borrowings	-	-	-	-	-	-	-
Trade payables	24,246.22	24,246.22	24,246.22	-	-	-	-
Derivative financial instrument	-	-	-	-	-	-	-
Capital creditors	49.70	49.70	49.20	0.50	-	-	-
Security deposits	372.00	372.00	-	-	-	-	372.00
<b>Total</b>	<b>24,667.92</b>	<b>24,667.92</b>	<b>24,295.42</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>372.00</b>

#### Contractual Cash Flows

31 <sup>st</sup> March, 2022	Carrying Amount	Total	0-1 Year	1-2 Years	2-3 Years	3-5 Years	More than 5 Years
Borrowings	-	-	-	-	-	-	-
Trade payables	25,710.19	25,710.19	25,699.70	5.06	4.52	0.91	-
Derivative financial instrument	-	-	-	-	-	-	-
Capital creditors	145.86	145.86	43.34	102.52	-	-	-
Security deposits	372.00	372.00	-	-	-	-	372.00
<b>Total</b>	<b>26,228.05</b>	<b>26,228.05</b>	<b>25,743.04</b>	<b>107.58</b>	<b>4.52</b>	<b>0.91</b>	<b>372.00</b>

### Market Risk - Interest Risk

The Company's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Variable rate borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

At the end of the reporting period, the Company had the following variable rate borrowings and receivables:



## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2022			31 <sup>st</sup> March, 2021		
	Weighted Average Interest rate %	Balance	% of total outstanding payable / receivable	Weighted Average Interest rate %	Balance	% of total outstanding payable / receivable
Financial Liabilities						
Current borrowings	-	-			-	
	-	-			-	

### Sensitivity

The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

Particulars	Impact on Profit After Tax	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Interest rate - Increases by 100 basis points	-	-
Interest rate - Decreases by 100 basis points	-	-

### Market risk - Price risk

The Company's investments in quoted equity securities is very minimal, hence there is limited exposure to price risk.

### Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Company does not hedge any of its exposure to foreign currency. The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Amount in Foreign Currency	Amount ₹ in (Lakhs)	Amount in Foreign Currency	Amount ₹ in (Lakhs)
<b>Trade and other payables</b>				
USD	4,39,042.64	360.97	-	-
Euro	-	-	-	-
<b>Trade Receivables</b>				
USD	1,17,500.00	96.60	58,774.70	44.61
Euro	-	-	-	-
Balance in EEFC A/c - USD	105.16	0.09	105.16	0.08
<b>Derivatives outstanding</b>				
<b>Forward contracts</b>				
To buy USD	-	-	-	-
To sell USD	-	-	-	-
<b>Other receivables</b>				
IDR	21,78,91,290.49	11.96	5,27,88,000.00	2.79
<b>Net exposure (Receivable/(Payable))</b>	<b>21,75,69,853.01</b>	<b>(252.31)</b>	<b>5,28,46,879.86</b>	<b>47.48</b>
<b>Net exposure in USD</b>	<b>(3,21,437.48)</b>	<b>(264.27)</b>	<b>58,879.86</b>	<b>44.69</b>

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Increase in USD rate by 1%	(2.64)	0.45
Decrease in USD rate by 1%	2.64	(0.45)

## 38. Capital management

### (a) Risk Management

"The Company's objectives when managing capital are to:

- > Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company has been maintaining a steady dividend."

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Net debt	-	-
Total equity	1,76,349.74	1,61,607.69
Net debt to equity ratio	0%	0%

### (b) Dividends

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Equity shares</b>		
i) Dividend for the year ended 31 <sup>st</sup> March, 2022 of ₹ 6.25 (31 March 2021 ₹ 6.25) per fully paid share.	8,515.35	8,515.35
Dividends not recognised at the end of the reporting period		
i) In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 6.25 per fully paid equity share (31 <sup>st</sup> March, 2022 – ₹ 6.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8,515.35	8,515.35

## Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 39. Additional Regulatory Information: Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current Ratio (in times)	Total current assets	Total current liabilities	5.88	5.07	15.98%
Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.01	0.01	-
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	NA	NA	-
Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	13.78%	12.78%	7.82%
Inventory Turnover Ratio (in times)	Revenue from operations	Average inventory	6.33	7.86	-19.47%
Trade Receivables Turnover Ratio (in times)*	Revenue from operations (credit sales)	Average trade receivables	15.13	25.44	-40.53%
Trade Payables Turnover Ratio (in times)	Cost of materials consumed and other expenses	Average trade payables	14.71	15.72	-6.43%
Net Capital Turnover Ratio (in times)	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	0.78	0.85	9.16%
Net Profit Ratio (in %)	Profit for the year	Revenue from operations	5.76%	4.92%	17.04%
Return on Capital Employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities	17.25%	16.24%	6.25%
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	5.14%	4.72%	8.90%

\*Trade receivable days increased on account of increase in credit sales

# Notes to Financial Statements for the Year Ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

## 40. Other Statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company does not have any such transactions which was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

41. Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 004436S / S200135

**K. Rajender Reddy**

Partner

Membership No. 231834

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director

The background is a solid blue color with a pattern of semi-transparent, light blue water droplets of various sizes scattered across the surface. The droplets have a soft, glowing appearance, giving the overall image a clean, fresh, and modern aesthetic.

# Consolidated Financials 2022-23

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Avanti Feeds Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of **Avanti Feeds Limited** ('the Company') and its subsidiaries (collectively referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit including other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matters	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of Ind AS</p> <p>115 "Revenue from Contracts with Customers" (revenue accounting standard)</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 2.5.c and 23 to the Financial Statements</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none"> <li>• We assessed the Company's process to identify the impact of revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</li> <li>• We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>- Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>- Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, were tested using a combination of sales orders, gate-in and gate-out passes,</li> <li>- shipping bills including packing lists, subsequent customs invoicing, bills of lading, customer acceptances and historical trend of collections and disputes.</li> </ul> </li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>• We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul>

2.	<p>The Company enters into various financial instruments such as investments in quoted and unquoted equity instruments, quoted mutual funds and quoted non-convertible debentures. As at 31<sup>st</sup> March, 2023, financial instruments carried at fair value through profit and loss totaled ₹ 72,933.92 Lakhs (current investments of ₹ 72,930.72 Lakhs and non-current investments of ₹ 3.20 Lakhs) as disclosed in Note 7 to the Standalone Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</li> <li>• Utilizing our treasury experts, we also tested on a sample basis the existence and valuation of derivative contracts as at 31<sup>st</sup> March, 2023. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and</li> <li>• Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in Note 40 to the Financial Statements.</p>
3.	<p><b>Inventory valuation and existence:</b></p> <p>At the balance sheet date, the value of inventory amounted to ₹ 80,298.53 lakhs representing 29.36% of total assets. Inventories were considered as key audit matter due to the size of the balance and because inventory valuation involves management judgment.</p> <p>As described in note 2.5.i of the financial statements, inventories are carried at the lower of cost and net realizable value on a weighted average basis</p> <p>The company has segment specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ul style="list-style-type: none"> <li>• Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.</li> <li>• Observed the stock take process at Factory locations during the year and at the end of the year and undertook our test counts where ever necessary.</li> <li>• Compared the Quantities we counted with Quantities recorded.</li> <li>• Analysing the Inventory Ageing reports and Net realizable value of inventories.</li> <li>• Tested that inventory on hand at the end of the period was recorded at the lower of cost and net realizable value by testing a sample of inventory items to the most recent retail price.</li> </ul>
4	<p><b>Purchase of Raw material:</b></p> <p>Purchase of Raw material are being key audit matter as the Company procures its principle raw materials from the suppliers and the price of the same is highly volatile to the market conditions.</p> <p>Based upon the production requirements and after considering the tentative prices, the management decides the raw materials which have to be procured.</p> <p>The total cost of Raw material purchased by the Entity for the financial year 2022-23 is ₹ 3,97,125.63 Lakhs.</p>	<p>The following are some of the substantive tests that were part of our auditing procedures in addition to testing the internal controls' design and effectiveness.:</p> <ul style="list-style-type: none"> <li>• Internal controls relating to the purchase of raw materials and payments made to the suppliers of the raw materials on the basis of source documentation have been assessed in terms of their design and tested in terms of their implementation.</li> <li>• We have performed test of controls over procurement procedures to assess the operating effectiveness of the controls placed in recognition of the cost of material consumption.</li> <li>• We have conducted test of details through correlating the raw materials procured and the raw material consumed as per the production and stock reports.</li> <li>• Understood the credit terms for payments to suppliers and assessed whether the same have been complied with.</li> </ul>



## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional

skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company, its subsidiary companies and associate companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit financial information of two subsidiaries (SPPPL w.e.f., 29<sup>th</sup> March, 2023) included in the consolidated financial results, whose financial information reflect total assets of ₹ 77,407.41 lakhs as at 31<sup>st</sup> March, 2023 and total revenues of ₹ 1,08,316.34 lakhs for the year ended 31<sup>st</sup> March, 2023, total net

profit after tax of ₹ 8,395.00 Lakhs for year ended 31<sup>st</sup> March, 2023 and total comprehensive income of ₹ 8,395.88 Lakhs for the year ended 31<sup>st</sup> March, 2023 and net cash flows of ₹ (559.85) Lakhs for the year ended 31<sup>st</sup> March, 2023, as considered in the Statement. The consolidated financial results also include the Group's share of net loss of ₹ (33.39) Lakhs for the year ended 31<sup>st</sup> March, 2023 and Total comprehensive income of ₹ (33.39) Lakhs for the year ended 31<sup>st</sup> March, 2023, as considered in the Statement, in respect of two of the associates (SPPPL up to 28<sup>th</sup> March, 2023) whose financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and its associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the Directors of the Group companies and associate companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**" which is based on the auditor's reports of the Company, its subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company, its subsidiary companies and associate companies to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note 33 to the Consolidated Financial Statements;
  - ii The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates incorporated in India.
- vi
- a) The respective managements of the Group and its associates which are companies incorporated in India, have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Group or its associates to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Group companies or its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b) The respective managements of the Group and its associates, which are companies incorporated in India, have represented to us that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the respective Parent Company or its subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group companies or its associates shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v.
- a) The final dividend paid by the Company, one of its subsidiary companies and one of its associate companies during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
  - b) The interim dividend declared and paid by the one of the associate companies during the year and until the date of this audit report is in accordance with section 123 of the Act.
  - c) The Board of Directors of the Company, one of its subsidiary companies and one of its associate companies have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For TUKARAM & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

**(K RAJENDER REDDY)**

Partner

Membership No: 231834

UDIN: 23231834BGVHYM9257

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023

## “Annexure – A” to the Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Consolidated Financial Statements for the year ended March 31, 2023, we report that:

Re: Avanti Feeds Limited (‘the Company’)

xxi. According to the information and explanations given to us and based on our examination of records of the company there are no qualifications or adverse remarks in the Companies (Auditor’s Report) Order (CARO) reports of the Company, its subsidiary companies and one of the associate companies included in the Consolidated Financial Statements.

**For TUKARAM & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

**(K RAJENDER REDDY)**

Partner

Membership No: 231834

UDIN: 23231834BGOVHYM9257

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023

# Annexure - B to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Avanti Feeds Limited

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Avanti Feeds Limited as of and for the year ended 31<sup>st</sup> March, 2023, we have audited the internal financial controls over financial reporting of **Avanti Feeds Limited** (hereinafter referred to as "the Company"), its subsidiary companies and associate companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company, its subsidiary companies and associate companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies and associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the on the internal financial controls system over financial reporting of the Company, its subsidiary companies and associate companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance

of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For TUKARAM & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 004436S / S200135

#### **(K RAJENDER REDDY)**

Partner

Membership No: 231834

UDIN: 23231834BQVHYM9257

Place: Hyderabad

Date: 24<sup>th</sup> May, 2023

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	38,443.35	26,381.97
Capital work-in-progress	3	3,378.57	3,996.69
Intangible assets	4	18.37	302.01
Right-of-use assets	5(a)	1,294.81	572.34
Investments accounted for using the equity method	6	1,305.90	2,195.45
<b>Financial assets</b>			
Investments	7(a)	2,511.78	9,506.48
Loans	8(a)	189.94	68.35
Other financial assets	9(a)	1,446.68	1,515.41
Deferred tax Asset (net)	22(a)	-	165.22
Non-current tax assets (net)	22(b)	1,620.34	2,122.70
Other non-current assets	10(a)	2,180.39	1,901.86
<b>Total Non - Current Assets</b>		<b>52,390.13</b>	<b>48,728.48</b>
<b>Current Assets</b>			
Inventories	11(a)	80,298.53	98,764.37
Biological assets	11(b)	227.86	166.66
<b>Financial assets</b>			
Investments	7(b)	96,724.81	81,417.53
Trade receivables			
Billed	12	12,145.14	11,361.95
Unbilled	12	9.92	6.57
Cash and cash equivalents	13(a)	3,536.52	6,541.05
Other Bank balances	13(b)	25,100.25	932.82
Loans	8(b)	160.37	96.03
Other financial assets	9(b)	204.53	49.02
Other current assets	10(b)	2,666.80	3,556.39
<b>Total Current Assets</b>		<b>2,21,074.73</b>	<b>2,02,892.39</b>
<b>Total Assets</b>		<b>2,73,464.86</b>	<b>2,51,620.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,362.46	1,362.46
Other equity	15	2,08,185.94	1,88,177.71
Equity attributable to owners		2,09,548.40	1,89,540.17
Non-controlling interest		28,136.38	25,198.53
<b>Total equity</b>		<b>2,37,684.78</b>	<b>2,14,738.70</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	-	-
Lease Liability	5(b)(i)	219.36	287.57
Other financial liabilities	17(a)	372.00	372.00
Provisions	18(a)	116.82	84.16
Deferred tax liabilities (net)	23(a)	1,757.31	-
Other non-current liabilities	19(a)	999.87	1,036.73
<b>Total Non-current Liabilities</b>		<b>3,465.36</b>	<b>1,780.46</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	-	-
Trade payables			
i) Total outstanding dues of Micro enterprises and small enterprises	21	1,118.46	1,974.01
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	21	26,944.50	28,501.01
Lease Liability	5(b)(ii)	85.99	120.76
Other financial liabilities	17(b)	264.04	355.87
Other current liabilities	19(b)	3,723.95	4,083.34
Provisions	18(b)	177.78	66.72
<b>Total Current Liabilities</b>		<b>32,314.72</b>	<b>35,101.71</b>
Notes forming part of the Financial Statements	1-45		
<b>Total Equity and Liabilities</b>		<b>2,73,464.86</b>	<b>2,51,620.87</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

for TUKARAM & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 0044365 / S200135

**K. Rajender Reddy**

Partner

Membership No. 231834

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

For and on behalf of the Board of Directors

AVANTI FEEDS LIMITED

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**N. Ram Prasad**

DIN:00145558

Director



# Consolidated Statement of Profit & Loss

## for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Notes	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Income</b>			
Revenue from operations	23	5,08,698.55	5,03,595.71
Other income	24	9,201.78	8,167.21
<b>Total Income</b>		<b>5,17,900.33</b>	<b>5,11,762.92</b>
<b>Expenditure :</b>			
Cost of materials consumed	25	4,11,619.38	4,24,660.00
Purchase bearer biological assets	25	181.52	123.11
Changes in inventories of finished goods and work-in-progress	26	43.64	(1,000.35)
Employee benefits expense	27	16,684.04	12,625.89
Finance costs	29	202.13	200.95
Depreciation and amortization expenses	28	4,259.45	4,079.32
Other expenses	30	40,868.00	34,986.24
<b>Total expenses</b>		<b>4,73,858.16</b>	<b>4,75,675.16</b>
<b>Profit before tax, share in profit of Associates</b>		<b>44,042.17</b>	<b>36,087.76</b>
Add: Share of net profit/(loss) of associates accounted for using the equity method		(33.39)	(948.44)
<b>Profit before exceptional items and tax</b>		<b>44,008.78</b>	<b>35,139.32</b>
Exceptional items	31	(1,330.54)	(2,750.00)
Profit before tax		42,678.24	32,389.32
<b>Tax expenses</b>			
Current tax	22c	9,530.48	7,770.45
Deferred tax	22c	1,922.53	96.17
<b>Total tax expenses</b>		<b>11,453.01</b>	<b>7,866.62</b>
<b>Profit for the year</b>		<b>31,225.23</b>	<b>24,522.70</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		(26.14)	(127.79)
<b>Total comprehensive income for the year</b>		<b>31,199.09</b>	<b>24,394.91</b>
<b>Attributable to :</b>			
Owners of AFL		27,840.74	22,029.27
Non-controlling interests		3,358.35	2,365.64
<b>Profit is attributable to:</b>			
Owners of AFL		27,867.23	22,157.43
Non-controlling interests		3,358.00	2,365.27
<b>Other comprehensive income is attributable to:</b>			
Owners of AFL		(26.49)	(128.16)
Non-controlling interests		0.35	0.37
<b>Earnings per equity share</b>			
(Equity shares, par value of Re. 1/- each)			
Basic and diluted EPS (in ₹ )			
Basic	32	20.45	16.26
Diluted	32	20.45	16.26
<b>Notes forming part of the Financial Statements</b>			

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 0044365 / S200135

**K. Rajender Reddy**

Partner

Membership No. 231834

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

## a. Equity Share Capital

Particulars	Number of Shares	Amount
<b>Balance at 1<sup>st</sup> April, 2021</b>	<b>13,62,45,630</b>	<b>1,362.46</b>
Changes in equity share capital during the year	-	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>13,62,45,630</b>	<b>1,362.46</b>
Changes in equity share capital during the year	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	<b>13,62,45,630</b>	<b>1,362.46</b>

## b. Other Equity

Particulars	Capital Reserve	Securities premium	General reserve	Foreign Currency translation	Retained earnings	Non controlling interest	Total
<b>Balance at 1<sup>st</sup> April, 2021</b>	-	-	<b>21,065.72</b>	<b>(0.34)</b>	<b>1,53,693.89</b>	<b>22,833.96</b>	<b>1,97,593.23</b>
Profit for the year	-	-	-	-	22,157.43	2,365.64	24,523.07
Translation Reserve during the year	-	-	-	(2.66)	-	-	(2.66)
Adjustment of Reserves attributable to NCI*	-	-	-	1.06	-	(1.06)	-
Remeasurements of the defined benefit plans	-	-	-	-	(128.16)	-	(128.16)
Dividends	-	-	-	-	(8,609.23)	-	(8,609.23)
Transfer of retained earnings to general reserve	-	-	950.00	-	(950.00)	-	-
Addition on account of dilution of stake in Avanti Frozen Foods Private Limited	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	-	-	<b>22,015.72</b>	<b>(1.94)</b>	<b>1,66,163.93</b>	<b>25,198.54</b>	<b>2,13,376.25</b>
<b>Balance at 1<sup>st</sup> April, 2022</b>	-	-	<b>22,015.72</b>	<b>(1.94)</b>	<b>1,66,163.93</b>	<b>25,198.54</b>	<b>2,13,376.25</b>
Profit for the year	-	-	-	-	27,867.23	3,358.35	31,225.58
Translation Reserve during the year	-	-	-	1.94	-	-	1.94
Adjustment of Reserves attributable to NCI*	-	-	-	-	-	-	-
Adjustment due to winding-up of step down subsidiary	-	-	-	-	87.93	60.15	148.08
Gain on Bargain purchase (capital reserve)	-	-	-	-	312.65	-	312.65
Remeasurements of the defined benefit plans	-	-	-	-	(26.49)	-	(26.49)
Dividends	-	-	-	-	(8,515.35)	(200.33)	(8,715.68)
Change in Non controlling interest due to dividend	-	-	-	-	280.33	(280.33)	-
Transfer of retained earnings to general reserve	-	-	3,090.00	-	(3,090.00)	-	-
<b>Balance at 31<sup>st</sup> March, 2023</b>	-	-	<b>25,105.72</b>	<b>(0.00)</b>	<b>1,83,080.23</b>	<b>28,136.37</b>	<b>2,36,322.32</b>

Adjustment to NCI due to adoption of IND AS 116 and share of foreign currency translation reserve of subsidiary.

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 0044365 / S200135

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**  
Chairman & Managing Director  
DIN: 00190168

**K. Rajender Reddy**  
Partner  
Membership No. 231834

**C. Ramachandra Rao**  
DIN:00026010  
Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**  
DIN:00145558  
Director

Place : Hyderabad  
Date: 24<sup>th</sup> May, 2023

# Statement of Consolidated Cash Flows

## for the year ended March 31<sup>st</sup>, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>42,678.24</b>	<b>32,389.32</b>
Adjustments for :		
Depreciation and amortisation expense	4,259.45	4,079.32
Provision for employee benefits	268.46	23.09
Finance costs	202.13	200.95
Loss/(Profit) on disposal of property, plant and equipment	9.97	7.91
Interest income	(2,696.97)	(875.60)
Dividend income	-	(1.80)
Realised Foreign exchange gain/(Loss)	(2,264.95)	(1,948.05)
Gain/loss from sale of financial assets measured at fair value through profit and loss	(2,932.56)	(3,838.85)
Fair valuation of financial assets measured at fair value through profit and loss	(333.70)	(817.54)
Fair valuation of derivatives	(71.50)	(49.02)
Share of profit/(loss) from Associates	33.39	948.44
Amortisation of government grant	(240.33)	(229.94)
<b>Operating profit before working capital changes</b>	<b>38,911.63</b>	<b>29,888.23</b>
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	-	
Billed	(783.19)	(4,707.41)
Unbilled	(3.35)	0.04
Loans	(185.93)	40.72
Other financial assets	(69.24)	(561.11)
Inventories	18,404.64	(43,418.29)
Other assets	611.06	(2,643.07)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(2,412.06)	6,544.72
Provisions	(150.88)	(227.72)
Other financial liabilities	(20.33)	177.70
Other liabilities	(155.92)	1,215.70
<b>Cash generated from operations</b>	<b>54,146.43</b>	<b>(13,690.49)</b>
Net income tax paid	(9,028.12)	(7,544.63)
<b>Net cash flow from operating activities (A)</b>	<b>45,118.31</b>	<b>(21,235.12)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on Property, Plant and Equipment including capital advances	(15,966.26)	(5,528.40)
Proceeds from sale of Property, Plant and Equipment	35.57	35.17
Purchase of Investments	(1,05,401.80)	(75,359.83)
Redemption proceeds of Investments	1,01,253.19	1,09,433.94
Other bank balances	(24,177.60)	442.55
Interest received	2,679.43	873.53
Dividend income received	-	1.80
<b>Net cash (used in)/flow from investing activities (B)</b>	<b>(41,577.48)</b>	<b>29,898.76</b>

<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance costs	(202.13)	(200.95)
Repayment of borrowings	-	-
Changes in Lease Liabilities	(102.99)	32.91
Dividends paid	(8,505.18)	(8,608.18)
Realised Foreign exchange gain/(Loss)	2,264.95	1,948.05
<b>Net cash flow (used in) financing activities (C)</b>	<b>(6,545.35)</b>	<b>(6,828.17)</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(3,004.53)</b>	<b>1,835.47</b>
Cash and cash equivalents at the beginning of the year	6,541.05	4,705.58
Cash and cash equivalents at the end of the year (Refer Note (i) below)	3,536.52	6,541.05
<b>Note (i): Cash and cash equivalents comprises of:</b>		
Balances with Banks	3,528.87	6,527.93
Cash in hand	7.65	13.12
<b>Total</b>	<b>3,536.52</b>	<b>6,541.05</b>
The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in Ind AS - 7, 'Statement of Cash Flows' specified under section 133 of the Companies Act, 2013		
Purchase of Property, Plant and Equipment includes movements of capital work-in-progress during the year.		
Figures in brackets indicate cash outflows		

The accompanying notes are an integral part of the financial statements

**As per our Report of even date  
for TUKARAM & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 0044365 / S200135

**For and on behalf of the Board of Directors  
AVANTI FEEDS LIMITED**

**A. Indra Kumar**

Chairman & Managing Director

DIN: 00190168

**K. Rajender Reddy**

Partner

Membership No. 231834

**C. Ramachandra Rao**

DIN:00026010

Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**

DIN:00145558

Director

Place : Hyderabad

Date: 24<sup>th</sup> May, 2023

# Notes forming Part of the Consolidated Financial Statements

## 1. Corporate information

Avanti Feeds Limited ('AFL' or the 'Company') is a listed public Company under "The Companies Act, 1956", with its registered office in Visakhapatnam. The company started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed. AFL has two subsidiaries (incorporated in India) named Avanti Frozen Foods Private Limited (AFFPL) and Srivathsa Power Projects Private Limited, (SPPPL) (an associate till 28<sup>th</sup> March, 2023 has become a wholly owned subsidiary of the Company with effect from 29<sup>th</sup> March, 2023). AFFPL is engaged in the business of exporting Shrimp and SPPPL is engaged in the business of generation and distribution of electricity. Avanti Frozen Foods Inc., USA ("AFFI"), a step down subsidiary of the Company (a wholly owned subsidiary of AFFPL), has been dissolved with effect from 27<sup>th</sup> March, 2023. AFL, AFFPL and SPPPL are hereinafter referred to as the 'Group'.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on 24<sup>th</sup> May, 2023.

## 2: Basis of preparation of financial statements and significant accounting policies

### 2.1 Basis of preparation and measurement

#### (i) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

#### (ii) Basis of measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for the following financial instruments which are measured at fair values:

- certain financial assets and liabilities that are measured at fair value
- biological assets - measured at fair value; and
- defined benefit plans - plan assets measured at fair value

### 2.2. Principles of consolidation and equity accounting

#### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

## Notes forming Part of the Consolidated Financial Statements

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

### *(ii) Associates*

Associates are all entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for, using the equity method of accounting, after initially being recognised at cost.

### *(iii) Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. (Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.)

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the impairment policy.

### *iv) Changes in Ownership Interest*

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## **2.3 Measurement of fair values**

"The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values.

## Notes forming Part of the Consolidated Financial Statements

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified."

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The areas involving critical estimates or judgements are;

- Estimation of defined benefit obligation, refer note 38
- Useful life of property, plant and equipment refer note 2.4 (o)
- Fair value of biological asset refer note 2.4 (k)"

### 2.5 Significant accounting policies

#### a. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Chairman and Managing Director (CMD) of the Holding company has been identified as the chief operating decision maker. Refer Note 37 for the segment information presented.

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of its primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees (INR), which is the Group's functional and presentation currency.

## Notes forming Part of the Consolidated Financial Statements

### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### **c. Revenue recognition**

The Company earns revenue primarily from sale of Shrimp Feed and Shrimp Exports Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract.

### **d. Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income



## Notes forming Part of the Consolidated Financial Statements

Loans received from government in the nature of interest free deferred taxes are treated in the nature of government grant. The difference between the fair value of the loan and the amount of loan received is accounted as government grant. The government grant is recognised in the statement profit and loss over the period of loan."

### e. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### f. Ind AS 116 Leases

*As a lessee*

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

## Notes forming Part of the Consolidated Financial Statements

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Effective 1<sup>st</sup> April, 2019 the Company adopted IND AS 116, Leases and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset as its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31<sup>st</sup> March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year 31<sup>st</sup> March, 2019.

### **g. Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **h. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **i. Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale."

### **j. Biological assets**

The group recognises biological assets of only when, the group controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the group. Biological assets of the Group are in the nature of Consumable Biological Assets. It is bifurcated into Live Shrimp, Brood Stock, (the Parents) and harvested species which undergo

## Notes forming Part of the Consolidated Financial Statements

biological transformation under different stages as Nauplius, Zoea, Mysis and Post Larvae. The Group sells the biological assets harvested from brood stock at Nauplius and Post Larvae Stages. The Brood Stock has a maximum useful life of 6 months for laying eggs, and thereafter these are destroyed.

The valuation of the Brood stock biological assets are determined on the following basis:

Brood stock are used for captive consumption or to support farmers, it can not be sold before the end of its useful life and as such, there is no active market. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, brood stock and Shrimp seed (Different stages) are measured at cost, less depreciation and impairment losses.

The transmission phase from Nauplius to Zoea and Mysis are not considered as significant transformation of biological asset and hence Zoea and Mysis are not valued as per Ind AS - 41.

The fair value of biological assets is based on its market condition as on the reporting date. The quoted price in the market is the appropriate basis for determining the fair value of these biological assets.

In the event that market determined prices or values are not available for biological assets in its present condition we use the present value of the expected net cash flows from the asset discounted at a current market determined rate in determining fair value.

Fair Value Inputs are summarised as follows:

Level 1 Price Inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 Price Inputs – are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Price Inputs – are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of the live Shrimp consumable biological assets are determined on the following basis:

The group recognises of Live Shrimp at cost of the assets or the fair value which can be measured reliably. Expenditure incurred on biological assets (live Shrimp) are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

Management estimates the fair value less costs to sell of biological assets, taking into account the most reliable evidence available at each reporting date. The future realization of these biological assets may be affected by their survival rate, age and / or other market-driven changes that may reduce the future economic benefits associated with such assets. The fair value is arrived at based on the observable market prices of biological assets adjusted for cost to sells, as applicable.

### **k. Investments and other financial assets**

#### *(i) Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

## Notes forming Part of the Consolidated Financial Statements

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

### *(ii) Measurement*

At initial recognition, the Group measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

## Notes forming Part of the Consolidated Financial Statements

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### *(iii) Impairment of financial assets*

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

### *(iv) Derecognition of financial assets*

A financial asset is derecognised only when

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset."

### *(v) Income recognition*

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

## **I. Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

## **m. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an

## Notes forming Part of the Consolidated Financial Statements

intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

### **n. Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation / amortisation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. Assets costing individually rupee equivalent of INR 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

### **o. Intangible assets**

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

#### *(i) Computer software*

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

#### *(ii) Amortisation methods and periods*

Intangible assets are amortized over their respective individual estimated useful lives of 6 years on a straight line basis.

### **p. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the year end which are unpaid . The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **q. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period

## Notes forming Part of the Consolidated Financial Statements

of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### r. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### s. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

### t. Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## Notes forming Part of the Consolidated Financial Statements

### *(ii) Other long-term employee benefit obligations*

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### *(iii) Post-employment obligations*

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, Employee State Insurance and superannuation fund"

#### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds and Employee State Insurance funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Group) is a defined contribution plans, where the Group has no further obligations under the plan beyond its monthly/ quarterly contributions.

### *(iv) Bonus plans*

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.



## Notes forming Part of the Consolidated Financial Statements

### u. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### v. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### w. Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### x. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule-III, unless otherwise stated.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements."

## 2.6. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule-III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule-III and are applicable from 1<sup>st</sup> April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

## Notes forming Part of the Consolidated Financial Statements

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **Balance Sheet:**

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of Benami property held etc.

### **2.7 Critical estimates and judgements**

Areas involving critical estimates.

Estimation of defined benefit obligation, Refer note: 38

## Notes to Consolidated Financial Statements for the year ended 31st March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 3. Property, Plant and Equipment and capital work -in-progress

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation equipments	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Capital work - in - progress
<b>As at March 31<sup>st</sup> 2021</b>	<b>4,352.83</b>	<b>8,688.85</b>	<b>504.96</b>	<b>21,243.47</b>	<b>649.31</b>	<b>3,125.70</b>	<b>574.70</b>	<b>297.83</b>	<b>227.07</b>	<b>396.82</b>	<b>2,415.82</b>	<b>42,477.36</b>	<b>604.09</b>
Additions	629.31	603.58	-	411.15	-	43.78	121.64	26.18	45.69	23.39	141.48	2,046.20	4,466.55
Disposals	-	-	-	16.03	-	-	22.53	4.41	8.42	0.21	113.41	165.01	1,073.94
<b>As at March 31<sup>st</sup> 2022</b>	<b>4,982.14</b>	<b>9,292.43</b>	<b>504.96</b>	<b>21,638.59</b>	<b>649.31</b>	<b>3,169.48</b>	<b>673.81</b>	<b>319.60</b>	<b>264.34</b>	<b>420.00</b>	<b>2,443.89</b>	<b>44,358.55</b>	<b>3,996.70</b>
Additions	544.35	4,144.27	456.61	8,974.97	-	1,201.54	143.31	41.18	73.14	69.59	291.57	15,940.53	14,554.99
Acquired through business combination	230.51	52.86	-	36.19	-	-	-	-	0.39	-	-	319.95	-
Disposals	30.44	-	-	211.04	-	0.14	4.13	2.50	46.33	0.28	7.15	302.01	15,173.12
<b>As at March 31<sup>st</sup> 2023</b>	<b>5,726.55</b>	<b>13,489.56</b>	<b>961.57</b>	<b>30,438.71</b>	<b>649.31</b>	<b>4,370.88</b>	<b>812.99</b>	<b>358.28</b>	<b>291.54</b>	<b>489.31</b>	<b>2,728.31</b>	<b>60,317.02</b>	<b>3,378.57</b>
<b>Depreciation</b>													
<b>Up to March 31<sup>st</sup> 2021</b>	-	<b>1,209.56</b>	<b>155.08</b>	<b>9,770.59</b>	<b>270.62</b>	<b>1,310.09</b>	<b>201.09</b>	<b>176.09</b>	<b>169.24</b>	<b>132.16</b>	<b>904.12</b>	<b>14,298.64</b>	-
Charge for the year	-	335.67	39.16	2,550.48	54.14	325.85	67.25	46.28	40.90	42.15	264.03	3,765.91	-
Disposals	-	-	-	11.36	-	-	12.85	3.92	8.29	0.10	51.45	87.97	-
<b>Up to March 31<sup>st</sup> 2022</b>	-	<b>1,545.23</b>	<b>194.24</b>	<b>12,309.71</b>	<b>324.76</b>	<b>1,635.94</b>	<b>255.49</b>	<b>218.45</b>	<b>201.85</b>	<b>174.21</b>	<b>1,116.70</b>	<b>17,976.58</b>	-
Charge for the year	-	324.95	34.90	2,815.20	54.14	361.16	74.29	46.40	48.58	43.89	262.62	4,066.13	-
Acquired through business combination	-	50.21	-	35.03	-	-	-	-	0.39	-	-	85.63	-
Disposals	-	-	-	199.00	-	0.11	2.97	2.48	44.62	0.16	5.33	254.67	-
<b>Up to March 31<sup>st</sup> 2023</b>	-	<b>1,920.39</b>	<b>229.14</b>	<b>14,960.95</b>	<b>378.90</b>	<b>1,996.99</b>	<b>326.81</b>	<b>262.37</b>	<b>206.20</b>	<b>217.94</b>	<b>1,373.99</b>	<b>21,873.67</b>	-
<b>Net block</b>													
<b>As at March 31<sup>st</sup> 2022</b>	<b>4,982.14</b>	<b>7,747.20</b>	<b>310.72</b>	<b>9,328.88</b>	<b>324.55</b>	<b>1,533.54</b>	<b>418.32</b>	<b>101.15</b>	<b>62.49</b>	<b>245.79</b>	<b>1,327.19</b>	<b>26,381.97</b>	<b>3,996.70</b>
<b>As at March 31<sup>st</sup> 2023</b>	<b>5,726.55</b>	<b>11,569.18</b>	<b>732.43</b>	<b>15,477.77</b>	<b>270.41</b>	<b>2,373.89</b>	<b>486.18</b>	<b>95.91</b>	<b>85.34</b>	<b>271.37</b>	<b>1,354.32</b>	<b>38,443.35</b>	<b>3,378.57</b>

Notes:

- Refer to note 21 for information on property, plant and equipment pledged as security by the company.
- Gross value of assets as at March 31, 2023 includes ₹1,662.19 Lakhs of government grant availed under the scheme of Export Promotion Capital Goods Scheme March 31, 2022: ₹1,458.72 Lakhs). (refer Note 20)
- Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- ₹ 15,173.12 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023
- ₹ 1073.95 Lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Ageing of capital work-in-progress as on 31<sup>st</sup> March, 2023

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Admin Building at Kovvur	263.00	196.25	-	-	459.25
Compound Wall at Bandapuram	246.48	-	-	-	246.48
Office Equipment at Kovvur	265.56	-	-	-	265.56
Data processing equipment at Kovvur	24.45	-	-	-	24.45
Temporary shed at Kovvur	12.92	-	-	-	12.92
Guest House at Kovvur	750.45	222.89	-	-	973.34
Plant & Machinery at Kovvur	3.45	-	-	-	3.45
Plant & Machinery at Gujrat	16.21	-	-	-	16.21
Cold Store, ETP, Plant & Machinery at Yerravaram	172.74	69.35	-	-	242.09
Processing Plant at Krishnapuram	1,134.84	-	-	-	1,134.84
<b>Total</b>	<b>2,890.10</b>	<b>488.49</b>	<b>-</b>	<b>-</b>	<b>3,378.59</b>

### Ageing of capital work-in-progress as on 31<sup>st</sup> March, 2023

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Shrimp Feed Plant at Bandapuram	1,866.66	-	-	-	1,866.66
Admin Building at Kovvur	196.78	-	-	-	196.78
Guest House at Kovvur	222.89	-	-	-	222.89
Plant & Machinery at Kovvur	20.29	-	-	-	20.29
Pre-processing Plant Gopalapuram	740.26	403.32	-	-	1,143.58
Cold Store, ETP, Plant & Machinery at Yerravaram	540.28	-	-	-	540.28
<b>Total</b>	<b>3,587.16</b>	<b>403.32</b>	<b>-</b>	<b>-</b>	<b>3,990.48</b>

## 4. Intangible assets

Particulars	Computer Software	Customer contracts	Total
<b>As at 31<sup>st</sup> March, 2021</b>	<b>49.82</b>	<b>599.80</b>	<b>649.62</b>
Additions	10.55	18.79	29.34
Disposals	0.81	-	0.81
<b>As at 31<sup>st</sup> March, 2022</b>	<b>59.56</b>	<b>618.59</b>	<b>678.15</b>
Additions	3.10	-	3.10
Withdrawals and adjustments	-	618.59	618.59
Translation exchange differences	-	-	-
<b>As at 31<sup>st</sup> March, 2023</b>	<b>62.66</b>	<b>-0.00</b>	<b>62.66</b>
Amortization expenses:			
<b>Up to 31<sup>st</sup> March, 2021</b>	<b>27.55</b>	<b>209.93</b>	<b>237.48</b>
Charge for the year	8.58	123.72	132.30
Disposals	0.22	-	0.22
Translation exchange difference	-	6.58	6.58
<b>Up to 31<sup>st</sup> March, 2022</b>	<b>35.91</b>	<b>340.23</b>	<b>376.14</b>
Charge for the year	8.38	-	8.38
Withdrawals and adjustments	-	340.23	340.23
Translation exchange difference	-	-	-
<b>Up to 31<sup>st</sup> March, 2023</b>	<b>44.29</b>	<b>-0.00</b>	<b>44.29</b>
Net block			
<b>As at 31<sup>st</sup> March, 2022</b>	<b>23.65</b>	<b>278.36</b>	<b>302.01</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>18.37</b>	<b>-0.00</b>	<b>18.37</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 5. Right of use assets

#### (a) ROU as at 31<sup>st</sup> March, 2023

Particulars	Category of ROU Asset		Total
	Leasehold Land	Buildings	
<b>Balance as at March 31, 2021</b>	<b>499.14</b>	<b>152.90</b>	<b>652.06</b>
Additions	-	101.39	101.39
Deletions	-	-	-
Depreciation	120.31	60.80	181.11
<b>Balance as at March 31, 2022</b>	<b>378.83</b>	<b>193.49</b>	<b>572.34</b>
Additions	916.59	4.34	920.93
Deletions	-	13.52	13.52
Depreciation	108.62	76.32	184.94
<b>Balance as at March 31, 2023</b>	<b>1,186.80</b>	<b>107.99</b>	<b>1,294.81</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

#### (b) Lease liabilities as at 31<sup>st</sup> March, 2023

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
i) Non - Current	219.36	287.57
ii) Current	85.99	120.76
<b>Total</b>	<b>305.35</b>	<b>408.33</b>

The movement in lease liabilities during the year ended March 31, 2023 is as follows:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Balance as at April 01, 2022</b>	<b>408.34</b>	<b>375.43</b>
Additions	2.23	101.39
Finance cost accrued during the year	31.17	35.06
Deletions	15.33	-
Remeasurement of Leases	1.80	-
Payment of lease liabilities	122.88	103.54
<b>Balance as at March 31, 2023</b>	<b>305.35</b>	<b>408.34</b>

Rental expenses recorded on short-term leases was ₹ 52.60 Lakhs

The details of the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis are as follows:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Less than one year	85.79	111.22
One year to three years	137.97	201.06
More than three years	149.57	182.66
<b>Total</b>	<b>373.33</b>	<b>494.94</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 6 Investments accounted for using equity method

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Equity instruments of associate company (unquoted)</b>		
Srivathsa Power Projects Private Limited		
Nil (31 <sup>st</sup> March, 2022: 1,66,93,630) equity shares of ₹ 10/- each fully paid up	0.00	851.34
Patikari Power Private Limited		
1,06,45,200 (31 <sup>st</sup> March, 2022: 1,06,45,200) equity shares of ₹ 10/- each fully paid up	1,305.89	1,344.11
<b>Total (A)</b>	<b>1,305.90</b>	<b>2,195.45</b>

### 7 Investments:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a) Non - Current Investments ( Refer Note i below)</b>		
<b>Investments carried at cost</b>		
(i) Equity instruments of other entities (unquoted)	995.77	507.31
<b>Investment carried at fair value through profit and loss</b>		
(ii) Equity instruments other entities (quoted)	3.20	2.16
<b>Investments carried at amortised cost</b>		
(iii) Investments in Non Convertible Debentures (quoted)	1,512.81	8,997.01
<b>Total a (i+ii+iii)</b>	<b>2,511.78</b>	<b>9,506.48</b>
<b>b) Current investments (Refer Note ii below)</b>		
<b>Investment carried at fair value through profit and loss</b>		
(i) Investments in Mutual Funds (quoted)	65,554.79	73,988.25
(ii) Investments in Non Convertible Debentures-Quoted	7,375.93	1,320.49
<b>Investment carried at amortised cost</b>		
(iii) Investments in Non Banking Institutions	23,794.09	6,108.79
<b>Total b (i+ii+iii)</b>	<b>96,724.81</b>	<b>81,417.53</b>
<b>Note (i)</b>		
<b>Equity instruments other entity (unquoted)</b>		
Bhimavaram Hospitals Limited		
1,20,000 (31 <sup>st</sup> March, 2022: 1,20,000) equity shares of ₹ 10/- each fully paid up	12.00	12.00
PT Thai Union Kharisma Lestari	783.77	495.31
9,99,600 (31 <sup>st</sup> March, 2022: 8,33,000) equity shares of IDR 10,000/- each fully paid up		
Himalaya Hydro Pvt. Ltd.	200.00	-
<b>Total a(i)</b>	<b>995.77</b>	<b>507.31</b>
<b>Equity instruments (quoted)</b>		
IDBI Bank Limited		
2,880 (31 <sup>st</sup> March, 2022: 2,880) equity shares of ₹ 10/- each fully paid up	1.30	1.23
UCO Bank Limited		
7,800 ( 31 <sup>st</sup> March, 2022: 7,800) equity shares of ₹ 10/- each fully paid up	1.90	0.93
<b>Total a(ii)</b>	<b>3.20</b>	<b>2.16</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Investments in Non Convertible Debentures (quoted)</b>		
5.23% LIC Housing July 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,038.56
5.40% HDFC Aug 2023 : NIL (31 <sup>st</sup> March 2022 : 100 nos)	-	1,038.78
5.70% Bajaj Finance Aug 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,041.31
7.2871% HDB Financial July 2023 : Nil (31 <sup>st</sup> March 2022 : 200 nos)	-	2,149.45
8.00% Reliance Industries Ltd. 09 <sup>th</sup> April, 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,108.69
8.00% Reliance Industries Ltd. 16 <sup>th</sup> April, 2023 : Nil (31 <sup>st</sup> March 2022 : 100 nos)	-	1,108.07
7.7541% Tata Motors Finance Holding Limited: 100 nos (31 <sup>st</sup> March 2022 : 100 nos)	1,512.81	1,512.15
<b>Total a (iii)</b>	<b>1,512.81</b>	<b>8,997.01</b>
<b>Total a (i+ii+iii)</b>	<b>2,511.78</b>	<b>9,506.48</b>
Aggregate amount of quoted investments and market value thereof	1,516.01	8,999.17
Aggregate amount of unquoted investments	995.77	507.31
Aggregate amount of impairment in the value of investments	-	-
<b>Total</b>	<b>2,511.78</b>	<b>9,506.48</b>

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Note (ii)</b>		
<b>Current investments</b>		
<b>Investment in quoted mutual funds</b>		
Franklin Ultra Short Bond Fund - SIP - Growth - Nil (31 <sup>st</sup> March, 2022: 5,34,000.71 units of ₹ 34.2623 each)	-	182.96
IDFC Low duration Fund - Growth Regular plan - 15,69870.000 units of ₹ 32.8705 each (31 <sup>st</sup> March, 2022: 63,05,779.878 units of ₹ 31.3573 each)	516.02	1,977.32
SBI Magnum Ultra Short Term Growth - Direct 1,73,095.5449 units of ₹ 5158.4197 each (31 <sup>st</sup> March, 2022: 29,315.234 units of ₹ 4897.0747 each)	8,928.99	3,743.97
Axis Banking & PSU Debt Fund - 3,99,401.665 units of ₹ 2288.5724 each (31 <sup>st</sup> March, 2022 - 4,28,825.339 units of ₹ 2165.0014 each)	9,140.60	9,378.65
IDFC Banking & PSU Debt Fund - 3,25,81,564.19 units of ₹ 20.9854 each (31 <sup>st</sup> March, 2022 - 3,64,17,498.826 units of ₹ 20.3992 each)	6,957.11	7,428.88
Nippon India Arbitrage Fund - Direct - 61,66,826.829 units of ₹ 23.7070 each (31 <sup>st</sup> March, 2022 - 3,91,62,197.787 units of ₹ 22.8280 each)	1,488.60	2,490.56
SBI Banking and PSU Debt Fund - Nil (31 <sup>st</sup> March, 2022 - 3,68,267.002 units of ₹ 2668.0358 each)	-	10,906.22
IDFC Corporate Bond Fund - Direct - Growth - 3,06,60,6171.091 units of ₹ 16.6022 each (31 <sup>st</sup> March, 2022 - 4,01,28,672.543 of ₹ 16.0402 each)	5,090.09	6,436.72
ICICI Pru Corporate Bond Fund - Direct - Growth - 2,52,51,727.144 units of ₹ 26.0278 each (31 <sup>st</sup> March, 2022 - 3,26,90,929.564 units of ₹ 24.5863 each)	6,572.34	8,037.49

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
HDFC Corporate Bond Fund - Direct - Growth - 2,76,60,234.097 units of ₹ 27.6193 each (31 <sup>st</sup> March, 2022 - 4,67,65,677.860 units of ₹ 26.4814 each)	7,639.56	12,384.21
Aditya Birla S.L. Floating Rate Debt Fund - Direct - Growth - 10,78,576.43 units of ₹ 299.2125 each (31 <sup>st</sup> March, 2022: 10,78,576.43 units of ₹ 283.65 each)	3,231.27	3,058.30
HDFC Floating Rate Debt Fund - Direct - Growth - 71,35,334.839 units of ₹ 42.3701 each (31 <sup>st</sup> March, 2022 : 71,35,334.839 units of ₹ 40.10 each)	3,023.25	2,860.93
IDFC Arbitrage Regular - Growth - Nil (31 <sup>st</sup> March, 2022: 1,93,33,390.10 units of ₹ 26.3898 each)	-	5,102.04
Nippon India Floating Rate Fund - Direct - Growth - 28,68,753.7010 units of ₹ 38.8904 each (31 <sup>st</sup> March 2022: Nil)	1,133.60	-
Nippon India Banking & PSU Debt Fund (G) - Direct - 62,63,427.911 units of ₹ 17.7001 each (31 <sup>st</sup> March 2022: Nil)	1,127.42	-
SBI Liquid Fund Direct Growth - 1,17,220.180 units of ₹ 3523.303 of each (31 <sup>st</sup> March 2022: Nil)	4,130.02	-
SBI Savings Fund Direct Plan Growth - 54,96,254.129 units of ₹ 37.5713 each (31 <sup>st</sup> March 2022: Nil)	2,065.01	-
Aditya Birla S.L. Nifty SDL Plus PSU Bond Sept 2026 50:50 Index Fund - Direct - Growth - 47,74,124.871 units of ₹ 10.488 each (31.03.2022; Nil)	500.71	-
Aditya Birla Sun Life Corporate Bond Fund - Direct- Growth :15,70,676.109 units of ₹ 95.61 each (31.03.2022: Nil)	1,501.65	-
Bandan Crisil IBX Gilt April 2028 Index Lumsup Fund Direct Plan -Growth :1,37,63,999.01 units of ₹ 10.9493 each (31.03.2022: Nil)	1,507.06	-
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct: 96,15,551.07 unit of ₹ 10.4153 each (31.03.2022: Nil)	1,001.49	-
<b>Total b(i)</b>	<b>65,554.79</b>	<b>73,988.25</b>
<b>Investments in Non Convertible Debentures (quoted) - Current</b>		
Shriram City Union Finance MLD : Nil (31 <sup>st</sup> March, 2023 : 100 Nos)	-	1,320.49
5.23% LIC Housing July 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,036.01	-
5.40% HDFC Aug 2023 :100 nos (31 <sup>st</sup> March 2022 : Nil)	1,035.41	-
5.70% Bajaj Finance Aug 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,037.60	-
7.2871% HDB Financial July 2023 : 200 nos (31 <sup>st</sup> March 2022 : Nil)	2,110.41	-
8.00% Reliance Industries Ltd. - 09 <sup>th</sup> April, 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,078.59	-
8.00% Reliance Industries Ltd. - 16 <sup>th</sup> April, 2023 : 100 nos (31 <sup>st</sup> March 2022 : Nil)	1,077.91	-
<b>Total b(ii)</b>	<b>7,375.93</b>	<b>1,320.49</b>
Investment with Non Banking Institutions:		
Term deposit with LIC of India	5,125.18	5,607.47
Term deposit with Bajaj Finance Limited	13,445.03	501.32
Term deposit with HDFC Limited	5,223.88	-
<b>Total b(iii)</b>	<b>23,794.09</b>	<b>6,108.79</b>
<b>Total b(i+ii+iii)</b>	<b>96,724.81</b>	<b>81,417.53</b>



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Aggregate amount of quoted investments and market value thereof	72,930.72	75,308.74
Aggregate amount of unquoted investments	23,794.09	6,108.79
Aggregate amount of impairment in the value of investments	-	-
<b>Total</b>	<b>96,724.81</b>	<b>81,417.53</b>

### 8 Loans

		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Non-current</b>			
Unsecured, considered good Loans to employees		189.94	68.35
<b>Total (a)</b>		<b>189.94</b>	<b>68.35</b>
<b>(b) Current</b>			
Unsecured, considered good Loans to employees		110.37	96.03
Unsecured, considered doubtful		-	-
<b>Intercompany deposits:</b>			
to others	1,592.00		
Less: provision for doubtful advances	1,542.00	50.00	-
<b>Total (b)</b>		<b>160.37</b>	<b>96.03</b>
<b>Total (a+b)</b>		<b>350.31</b>	<b>164.38</b>

### 9 Other Financial Assets

		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Non Current</b>			
Unsecured, considered good			
Bank deposits (Maturity more than 12 months)		75.00	501.28
Margin Money Accounts*		65.55	70.67
Security deposits		1,306.13	943.46
<b>Total</b>		<b>1,446.68</b>	<b>1,515.41</b>
*Margin Money deposits with bank of a carrying amount of ₹ 65.55 Lakhs (31 <sup>st</sup> Mar, 2022: 70.67 Lakhs) are lien marked for import L.C.s.			
<b>(b) Current</b>			
Unsecured, considered good			
Derivative financial asset		71.50	49.02
Other Receivables		133.03	-
<b>Total</b>		<b>204.53</b>	<b>49.02</b>

### 10 Other Assets

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Non-current</b>		
Unsecured, considered good		
Taxes paid under protest	2.94	2.94
Unsecured, considered doubtful		

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Capital advances	2,193.45	1,914.92
Less: Provision for Bad and doubtful advances	(16.00)	(16.00)
<b>Total</b>	<b>2,180.39</b>	<b>1,901.86</b>
<b>(b) Current</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	533.48	503.40
Advance for purchases	262.45	84.50
Export incentives receivable	783.36	1,968.21
RODTEP scripts on hand	469.21	677.18
GST Receivable	0.12	2.86
Advance to suppliers	557.61	269.41
Interest accrued on electricity deposits	48.61	31.07
Captive settlement of Power from APEPDCL	-	16.97
PT Thai Union Kharisma Lestari	11.96	2.79
<b>Total</b>	<b>2,666.80</b>	<b>3,556.39</b>

### 11(a) Inventories (valued at lower of cost or net realizable value)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Raw materials:</b>		
In godowns	46,498.29	59,870.61
Stock in transit	724.87	1,394.46
Packing materials	764.91	1,216.75
Work-in-progress	1,026.27	938.12
Finished goods:		
In godowns	16,040.72	15,707.71
Stock in transit	11,521.02	12,047.03
Stores and spares	3,653.78	6,106.86
Stores and spares - in transit	68.67	1,482.83
<b>Total</b>	<b>80,298.53</b>	<b>98,764.37</b>

### 11(b)

<b>Biological Assets</b>		
Brood stock	104.79	51.93
Post Larval	123.07	32.21
Live shrimp	-	82.52
<b>Total</b>	<b>227.86</b>	<b>166.66</b>
Reconciliation of changes in the carrying amount of biological assets:		
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
As at beginning of the year	166.66	189.32
Increase due to purchase/production/physical change	2,127.11	1,581.01
Decrease due to Physical change/ sales	(2,065.91)	(1,603.67)
<b>Net change in the Fair value less estimated cost to sell</b>	<b>227.86</b>	<b>166.66</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 12 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a.) Trade receivable billed:</b>		
Secured:		
Undisputed		
Considered good	8,363.69	1,593.58
Considered doubtful	-	-
Disputed		
Considered good	148.31	148.91
Considered doubtful		
Unsecured		
Considered good	3,633.14	9,619.46
Considered - credit impaired	245.82	147.63
	12,390.96	11,509.58
Less: Allowance for doubtful trade receivables	245.82	147.63
<b>Total (a)</b>	<b>12,145.14</b>	<b>11,361.95</b>
b.) Trade receivable unbilled:	9.92	6.57
<b>Total (b)</b>	<b>9.92</b>	<b>6.57</b>
<b>Total (a+b)</b>	<b>12,155.06</b>	<b>11,368.52</b>

Ageing for trade receivables - billed - current outstanding as at 31<sup>st</sup> March, 2023 is as follows:

Particulars	outstanding for following periods from due date of payment					
	Less than 6 months	6 months - one year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- secured - considered good	1,629.31	871.17	-	-	-	2,500.48
Undisputed trade receivables- unsecured - considered good	8,369.54	1,100.84	8.80	17.17	-	9,496.35
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	148.31	148.31
Disputed trade receivables - considered doubtful	-	-	-	-	245.82	245.82
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
	<b>9,998.85</b>	<b>1,972.01</b>	<b>8.80</b>	<b>17.17</b>	<b>394.13</b>	<b>12,390.96</b>
Less: Allowance for doubtful trade receivables	-	-	-	-	245.82	245.82
	<b>9,998.85</b>	<b>1,972.01</b>	<b>8.80</b>	<b>17.17</b>	<b>148.31</b>	<b>12,145.14</b>
Trade receivables - un billed	-	-	-	-	-	9.92
<b>Total</b>	<b>9,998.85</b>	<b>1,972.01</b>	<b>8.80</b>	<b>17.17</b>	<b>148.31</b>	<b>12,155.06</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed current outstanding as at 31<sup>st</sup> March, 2022 is as follows:

Particulars	outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - one year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- secured - considered good	1,593.58	-	-	-	-	1,593.58
Undisputed trade receivables- unsecured - considered good	9,602.19	-	17.27	-	-	9,619.46
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	17.27	131.64	-	148.91
Disputed trade receivables - considered doubtful	-	-	-	-	147.63	147.63
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>11,195.77</b>	<b>-</b>	<b>34.54</b>	<b>131.64</b>	<b>147.63</b>	<b>11,509.58</b>
Less: Allowance for doubtful trade receivables	-	-	-	-	147.63	147.63
<b>Total</b>	<b>11,195.77</b>	<b>-</b>	<b>34.54</b>	<b>131.64</b>	<b>-</b>	<b>11,361.95</b>
Trade receivables - unbilled	-	-	-	-	-	6.57
<b>Total</b>						<b>11,368.52</b>

### 13(a) Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balances with banks :		
-In current accounts	3528.87	6,527.93
Cash in hand	7.65	13.12
<b>Total</b>	<b>3,536.52</b>	<b>6,541.05</b>

### 13(b) Other bank balances

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unpaid dividend accounts	199.84	210.01
Deposit Accounts	24617.44	508.81
Margin money accounts*	282.97	214.00
<b>Total</b>	<b>25,100.25</b>	<b>932.82</b>

\* Margin Money deposits with bank of a carrying amount of ₹ 282.97 Lakhs (31<sup>st</sup> March, 2022: ₹ 214.00 Lakhs) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 14 Equity Share capital

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Authorised capital</b>		
15,85,00,000 equity shares of Re. 1/- each (31 <sup>st</sup> March, 2022: 15,85,00,000 equity shares of ₹ 1/- each)	1,585.00	1,585.00
<b>Issued, subscribed and paid up</b>		
13,62,45,630 fully paid up equity shares of Re. 1/- each (31 <sup>st</sup> March, 2022; 13,62,45,630 shares Re.1/- each)	1,362.46	1,362.46
<b>Total</b>	<b>1,362.46</b>	<b>1,362.46</b>

### Notes

#### (a) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
<b>Balance at April 1, 2021</b>	<b>13,62,45,630</b>	<b>1,362.46</b>
Shares issued during the year	-	-
<b>Balance at March 31, 2022</b>	<b>13,62,45,630</b>	<b>1,362.46</b>
Shares issued during the year	-	-
<b>Balance at March 31, 2023</b>	<b>13,62,45,630</b>	<b>1,362.46</b>

#### (b) Details of shares held by each shareholder holding more than 5% shares

Name of the shareholder	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
"Equity shares of Re. 1/- each fully paid up (previous year ₹ 1/- each)"				
1. Srinivasa Cystine Private Limited	3,62,99,115	26.64	3,62,99,115	26.64
2. Thai Union Group Public Company Limited	2,10,30,630	15.44	2,10,30,630	15.44
3. Thai Union Asia Investment Holding Limited	1,19,54,826	8.77	1,19,54,826	8.77
4. Alluri Indra Kumar	83,30,700	6.11	83,30,700	6.11
5. Alluri Indra Kumar (HUF)	81,89,250	6.01	81,89,250	6.01

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

#### (c) Rights attached to equity shares:

The Company has only one class of equity shares having par value of Re. 1/- per share ( previous year ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (d) Equity shares movement during the 5 years preceding 31<sup>st</sup> March, 2023 on account of Equity shares issued as bonus

The Company allotted 4,54,15,210 equity shares as fully paid up bonus shares by capitalisation of profits transferred from securities premium reserve amounting to ₹ 438.00 Lakhs and general reserve amounting to ₹ 16.15 Lakhs, which was approved by the shareholders by means of a special resolution through E.G.M. held on 14.06.2018.

### (e) Details of share holding of promoters:

Promoter Name	As at 31 <sup>st</sup> March, 2023			As at 31 <sup>st</sup> March, 2022		
	Shares held by promoter			Shares held by promoter		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
SRINIVASA CYSTINE PRIVATE LIMITED	3,62,99,115	26.64	-	3,62,99,115	26.64	-
SANJEEV AGROVET PRIVATE LIMITED	42,35,265	3.11	-	42,35,265	3.11	-
INDRA KUMAR ALLURI	83,30,700	6.11	-	83,30,700	6.11	-
ALLURI INDRA KUMAR HUF	81,89,250	6.01	-	81,89,250	6.01	-
VENKATA SANJEEV ALLURI	7,10,700	0.52	-	7,10,700	0.52	-
ALLURI NIKHILESH CHOWDARY	6,91,650	0.51	-	6,91,650	0.51	-
NUTHAKKI RAM PRASAD	2,29,701	0.17	-	2,29,701	0.17	-
SUDHA VADLAMUDI	37,500	0.03	-	37,500	0.03	-
AMAR KUMAR CHUKKAPALLI	37,500	0.03	-	37,500	0.03	-
VIJAYA KUMAR CHUKKAPALLI	18,750	0.01	-	18,750	0.01	-
KATNENI JAGAN MOHAN RAO	37,500	0.03	-	37,500	0.03	-
N NAGA RATNA	95,022	0.07	-	95,022	0.07	-
RATNA MANIKYAMBA KATNENI	37,500	0.03	-	37,500	0.03	-
ARUN KUMARCHUKKAPALLI	18,750	0.01	-	18,750	0.01	-
PUTCHALA SRINIVAS	-	-	(0.00)	1,500	0.00	-
G VENKATESH	-	-	(0.34)	4,62,196	0.34	-
BOMMIDALA SRIMANNARAYANA	-	-	(0.01)	9,600	0.01	-
RAYAPANENI RAVEENA	-	-	(0.03)	37,500	0.03	-
GEDA SAI PADMINI	-	-	(0.03)	43,650	0.03	-
<b>Total</b>	<b>5,89,68,903</b>	<b>43.28</b>	<b>(0.41)</b>	<b>5,95,23,349</b>	<b>43.69</b>	<b>-</b>

## 15 Other equity

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Foreign Currency Translation Reserve	-	(1.94)
General Reserve	25,105.72	22,015.72
Retained earnings	1,83,080.22	1,66,163.92
<b>Total Other Equity</b>	<b>2,08,185.94</b>	<b>1,88,177.71</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Foreign Currency Translation Reserve</b>		
Balance at beginning of year	(1.94)	(0.34)
Add: Additions	-	(2.66)
Less : Attributable to NCI	-	1.06
Adjustment due to winding-up of step down subsidiary	1.94	-
<b>Balance at end of year</b>	<b>-</b>	<b>(1.94)</b>
<b>General Reserve</b>		
Balance at beginning of year	22,015.72	21,065.72
Transferred to retaining earnings	-	-
Less: Utilised for bonus issue	-	-
Transferred from Surplus in Statement of Profit and Loss	3,090.00	950.00
<b>Balance at end of year</b>	<b>25,105.72</b>	<b>22,015.72</b>

<b>Retained earnings</b>		
Balance at beginning of year	1,66,163.92	1,53,693.88
Profit attributable to owners of the Company	27,867.23	22,157.43
Adjustment due to winding-up of step down subsidiary	87.93	-
Gain on Bargain purchase (capital reserve)	312.65	-
Remeasurements of the defined benefit plans	(26.49)	(128.16)
Profits transferred to General Reserve	(3,090.00)	(950.00)
Dividend declared during the year	(8,515.35)	(8,609.23)
Change in Non controlling interest due to dividend	280.33	-
<b>Balance at end of year</b>	<b>1,83,080.22</b>	<b>1,66,163.92</b>

### General Reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. The reserve is utilised for Bonus issue in accordance with the provisions of the Companies Act, 2013.

### Securities premium:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised for bonus issue in accordance with the provisions of the Companies Act, 2013.

## 16 Non-current borrowings

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured</b>		
Vehicle loans	-	-
Inter Corporate Loans	-	-
Interest accrued on unsecured loan	-	-
<b>Total non-current borrowings</b>	<b>-</b>	<b>-</b>
* Current maturities on long-term borrowings have been disclosed under the head Other current financial liabilities		

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 17 Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a. Non - Current</b>		
Security deposits*	372.00	372.00
<b>Total</b>	<b>372.00</b>	<b>372.00</b>
<b>b. Current</b>		
Current maturities of Long term borrowings (refer note 16)		
Unpaid dividend	199.84	210.01
Creditors for capital works	64.20	145.86
<b>Total</b>	<b>264.04</b>	<b>355.87</b>

\*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31<sup>st</sup> March, 2022: 9% p.a.).

### 18 Provisions

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Provisions (refer note 38)</b>		
Provision for gratuity	201.59	73.13
Provision for leave encashment	93.01	77.75
<b>Total</b>	<b>294.60</b>	<b>150.88</b>
a. Non - Current portion	116.82	84.16
b. Current portion	177.78	66.72
<b>Total</b>	<b>294.60</b>	<b>150.88</b>

### 19 Other Liabilities :

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>a. Non-Current</b>		
Unamortised government grants (refer note (i) and (ii) below)	999.87	1,036.73
<b>Total</b>	<b>999.87</b>	<b>1,036.73</b>
<b>b.) Current</b>		
Advance from customers	3,359.49	3,709.89
Statutory dues	364.46	373.45
<b>Total</b>	<b>3,723.95</b>	<b>4,083.34</b>

#### Unamortised government grants includes

Investment subsidy of ₹ 500.00 Lakhs received from Andhra Pradesh Food Processing Society, Government of Andhra Pradesh for setting up of new shrimp processing unit at Yerravaram, East Godavari District, Andhra Pradesh. There are no unfulfilled conditions or other contingencies attaching to these grants. As these grants are in relation to property, plant and equipment and buildings, the same has been capitalised and amortised on a systematic basis over the useful life of respect assets. The carrying value of the grant as at 31<sup>st</sup> March, 2023 is ₹ 225.47 Lakhs (31<sup>st</sup> March, 2022: ₹ 273.41 Lakhs).

Waiver of duties of ₹ 1,458.72 Lakhs (March 31, 2022 ₹ 1458.72 Lakhs) on import of or domestically sourced property, plant and equipment, availed under Export Promotion Capital Goods Scheme. There are no unfulfilled conditions or other contingencies attaching to these grants. As these grants are in relation to property, plant and equipment, the same has been capitalised and amortised over the useful life of respect assets. The carrying value of the grant as at 31<sup>st</sup> March, 2023 is ₹ 774.39 Lakhs (31<sup>st</sup> March, 2022: ₹ 763.32 Lakhs)



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 20 Current borrowings

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured:</b>		
Working capital loan from State Bank of India	-	-
Working capital loan from Axis/HDFC Bank	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Notes:

##### Working capital loan Limits:

##### Avanti Frozen Foods Private Limited

"The working capital limits, sanctioned by State Bank of India and Axis Bank as at 31<sup>st</sup> March, 2023 are ₹ 8,000.00 Lakhs and ₹3,500.00 Lakhs, respectively (March 31, 2022: ₹ 8,000.00 Lakhs and ₹ 3,500.00 Lakhs, respectively).

The loans are secured by way of first charge on all chargeable current assets of the Company, Property, Plant and Equipment of shrimp processing Plants at Yerravaram and Gopalapuram, Andhra Pradesh. The working capital loans are repayable on demand and carries interest rate of LIBOR+55bps p.a. and LIBOR+50bps p.a. on pre-shipment credit in foreign currency from State Bank of India and Axis Bank, respectively. In case of cash credit facility the interest rates are 7.20% p.a. and 7.95% p.a. from State Bank of India and Axis Bank, respectively.

Note: Debit balance in cash credit accounts as at 31<sup>st</sup> March, 2023 have been grouped under the head Cash and cash equivalents

##### Avanti Feeds Limited

The working capital limits, sanctioned by State Bank of India (SBI) and HDFC Bank as at March 31, 2023, are ₹ 3,000.00 Lakhs and ₹ 2,000.00 Lakhs, respectively (31<sup>st</sup> March, 2022: ₹ 3,000.00 Lakhs and ₹ 2,000.00 Lakhs, respectively).

The working capital loan from SBI is secured by first charge on all current assets, Collateral First charge on fixed assets of the company. The same is repayable on demand and carries interest @ 8.20% p.a.

The working capital loan from HDFC Bank is secured by first charge on all current assets, Collateral First charge on Property, Plant and Equipment of the company. The same is repayable on demand and carries interest @ 8.00% p.a.

Note: Note: Debit balance in cash credit accounts as at 31<sup>st</sup> March, 2023 (and 31<sup>st</sup> March, 2022) have been grouped under the head Cash and Cash equivalents

### 21 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to micro enterprises and small enterprises (Refer Note below)	1,118.46	1,974.01
Dues to creditors other than micro enterprises and small enterprises	26,944.50	28,501.01
<b>Total</b>	<b>28,062.96</b>	<b>30,475.02</b>

#### Dues to micro and small enterprises

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,118.46	1,974.01
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Ageing for trade payables outstanding as at 31<sup>st</sup> March, 2023 is as follows:

Particulars	outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade payables</b>					
MSME	1,118.46	-	-	-	1,118.46
Others	10,404.22	3.64	4.93	13.20	10,425.99
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
Accrued expenses					16,518.51
<b>Total</b>	<b>11,522.68</b>	<b>3.64</b>	<b>4.93</b>	<b>13.20</b>	<b>28,062.96</b>

Ageing for trade payables outstanding as at 31<sup>st</sup> March, 2022 is as follows:

Particulars	outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade payables</b>					
MSME	1,974.01	-	-	-	1,974.01
Others	21,125.88	10.12	6.62	13.09	21,155.71
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
Accrued expenses	-	-	-	-	7,345.31
<b>Total</b>	<b>23,099.89</b>	<b>10.12</b>	<b>6.62</b>	<b>13.09</b>	<b>30,475.03</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 22 Income Taxes

#### (a) Deferred tax balance

For the year ended 31<sup>st</sup> March, 2022

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities/ (assets) in relation to</b>				
Depreciation & Amortization	1,386.94	(301.17)	-	1,085.77
Fair valuation of Investments	1,083.64	226.27	-	1,309.91
Fair valuation of derivative instruments	-	-	-	-
Provision for doubtful debts	(51.59)	-	-	(51.59)
MAT Credit Entitlement under Section 115JAA	(2,594.63)	192.56	-	(2,402.07)
Lease Liabilities	(118.70)	(5.84)	-	(124.54)
Others	32.94	(15.64)	-	17.30
<b>Total</b>	<b>(261.40)</b>	<b>96.18</b>	<b>-</b>	<b>(165.22)</b>

For the period ended 31<sup>st</sup> March, 2023

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities/ (assets) in relation to</b>				
Depreciation & Amortization	1,085.77	44.07	-	1,129.84
Fair valuation of Investments	1,309.91	87.97	-	1,397.88
Provision for doubtful debts	(51.59)	-	-	(51.59)
MAT Credit Entitlement under Section 115JAA	(2,402.07)	1,753.54	-	(648.53)
Lease Liabilities	(124.54)	28.83	-	(95.71)
Others	17.30	8.12	-	25.42
<b>Total</b>	<b>(165.22)</b>	<b>1,922.53</b>	<b>-</b>	<b>1,757.31</b>

#### (b) Tax Assets

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Non - current tax assets (net of provision for tax)	1,620.34	2,122.70
<b>Total</b>	<b>1,620.34</b>	<b>2,122.70</b>

#### (c) Tax Expense recognised in Profit and Loss

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Current tax expense</b>		
In respect of the current year	9,707.21	7,770.45
In respect of the earlier years	(176.73)	-
<b>Total</b>	<b>9,530.48</b>	<b>7,770.45</b>
<b>Deferred tax expense</b>		
In respect of the current year	1,922.53	96.17
<b>Total</b>	<b>1,922.53</b>	<b>96.17</b>
<b>Total</b>	<b>11,453.01</b>	<b>7,866.62</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### (d) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Profit before tax	42,678.24	32,389.32
Income tax expense	12,066.34	9,159.84
Deduction u/s 80IB of Income Tax Act (Refer note:1 below)	(609.65)	(1,206.95)
Exempt income	(83.98)	-
Deduction u/s 80M	(115.82)	(102.87)
Income tax paid at special rate	(39.93)	-
Expenses not deductible	214.72	34.47
Impact of opening deferred tax liability due to change in effective tax rate	151.62	-
Tax expense of earlier years	(178.63)	-
Interest on Income tax	0.64	-
Corporate Social Responsibility & Donations	156.39	172.73
Others	(108.69)	(190.60)
<b>Total</b>	<b>11,453.01</b>	<b>7,866.62</b>

Note:

1. Avanti Frozen Foods Private Limited has been availing deduction under section 80IB of the Income Tax Act, 1961 for the new shrimp processing Plant at Yerravaram, East Godavari, Andhra Pradesh, from the financial year 2017-18. The tax benefit on account deduction 80IB for the period ended 31<sup>st</sup> March, 2023 is ₹ 609.65 Lakhs (31<sup>st</sup> March, 2022: ₹ 1,206.96 Lakhs)

## 23 Revenue from operations

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Sale of Products</b>		
Finished goods - domestic - Billed	4,03,626.23	4,04,765.75
Finished goods - domestic - Unbilled	9.92	6.57
Finished goods - exports	1,00,049.00	93,165.73
Sale of Services	-	120.08
Other operating revenue		
Export incentives	5,013.40	5,537.58
<b>Total</b>	<b>5,08,698.55</b>	<b>5,03,595.71</b>
<b>Reconciliation of Revenue from sale of products with contracted price</b>		
Contracted Price	5,99,233.16	5,95,293.45
Less : Sales Returns	(185.27)	(58.79)
Less : Trade and other Discounts	(95,362.74)	(97,192.93)
<b>Sale of Products</b>	<b>5,03,685.15</b>	<b>4,98,041.73</b>
<b>Finished goods sold</b>		
Shrimp Feed & Processed shrimp		
i) Domestic	4,01,883.11	4,03,969.37
ii) Exports	1,00,049.00	93,165.73
Shrimp Seed	1,588.41	618.89
Power	160.50	163.36
Sale of services	-	120.08
Other sales	4.13	4.30
<b>Total</b>	<b>5,03,685.15</b>	<b>4,98,041.73</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 24 Other income (net)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Interest Income on Financial Assets carried at amortized cost:</b>		
Bank deposits	1,325.54	327.80
Non Convertible debentures	939.02	444.88
Secured Bonds	-	45.05
Others	432.41	57.87
<b>Dividend Income:</b>		
from investments mandatorily measured at FVTPL	-	1.80
<b>Net gain on sale of investments:</b>		
On sale of Mutual Funds	2,932.56	3,838.85
MTM gain on investments carried at fair value through profit or loss	333.70	817.54
Exchange gains / (losses) on translation of assets and liabilities	2,264.95	1,948.05
Other non-operating income	659.99	403.54
Fair value gain/(loss) on derivatives measured at fair value through profit and loss	71.50	49.02
Amortisation of government grant	240.33	229.94
<b>Total</b>	<b>9,201.78</b>	<b>8,167.21</b>

### 25 Cost of materials consumed

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Inventory at the beginning of the year	62,481.82	25,112.83
Add: Purchases	3,97,125.63	4,62,028.99
	<b>4,59,607.45</b>	<b>4,87,141.82</b>
Less: Inventory at the end of the year	47,988.07	62,481.82
<b>Cost of materials consumed</b>	<b>4,11,619.38</b>	<b>4,24,660.00</b>
Purchase of bearer biological Assets:		
Purchase of brood stock	181.52	123.11
<b>Cost of materials consumed</b>	<b>181.52</b>	<b>123.11</b>

### 26 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Closing Stock</b>		
Finished goods	27,561.74	27,754.73
Work-in-progress	1,026.27	938.12
Biological assets	227.86	166.66
<b>Total</b>	<b>28,815.87</b>	<b>28,859.51</b>
<b>Opening Stock</b>		
Finished goods	27,754.73	26,874.33
Work-in-progress	938.12	795.51
Biological assets	166.66	189.32
<b>Total</b>	<b>28,859.51</b>	<b>27,859.16</b>
<b>Net (increase)/decrease</b>	<b>43.64</b>	<b>(1,000.35)</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 27 Employee benefits expense

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For For the Year Ended 31 <sup>st</sup> March, 2022
Salaries, wages and bonus	15,007.53	11,137.07
Contribution to provident and other funds	1,019.21	933.07
Gratuity expense (refer note no. 38)	239.04	215.16
Staff welfare expenses	418.26	340.59
<b>Total</b>	<b>16,684.04</b>	<b>12,625.89</b>

### 28 Depreciation and amortisation expense

	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Depreciation of property, plant and equipment	4,066.13	3,765.91
Depreciation on ROU asset	184.94	181.11
Amortisation of intangible assets	8.38	132.30
<b>Total</b>	<b>4,259.45</b>	<b>4,079.32</b>

### 29 Finance cost

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
<b>Interest expense</b>		
- Interest on bank overdrafts and loans	2.22	31.86
- Interest on leases	31.16	35.07
Other borrowing costs	168.75	134.02
<b>Total</b>	<b>202.13</b>	<b>200.95</b>

### 30 Other expenses

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Rent ( Refer Note i)	694.95	723.27
Power and fuel	9,025.78	7,215.45
Repairs and maintenance;		
- Buildings	265.04	58.87
- Plant and machinery	514.95	384.34
- Others	18.36	18.50
Consumable stores	3,697.51	2,928.16
Other manufacturing expenses	8,760.20	7,675.80
Rates and taxes	391.54	278.20
Insurance	956.71	822.95
Electricity Charges	10.22	8.33
Vehicle maintenance	184.20	141.67
Travelling and conveyance	1,028.30	700.61
Communication expenses	68.79	59.05
Printing and stationery	70.77	62.46
Directors' Sitting Fee	59.85	57.90
Auditors Remuneration (refer note (ii))	81.34	58.93

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Professional charges	295.00	703.94
Corporate Social Responsibility ( refer note no. 35)	809.99	889.69
Donations	15.05	3.00
Bank charges	187.12	167.56
Assets Written off	10.90	10.41
Advertisement	11.74	12.67
Carriage outward	785.11	1,155.17
Ocean freight and export expenses	7,602.10	7,188.41
Marketing expenses	3,491.29	1,908.58
Royalty	964.30	1,066.15
Loss on disposal of property, plant and equipment	0.85	0.37
Commission on profits to Non executive Directors	100.00	100.00
General expenses	766.04	585.80
<b>Total</b>	<b>40,868.00</b>	<b>34,986.24</b>
<b>Notes:</b>		
<b>i) Operating leases</b>		
Lease payments made under operating leases aggregating to ₹ 694.95 1 Lakhs (31 <sup>st</sup> March, 2022: ₹ 723.27 Lakhs) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil.		
<b>ii) Auditors' remuneration comprises of</b>		
As Auditors	55.40	39.95
Tax Matters	3.50	3.50
Other Services	10.08	9.32
Reimbursement of expenses	12.36	6.16
<b>Total</b>	<b>81.34</b>	<b>58.93</b>

### 31 Exceptional items

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Provision for product recall	812.00	2,750.00
Investment in subsidiaries written off	7.21	-
Loans to subsidiaries written off	511.33	-
<b>Total</b>	<b>1,330.54</b>	<b>2,750.00</b>

- i) In the previous year, consequent to 9 cases of Salmonella related sickliness reported in USA, USFDA/CDC in their investigation through whole genome sequence analysis and trace back of products supplied by the Company, determined that the cause of the sickness in the person is the cooked shrimp products supplied by Avanti Frozen Foods Private Limited (Subsidiary Company/ AFFPL). USFDA / CDC had instructed the Company to recall cooked products distributed in the US market during the period from November, 2021 to May, 2022. Accordingly, Company has recalled 791.10MT of cooked shrimps valued ₹ 6,622.32 lakhs. Company charged to profit and loss for the year ended 31<sup>st</sup> March, 2023, the value of the product destroyed and related recall expenses amounting to ₹ 812.00 lakhs (Previous year: ₹ 2,750.00 lakhs), as an exceptional item.
- ii) Avanti Frozen Foods Inc., USA (AFFI), a wholly owned subsidiary of Avanti Frozen Foods Private Limited, has been dissolved with effect from 27<sup>th</sup> March, 2023, as the continuing its business of trading in shrimps and seafood is not viable due to impact of COVID-19. Consequent to the said dissolution of AFFI, the Company has written off the investment in AFFI amounting to ₹ 7.21

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Lakhs and the unsecured loan, to the extent of unrealisable, amounting to ₹ 511.33 Lakhs has been written off and shown under exceptional item.

### 32 Earnings per share

Particulars	For the Year Ended 31 <sup>st</sup> March, 2023	For the Year Ended 31 <sup>st</sup> March, 2022
Profit attributable to equity holders of parent entity	27,867.23	22,157.43
Net Profit for calculation of Basic and Diluted EPS (A)	27,867.23	22,157.43
Weighted average number of equity shares for Basic EPS (B) (nos.)	13,62,45,630	13,62,45,630
<b>(a) Basic earnings per share (in INR) (A/B)</b>	<b>20.45</b>	<b>16.26</b>
There is no dilution to the basic earnings per share as there are no dilutive potential equity share		

### 33 Contingent Liabilities

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company*	102.27	102.27

\* Details of demands raised by customs, service tax, sales tax, income tax and other authorities :

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-06	High Court of Madhya Pradesh
Customs Act, 1962	Customs duty	60.82	2009 -2011 & 2011-2012	CESTAT, Chennai
Income tax Act	Income tax	12.23	2013-2014	Commissioner Appeals, Income tax, Hyderabad
	<b>Total</b>	<b>102.27</b>		

- i) The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to ₹ 29.22 Lakhs was raised. This is being contested by the Company in the High Court of Madhya Pradesh.
- ii) Company is importing Squid Liver Powder (SLP) which is one of the raw materials for manufacturing of shrimp feed. SLP is imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.  
The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.
- iii) The Income Tax Department has completed the assessment for the asst. year 2013-14 and has raised an additional demand of ₹ 12.23 Lakhs which the Company has contested and filed an appeal with the Commissioner of Appeals, Income Tax.

### 34 Capital commitments

Estimated amount of contracts remaining to be executed to the extent not provided for (net of advances) for ₹ 3,522.91 Lakhs (31<sup>st</sup> March, 2022 ₹ 4,820.93 Lakhs)



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### 35 Corporate Social Responsibility Expenditure

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 809.99 Lakhs (31<sup>st</sup> March, 2022 : ₹ 889.55 Lakhs) in accordance with Section 135 of the Act. The following amounts were actually spent during the current & previous year:

Amount spent during the year on:	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>i. Details of corporate social responsibility expenditure:</b>		
A. Amount required to be spent during year	809.99	889.55
B. Amount spent during the year		
1. Construction/acquisition of any asset	-	-
2. Purpose other than (1) above	809.99	889.69
C. Shortfall at the end of the year	-	-
D. Total of previous years shortfall	-	-
E. Reason for shortfall	Not applicable	Not applicable
F. Nature of CSR activities	Promoting Education, Healthcare, Rural Development, Disaster relief, Technological advancement.	
G. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:		
Contribution to Avanti Foundation in relation to CSR expenditure	377.94	698.00
H. Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

### 36 Related party disclosures

#### 1. Names of related parties and related party relationship:

Related parties with whom transactions have taken place during the year	
<b>Key Managerial Personnel (KMP)</b>	<p><b>Whole Time Directors:</b></p> <p>Sri A. Indra Kumar, Chairman and Managing Director</p> <p>Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO</p> <p>Sri A. Venkata Sanjeev, Executive Director</p> <p>Sri A. Nikhilesh Chowdary, Executive Director</p> <p><b>Non whole time directors:</b></p> <p>Sri J. V. Ramudu</p> <p>Sri N. Ram Prasad</p> <p>Sri N.V.D.S. Raju</p> <p>Mr. Wai Yat Paco Lee (Up to 16.02.2023)</p> <p>Mr. Bunluesak Sorajjakit</p> <p>Mr. Peerasak Boonmechote (w.e.f. 20.02.2023)</p> <p>Smt. K. Kiranmayee</p> <p>Sri V. Narsi Reddy</p> <p>Sri G. Sudarsan Babu (w.e.f. 11.02.2023)</p> <p>Sri R. Karikal Valaven, IAS (Up to 06.02.2023)</p> <p>Sri K. Srinivasa Reddy</p> <p>Sri K. Rama Mohana Rao</p> <p>Smt Y. Prameela Rani</p>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Related parties with whom transactions have taken place during the year	
	<b>Executive Officers:</b> Narendra Sharma - Company Secretary  D. V. S. Satyanarayana - Chief Financial Officer (w.e.f. 19 <sup>th</sup> December, 2022)
<b>Relatives of Key Managerial Personnel</b>	Sri N. Ram Prasad, Director
<b>Entities having significant influence over the Company</b>	Thai Union Group PCL, Thailand ("TUG") Tri-union Frozen Products Inc. (Chicken of the Sea Frozen Foods) (a subsidiary of TUG) Thai Union China Co. Ltd (a subsidiary of TUG) Thai Union Feed Mill Co. Ltd. ( a subsidiary of TUG) Thai Union Asia Investments Holding Co. Ltd. Srinivasa Cystine Private Limited
<b>Associate Companies</b>	Patikari Power Private Limited Srivathsa Power Projects Private Limited (up to 28.03.2023)
<b>Entities over which KMP has significant influence</b>	Sanjeev Agro-Vet Private Limited Sri Sai Srinivasa Agro Farms & Developers LLP Avanti Foundation A.V.R. Trust C.R. Reddy College Sakuntala Professional Associates LLP Nava Limited (formerly known as Nava Bharat Ventures Limited) RBS - TU Food Ingredients Private Limited

### 2. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	Key Management Personnel		Associate Companies		Entities having significant Influence over the company		Entities over which KMP has significant influence	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Whole time directors remuneration	4,832.79	2,374.01	-	-	-	-	-	-
Non whole time directors sitting fees and commission**	159.85	157.80	-	-	-	-	-	-
Remuneration to Executive Officers	22.41	39.19	-	-	-	-	-	-
Rent Paid	12.71	12.19	-	-	-	-	-	-
Rent Received	-	-	-	1.69	2.28	2.64	1.48	1.72
Contribution towards corporate social responsibility	-	-	-	-	-	-	377.94	698.40

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Royalty paid	-	-	-	-	315.13	1,066.15	-	-
Dividend paid	1,134.50	1,130.84	-	-	4,530.62	4,330.29	264.70	264.70
Dividend received	-	-	159.68	-	-	-	-	-
Legal Services received	-	-	-	-	-	-	16.09	14.16
Sale of products	-	-	-	-	41,668.57	33,640.34	-	-
Sale of MEIS Licenses	-	-	-	-	-	-	58.87	276.64
Purchase of Power	-	-	-	918.39	-	-	-	-
Purchase of goods	-	-	-	-	32.40	15.94	167.67	2.66

### Year end balance

Particulars	Key Management Personnel		Associate Companies		Entities having significant Influence over the company		Entities over which KMP has significant influence	
	As at		As at		As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Whole time directors remuneration	3,910.24	1,619.40	-	-	-	-	-	-
Non whole time directors sitting fees and commission **	100.00	100.00	-	-	-	-	-	-
Rent deposits paid	-	-	-	-	-	-	-	6.05
Rent deposits received	-	-	-	-	0.45	0.45	0.24	0.24
Royalty	-	-	-	-	179.56	234.15	-	-
Investment	-	-	1,064.52	2,195.45	-	-	-	-
Legal Services payable	-	-	-	-	-	-	-	1.62
Purchase of goods	-	-	-	-	0.39	0.37	0.16	0.50
Sale of products	-	-	-	-	116.35	1,011.64	-	-

\*below the rounding off norm adopted by the Company

\*\* Commission to whole time directors and non whole time directors will be paid after approval of books of accounts at the ensuing A.G.M.

## 37 Segment reporting

The Company's Chairman and Managing Director (CMD) examines the group's performance both from a product and geographic perspective and has identified the following segments of its business:

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp.

Shrimp Hatchery produces shrimp seeds and sold to aqua farmers.

Shrimp are purchased from the farmers and are further processed and exported to various countries.

The Group had installed four wind mills of 3.2 MW at Chitradurga, Karnataka. Power generated from wind mills is sold to BESCO under Power Purchase agreement.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	Shrimp Feed		Shrimp Processing		Power		Hatchery		Un allocated		Total	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Revenue</b>												
External Sales	4,02,386.60	4,03,972.70	1,04,748.42	99,163.68	160.50	163.36	1,588.41	618.89	-	-	5,08,883.93	5,03,918.63
Inter-segment sales	(185.38)	(322.92)									(185.38)	(322.92)
<b>Total Revenue</b>	<b>4,02,201.22</b>	<b>4,03,649.78</b>	<b>1,04,748.42</b>	<b>99,163.68</b>	<b>160.50</b>	<b>163.36</b>	<b>1,588.41</b>	<b>618.89</b>	<b>-</b>	<b>-</b>	<b>5,08,698.55</b>	<b>5,03,595.71</b>
<b>Segment Result</b>												
Operating Profit	24,590.72	21,130.92	10,382.58	7,410.17	19.67	25.93	49.55	(445.52)	-	-	35,042.52	28,121.50
Share of Profit/(Loss) from Associates	-	-			(33.39)	(948.44)					(33.39)	(948.44)
Minority interest	-	-			-	-					-	-
Other Income	592.24	442.87	3,180.12	2,649.14	-	-	3.89	2.99	5,425.53	5,072.21	9,201.78	8,167.21
Interest Expense	73.54	112.11	127.74	85.98	-	-	0.86	2.86	-	-	202.14	200.95
Exceptional item	-	-	(1,330.54)	(2,750.00)	-	-			-	-	(1,330.54)	(2,750.00)
Income Tax	-	-										
Current Tax	-	-	2,264.38	1,271.45	-	-			7,266.10	6,499.00	9,530.48	7,770.45
Deferred Tax	-	-	1,792.15	92.93	-	-			130.38	3.24	1,922.53	96.17
<b>Net Profit after tax</b>	<b>25,109.42</b>	<b>21,461.68</b>	<b>8,047.89</b>	<b>5,858.95</b>	<b>(13.72)</b>	<b>(922.51)</b>	<b>52.58</b>	<b>(445.39)</b>	<b>(1,970.95)</b>	<b>(1,430.02)</b>	<b>31,225.22</b>	<b>24,522.70</b>
<b>Other Information</b>												
Segment Assets	95,099.67	1,00,804.14	55,771.13	56,818.77	1,814.42	2,631.81	3,402.94	3,433.17	1,17,376.69	87,932.98	2,73,464.85	2,51,620.87
Segment Liabilities	23,159.21	27,824.64	5,607.51	6,228.69	82.31	-	82.31	83.52	6,848.74	2,745.32	35,780.08	36,882.17
<b>Capital Employed</b>	<b>71,940.46</b>	<b>72,979.50</b>	<b>50,163.62</b>	<b>50,590.08</b>	<b>1,732.11</b>	<b>2,631.81</b>	<b>3,320.63</b>	<b>3,349.65</b>	<b>1,10,527.96</b>	<b>85,187.66</b>	<b>2,37,684.77</b>	<b>2,14,738.70</b>

Based on the Revenue attributable to the individual customers located in various parts of the world, the company's business is organized into three key geographic segments,

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

viz., India, USA and rest of the world.

	India		USA		Rest of the world	
	For the Year Ended 31 <sup>st</sup> March,		For the Year Ended 31 <sup>st</sup> March,		For the Year Ended 31 <sup>st</sup> March,	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March, 2022
Revenue	4,08,648.55	4,10,429.52	68,870.80	70,661.41	31,179.19	22,504.78
Location of assets	2,67,071.16	2,41,685.93	951.99	4,953.62	5,441.70	4,981.32
Additions to fixed assets	2,176.93	2,176.93	-	-	-	-

The Group have two customers (previous year one customer) revenue from whom accounts for more than 10% of the group company's total revenue.

### 38 Employee Benefits

#### (i) Leave obligations

The leave obligations cover the group's liability towards earned leave.

Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

Particulars	31 March, 2023	31 March, 2022
Current leave obligations expected to be settled within the next 12 months	-	-

#### (ii) Defined Contribution Plans

The Group also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary), Employee State Insurance and Super Annuation fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 669.92 Lakhs (31<sup>st</sup> March, 2022 ₹ 679.81 Lakhs).

#### (iii) Post employment benefit obligation Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

Particulars	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	2,063.78	1,990.66	73.12	1,624.23	1,476.93	147.30
Current Service Cost	233.91	-	233.91	205.35	-	205.35
Past Service Cost	-	-	-	-	-	-
Interest expense/(income)	147.48	-	147.48	108.83	-	108.83
Interest income	-	142.35	(142.35)	-	99.03	(99.03)
Contributions	-	-	-	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>381.39</b>	<b>142.35</b>	<b>239.04</b>	<b>314.18</b>	<b>99.03</b>	<b>215.15</b>
Remeasurements						

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
Return on plan assets, excluding amounts included in interest expense/(income)	-	1.52	(1.52)	-	12.65	(12.65)
(Gain)/loss from change in demographic assumptions	-	-	-	33.92	-	33.92
(Gain)/loss from change in financial assumptions	(64.15)	-	(64.15)	(67.43)	-	(67.43)
Experience (gains)/losses	91.82	-	91.82	173.95	-	173.95
<b>Total amount recognised in other comprehensive income</b>	<b>27.67</b>	<b>1.52</b>	<b>26.15</b>	<b>140.44</b>	<b>12.65</b>	<b>127.79</b>
Employer contributions	-	169.72	(169.72)	-	417.12	(417.12)
Benefit payments	(30.46)	(30.46)	-	(15.07)	(15.07)	-
<b>Closing Balance</b>	<b>2,442.38</b>	<b>2,273.79</b>	<b>168.59</b>	<b>2,063.78</b>	<b>1,990.66</b>	<b>73.12</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Present value of funded obligations	2,442.38	2,063.78
Fair value of plan assets	2273.79	1,990.66
<b>Deficit of funded plan</b>	<b>168.59</b>	<b>73.12</b>
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>168.59</b>	<b>73.12</b>

### (ii) Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.50%	6.75%
Salary escalation rate	10.00%	10.00%
Employee attrition rate	10.00%	10.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Normal retirement age	60 years	58 years

### (iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption			Impact on defined benefit obligation				
				Increase in assumption		Decrease in assumption		
	March 31 <sup>st</sup> 2023 (₹ in Lakhs)	March 31 <sup>st</sup> 2022 (₹ in Lakhs)		March 31 <sup>st</sup> 2023 (₹ in Lakhs)	March 31 <sup>st</sup> 2022 (₹ in Lakhs)	March 31 <sup>st</sup> 2023 (₹ in Lakhs)	March 31 <sup>st</sup> 2022 (₹ in Lakhs)	
Discount rate	1.00%	1.00%	Decrease by	174.33	155.20	Increase by	203.76	175.71
Attrition rate	50.00%	50.00%	Decrease by	75.47	84.78	Increase by	110.08	99.18
Salary escalation rate	1.00%	1.00%	Increase by	147.19	129.29	Decrease by	128.02	111.32

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (iv) The major categories of plan assets are as follows

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Funds managed by SBI Life Insurance Company Limited	2273.79	1,990.66
<b>Total</b>	<b>2273.79</b>	<b>1,990.66</b>

### (v) Risk exposure

Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. The Group's plan assets are insurer managed funds and are subject to less material risk.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities and the Group ensures that it has enough reserves to fund the liability.

### (vi) Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending 31<sup>st</sup> March, 2023 is ₹ 388.76 Lakhs

Particulars	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
<b>31<sup>st</sup> March, 2023</b>				
Gratuity	682.58	599.63	938.72	3,138.09
<b>Total</b>	<b>682.58</b>	<b>599.63</b>	<b>938.72</b>	<b>3,138.09</b>
<b>31<sup>st</sup> March, 2022</b>				
Gratuity	560.75	482.21	790.28	2,612.63
<b>Total</b>	<b>560.75</b>	<b>482.21</b>	<b>790.28</b>	<b>2,612.63</b>

## 39 Fair value measurements

Financial instruments by category	31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2022	
	Amortised Cost	FVPL	Amortised Cost	FVPL
<b>Financial Assets</b>				
<b>Investments</b>				
- in equity instruments (quoted)	-	3.20	-	2.16
- in equity instruments (unquoted)	-	995.77	-	507.31
- in mutual funds	-	65,554.79	-	73,988.25
- in Secured Bonds	-	-	-	-
- Non Convertible debentures	1,512.81	7375.93	8,997.01	1,320.49
- Investments in term deposits	23,794.09	-	6,108.79	-
Trade receivables	12,155.06	-	11,368.52	-
Cash and cash equivalents	3,536.52	-	6,541.05	-
Other bank Balances	25,240.80	-	1,504.77	-
Loans	350.31	-	164.38	-
Security deposits	1,306.13	-	943.46	-
Derrivative Financial Assets	204.53	-	49.02	-
<b>Total Financial Assets</b>	<b>68,100.25</b>	<b>73,929.69</b>	<b>35,677.00</b>	<b>75,818.21</b>
<b>Financial Liabilities</b>				

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Financial instruments by category	31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2022	
	Amortised Cost	FVPL	Amortised Cost	FVPL
Borrowings	-	-	-	-
Current maturities of long term debt from banks	-	-	-	-
Security deposits	372.00	-	372.00	-
Lease Liabilities	305.35	-	408.33	-
Unpaid dividends	199.84	-	210.01	-
Trade payables	28,062.96	-	30,475.02	-
Derivative financial instrument	-	-	-	-
Capital creditors	64.20	-	145.86	-
<b>Total Financial Liabilities</b>	<b>29,004.35</b>	<b>-</b>	<b>31,611.22</b>	<b>-</b>

### (i) Fair value hierarchy

"The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits given, are considered to be same as their fair values.

The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unquoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'."

## 40 Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	"Ageing analysis Credit ratings of customers and fellow subsidiaries"	"Credit monitoring for customers. Diversification of bank deposits."
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	"Working capital management by General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits."
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	"Capital is managed by Managing Director. The capital requirements are managed by analyzing the funds requirement and budgets in conjunction with the strategic plan."
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/payables)	"Cash flow forecasting Sensitivity analysis"	Forward foreign exchange contracts

The Group's risk management is carried out by the JMD under policies approved by the Risk Management Committee a sub-committee of the Board of Directors. The Committee provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Credit Risk

Credit risk arises from cash and cash equivalents, loans to related parties, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed by the Marketing General Manager of AFL. The Group has few customer with most of them being foreign customers. The Group provides a credit period of 60-90 days which is in line with the normal industry practice.

The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices. "

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- actual or expected significant changes in the operating results of the borrower.
- significant increase in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

### (ii) Provision for expected credit losses

The Group provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Deposits and other financial assets	Trade receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Deposits and other financial assets	Trade receivables
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off		

### Year Ended 31<sup>st</sup> March, 2023

#### Expected credit losses for loans, deposits and other receivables , excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
<b>Loss allowance measured at 12 month expected credit losses -</b> Financial assets for which credit risk has not increased significantly since initial recognition	Loans	350.31	0%	-	350.31
	Security deposits	1,306.13	0%	-	1,306.13
	Freight reimbursement receivable	-			
	Other bank balances	25,240.80	0%	-	25,240.80

### Year Ended 31<sup>st</sup> March, 2022

#### Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
<b>Loss allowance measured at 12 month expected credit losses -</b> Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	1,504.77	0%	-	1,504.77
	Loans	164.38	0%	-	164.38
	Security deposits	943.46	0%	-	943.46

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

### Expected credit loss for trade receivables under simplified approach

#### Year ended 31<sup>st</sup> March, 2023

Ageing	below 6 months	6 months to one year	1-2 years	2-3 years	More 3 years	Total
Gross carrying amount	10,008.77	1972.01	8.8	17.17	394.13	12,400.88
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit loss	-	-	-	-	245.82	245.82
Carrying amount of trade receivables (net of impairment)	10,008.77	1,972.01	8.80	17.17	148.31	12,155.06

#### Year ended 31<sup>st</sup> March, 2022

Ageing	below 6 months	6 months to one year	1-2 years	2-3 years	More 3 years	Total
Gross carrying amount	11,202.34	0	34.54	131.64	147.63	11,516.15
Expected loss rate	0%	0%	0%	0%	100%	0%
Expected credit loss	-	-	-	-	147.63	147.63
Carrying amount of trade receivables (net of impairment)	11,202.34	-	34.54	131.64	-	1,368.52

### Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds.

#### (i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual Cash Flows						
31 <sup>st</sup> March, 2023	Carrying amount	Total	0-1 year	1-2 years	2-3 years	More than 3 years
Borrowings	-	-	-	-	-	-
Trade payables	28,062.96	28,062.96	28,041.19	3.64	4.93	13.20
Derivative financial instrument	-	-	-	-	-	-
Security deposits	372.00	372.00	-	-	-	372
Capital creditors	64.20	102.52	102.52	-	-	-
<b>Total</b>	<b>28,499.16</b>	<b>28,537.48</b>	<b>28,143.71</b>	<b>3.64</b>	<b>4.93</b>	<b>385.20</b>

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Contractual cash flows						
31 <sup>st</sup> March 2022	Carrying amount	Total	0-1 year	1-2 years	2-3 years	More than 3 years
Borrowings	-	-	-	-	-	-
Trade payables	30,475.02	30,475.03	30,445.20	10.12	6.62	13.09
Derivative financial instrument	-	-	-	-	-	-
Security deposits	372.00	372.00	-	-	-	372.00
Capital creditors	145.86	102.52	102.52	-	-	-
<b>Total</b>	<b>30,992.88</b>	<b>30,949.55</b>	<b>30,547.72</b>	<b>10.12</b>	<b>6.62</b>	<b>385.09</b>

### Market Risk - Interest Risk

The Group's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Group to cash flow interest rate risk.

The exposure of the Group to interest rate changes at the end of the reporting period are as follows:

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Variable rate borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

At the end of the reporting period, the Group had the following variable rate borrowings and receivables

Particulars	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings
Financial Liabilities						
Long term borrowings		-	0%		-	0%
Current borrowings		-	0%		-	0%
		-	0%		-	0%

### Sensitivity

The profit or loss is sensitive to higher/lower interest expense and interest income as a result of changes in interest rates.

Particulars	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings
Interest rate - Increases by 100 basis points		-	-	-	-	-
Interest rate - Decreases by 100 basis points		-	-	-	-	-

### Market risk - Price Risk

The Group's investments in quoted equity securities is limited , there is no exposure to price risk.

### Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Group does

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

not hedge any of its exposure to foreign currency. The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Amount in Foreign Currency	Amount in INR (Lakhs)	Amount in Foreign Currency	Amount in INR (Lakhs)
<b>Trade and other payables</b>				
USD	6,78,652	558.11	6,731	4.99
EURO	61,949	55.51	-	-
<b>Working Capital loans</b>				
USD	-	-	-	-
<b>Balance in EEFC account</b>				
USD	105	0.08	110	372.08
<b>Trade Receivables</b>				
USD	70,24,119	5,581.44	1,21,60,835	9,043.77
EURO	3,64,178	326.33	1,00,000	84.66
<b>Unsecured loans given</b>				
USD	1,61,800	122.50	8,50,000	644
<b>Derivatives outstanding</b>				
Forward contracts				
To buy USD	-	-	-	-
To sell USD	1,20,86,944	10,013.42	2,08,49,834	15,904.03
<b>Share application money pending allotment</b>				
IDR	5,27,80,000	2.79	5,27,88,000	2.79
<b>Net exposure (Receivables/ Payables)</b>	<b>4,71,79,057</b>	<b>(4,839.90)</b>	<b>4,33,42,380</b>	<b>(7,049.24)</b>
<b>Net exposure in USD</b>	<b>(59,03,172)</b>	<b>(5,113.00)</b>	<b>95,45,620</b>	<b>(7,137.00)</b>

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, as detailed below

Particulars	Impact on profit after tax and equity	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Increase in USD rate by 1%	(49.90)	<b>(64.93)</b>
Decrease in USD rate by 1%	49.90	<b>64.93</b>

## 41 Capital management

### (a) Risk Management

The Group's objectives when managing capital are to

- > safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group has been maintaining a steady dividend.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

The Group's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Net debt	-	-
Total equity	2,37,684.78	2,14,738.70
Net debt to equity ratio	0%	0%

### (b) Dividends

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Equity Shares		
i) Dividend of AFL for the year ended March 31, 2022 of ₹ 6.25 (31 March 2021 ₹ 6.25) per fully paid share.	8,515.35	8,515.35
ii) Dividend of AFFPL for the year ended March 31, 2022 of ₹ 5.00 (31 March 2021: ₹ 5.00) per fully paid share.	500.83	500.83
Dividends not recognised at the end of the reporting period		
i) In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 6.25 per fully paid equity share (March 31, 2022 – ₹ 6.25) of AFL.	8,515.35	8,515.35
ii) In addition to the above dividends, since year end the directors have recommended the payment of a dividend of ₹ 7.50 per fully paid equity share (March 31, 2022 – ₹ 5.00) of AFFPL.	751.25	500.83
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

## 42 Additional Regulatory Information: Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current Ratio (in times)	Total current assets	Total current liabilities	6.84	5.78	18.36%
Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	0.01	0.01	0.00%
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	NA	NA	0.00%

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Return on Equity Ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	13.80%	11.86%	16.43%
Inventory Turnover Ratio (in times)	Revenue from operations	Average inventory	5.67	6.52	-13.05%
Trade Receivables Runover Ratio (in times)	Revenue from operations	Average trade receivables	14.36	16.95	-15.28%
Trade Payables Runover Ratio (in times)	Cost of material consumed and other expenses	Average trade payables	15.46	16.90	(-8.52)
Net Capital Turnover Ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.85	3.12	(8.54%)
Net Profit Ratio (in %)*	Profit for the year	Revenue from operations	6.14%	4.87%	26.05%
Return on Capital Employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	17.89%	15.17%	17.92%
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	5.17%	4.72%	(9.53%)

\* profitability increased an account of stabilisation of Raw Material prices and increase in overhead absorption.

### 43 Other statutory information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company Funding Party (Ultimate Beneficiaries) or

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Group does not have any such transactions which was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as , search or survey or any other relevant provisions of the Income Tax Act, 1961.

44 Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

45. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/Associates

(₹ In Lakhs)

Name of the entity	As at 31 <sup>st</sup> March, 2023							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	"As % of consolidated net assets"	Amount	"As % of consolidated profit or loss"	Amount	"As % of consolidated other comprehensive income"	Amount	"As % of consolidated total comprehensive income"	Amount
<b>Parent</b>								
Avanti Feeds Limited	84.16%	1,76,349.78	74.57%	23,284.41	103.35%	(27.02)	74.55%	23,257.40
<b>Subsidiaries:</b>								
<b>Indian</b>								
Avanti Frozen Foods Private Limited	20.14%	42,204.17	16.13%	5,037.00	-2.00%	0.52	16.15%	5,037.53
Srivathsa Power Projects Private Limited*	0.66%	1,393.37	-0.50%	(154.85)	-4.61%	1.20	-0.49%	(153.65)
<b>Total</b>		2,19,947.31		28,166.56		(25.29)		28,141.27
<b>Non Controlling Interests in all subsidiaries</b>								
Avanti Frozen Foods Private Limited		28,136.38		3,358.00		0.35		3,358.35
<b>Consolidated</b>		2,48,083.69		31,524.56		(24.94)		31,499.63
<b>Associates (Investment as per the equity method);</b>								
<b>Indian</b>								
Patikari Power Private Limited	0.69%	1,456.04	0.39%	121.46	0.11%	(0.03)	0.39%	121.43



# Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2023

(All amounts in Lakhs in Indian Rupees, unless otherwise stated)

## Part A : Subsidiaries

(₹ In Lakhs)

Salient features of financial statements of subsidiaries as per the Companies Act, 2013.													
Sl. No	Name of the subsidiary / associates	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover / Total Income	Profit/ (loss) before taxation	Provision for Taxation	Profit/ (loss) after taxation	Proposed dividend	% of share holding
1	Srivathsa Power Projects Private Limited *	INR	3339.71	1,946.34	1459.62	66.25	-	-	-	-	(154.85)	-	100%
2	Avanti Frozen Foods Private Limited	INR	1,001.67	69338.61	75,947.79	5,607.51	19,682.11	1,04,748.42	12,451.53	4,056.53	8,395.00	-	60%

\* Srivathsa Power Projects Private Limited, (SPPPL) an associate till 28<sup>th</sup> March, 2023 has become a wholly owned subsidiary of the Company with effect from 29<sup>th</sup> March, 2023.

## Part B: Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Name of Associates	Patikari Power Private Limited
1. Latest audited Balance Sheet Date	31-03-2023
2. Shares of associates held by the company on the year end	
Number of shares	1,06,45,200
Amount of investment in Associates	1,064.52
Extent of holding %	25.89%
3. Description of how there is significant influence	Voting Power
4. Reason why the associate/ joint venture is not consolidated	Not applicable
5. Net worth attributable to Shareholding as per latest Audited Balance Sheet	1,456.04
6. Profit/ (Loss) for the year	
i. Considered in Consolidation	121.46
ii. Not Considered in Consolidation	-

The accompanying notes are an integral part of the financial statements

**As per our Report of even date for TUKARAM & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 0044365 / S200135

**For and on behalf of the Board of Directors AVANTI FEEDS LIMITED**

**A. Indra Kumar**  
Chairman & Managing Director  
DIN: 00190168

**K. Rajender Reddy**  
Partner  
Membership No. 231834

**C. Ramachandra Rao**  
DIN:00026010  
Jt. Managing Director,  
Company Secretary & CFO

**N. Ram Prasad**  
DIN:00145558  
Director

Place : Hyderabad  
Date: 24<sup>th</sup> May, 2023

## NOTICE

Notice is hereby given that the Thirtieth (30<sup>th</sup>) Annual General Meeting (“AGM”) of the members of Avanti Feeds Limited will be held on **Friday, 11<sup>th</sup> August, 2023 at 11:00 A.M (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** to transact the following business:

### Ordinary Business:

1. To consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolutions as Ordinary Resolution:
  - a. **“RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
  - b. **“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
2. To declare dividend on equity shares for the Financial Year ended 31<sup>st</sup> March, 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** a dividend at the rate of ₹ 6.25 ps/- (Rupees Six and Twenty-Five paise only) per equity share of ₹ 1/- (Rupees One only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the Financial year ended 31<sup>st</sup> March, 2023 and the same be paid out of the profits of the Company.”
3. To appoint Sri A. Venkata Sanjeev (DIN: 07717691), who retires by rotation as a Director and being eligible offers himself for reappointment. In this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sri A. Venkata Sanjeev (DIN: 07717691), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”
4. To appoint Mr. Bunluesak Sorajjakit (DIN: 02822828), who retires by rotation as a Director and being eligible offers himself for reappointment. In this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Bunluesak Sorajjakit (DIN: 02822828), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

Corporate address : G-2, Concorde Apartments, 6-3-658,  
Somajiguda, Hyderabad – 500082, Telangana State, India.  
: +91-40-23310260/61/ +91(40)23311604  
[www.avantifeeds.com](http://www.avantifeeds.com)  
avantih@avantifeeds.com

Registered office: Flat No. 103, Ground Floor, "R" Square  
Pandurangapuram, Vishakhapatnam – 530003  
Andhra Pradesh, India.  
CIN: L16001AP1993PLC095778

## Special Business

5. To consider and approve the re-appointment of Sri J. V. Ramudu as an Independent Director for a further period of Five (5) years:

To consider, and if thought fit, to pass, the following resolution, as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Sri J. V. Ramudu (DIN:03055480), who was appointed as an Independent Director of the Company for a term of Five (5) consecutive years commencing from 10<sup>th</sup> November, 2023 up to 9<sup>th</sup> November, 2028 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of Five (5) consecutive years on the Board of the Company commencing from 10<sup>th</sup> November, 2023 up to 9<sup>th</sup> November, 2028 (both days inclusive).

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board  
For AVANTI FEEDS LIMITED

**A. Indra Kumar**  
Chairman & Managing Director  
DIN: 00190168

Place: Hyderabad  
Date: 24<sup>th</sup> May, 2023

## NOTES

1. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, 02/2021 dated 13<sup>th</sup> January, 2021, 19/2021 dated 8<sup>th</sup> December, 2021, 21/2021 dated 14<sup>th</sup> December, 2021 and 10/2022 dated 28<sup>th</sup> December, 2022 ('MCA Circulars'), and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (collectively "SEBI Circular"), have permitted Companies to conduct the AGM through VC/OAVM. In accordance with the said MCA Circulars, SEBI circular, applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the 30<sup>th</sup> AGM of the Company is being convened and conducted through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Vishakhapatnam, Andhra Pradesh, India.

The Company has engaged the services of M/s. KFin Technologies Limited, Registrars and Transfer Agents ("KFinTech"), and is providing facilities in respect of:

- (a) remote e-voting;
- (b) participation in the AGM through VC/OAVM facility;
- (c) e-voting during the AGM.

The process and instructions for remote e-voting are provided in the Note No. 24 of the Notes.

2. Members can attend and participate in this AGM through VC and Members of the Company joining through VC shall be reckoned for the purpose of quorum under Section 103 of the Act. The facility for appointment of proxies by the Members will not be made available and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. As the 30<sup>th</sup> AGM is being held through VC, the route map is not annexed to this Notice.
4. In compliance with MCA and SEBI Circulars, the financial statements including Board's Report, Auditor's report and other documents required to be attached therewith (together referred to as Annual Report FY 2022-23) and Notice of AGM are being sent in electronic mode to those members / beneficial owners whose e-mail addresses are registered with the Company / Depositories. Members may please note that this Notice and Annual Report 2022-23 will also be available on the Company's website at <https://avantifeeds.com/financial-reporting/#Annual-Report>, websites of the Stock Exchanges i.e., BSE Limited and National Stock of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFinTech at <https://evoting.kfintech.com>.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of the Notice. The relevant details, pursuant to under Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of Director seeking re-appointment at this AGM is provided as an Annexure- A to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote(s) through e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer i.e. Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad by e-mail through its registered e-mail address to [bhaskararaoandco@gmail.com](mailto:bhaskararaoandco@gmail.com) with a copy marked to [investors@avantifeeds.com](mailto:investors@avantifeeds.com).
7. Pursuant to the provisions of Section 108 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended from time to time) and Regulation 44 of Listing Regulations (as amended from time to time), MCA Circulars and SS-2, the Company is providing to its members, the facility to exercise their right to vote both through remote e-voting and e-voting during the AGM on the resolution(s) as set forth in the AGM Notice by electronic means.

8. The Members can join the AGM through VC mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the instructions mentioned in this Notice. The facility of participation at the AGM through VC will be made available for 1,000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 4<sup>th</sup> August, 2023 to Friday, 11<sup>th</sup> August, 2023 (both days inclusive).
11. If the Dividend as recommended by the Board of Directors is approved at the AGM, the payment of such dividend shall be made within the time line as prescribed under the Act, subject to deduction of tax at source, as under:
  - a. To all those beneficial owners holding shares in electronic/demat form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as on the close of the business hours on Friday 4<sup>th</sup> August, 2023 and
  - b. To all those members holding shares in physical form on or before at the close of business hours on Friday 4<sup>th</sup> August, 2023.

## 12. TDS on Dividend

In terms of the provisions of the Income-tax Act, 1961, (the "IT Act"), dividend paid or distributed by a Company on or after 1<sup>st</sup> April, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct TDS at the time of payment of dividend.

The details on deduction of TDS is available on the website of the company at the given link: [www.avantifeeds.com/downloads/](http://www.avantifeeds.com/downloads/)

13. Members who are holding shares in dematerialized form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members are requested to intimate any change/correction in their bank mandate to their DPs only.

Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, type of account and account number etc. in form ISR-1 to our Registrar and Share Transfer Agent, KFIN Technologies Limited at the provided address.

## 14. IEPF related information

- a. Shareholders/Members are requested to note that dividends remaining unclaimed for a consecutive period of seven years from the date of transfer to the Company's Unpaid Dividend Account, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). In addition, all shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.
- b. In view of above Shareholders/Members are requested to claim their dividends from the Company, within the stipulated time line as prescribed under the Companies act 2013 ('the Act'). In the event of transfer of shares and the unclaimed dividends to IEPF, Members may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in)
- c. Members intending to claim their unclaimed dividends are requested to correspond with the KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or write to the Company at [investors@avantifeeds.com](mailto:investors@avantifeeds.com)

## 15. Dispatch of Notice through Electronic Mode:

Pursuant to the MCA Circulars and SEBI Circular, the Notice is being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company / Depositories / RTA. Members are requested to register / update their e-mail addresses by following the below steps to receive all future communications (including Notice of this AGM) from the Company electronically;

- i. **Members holding equity shares in physical mode** – Request in ISR-1 along with self-attested copy of PAN Card and self-attested copy of any document (such as copy of Driving license, Passport, Bank statement, Aadhar) by e-mailing at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or to the Company at [investors@avantifeeds.com](mailto:investors@avantifeeds.com).

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

The ISR Form(s) and the supporting documents can be provided by any one of the following modes:

- a. Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b. Through hard copies which are self-attested, which can be shared on the address below; or

Name	<b>KFIN Technologies Limited</b>
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032, Rangareddy, Telangana India.

- c. Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

- ii. Members holding equity shares in dematerialised mode - Register / update their e-mail addresses with respective Depository Participant (DP).
- iii. In case anyone has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off /record date for e-Voting, i.e., Friday, 4<sup>th</sup> August, 2023, such member may obtain the User ID and Password from KFinTech by an e-mail request to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) / [rajeev.kr@kfintech.com](mailto:rajeev.kr@kfintech.com)

16. Pursuant to Section 72 of the Act. members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with KFinTech. In respect of shares held in electronic / demat form, the nomination form may be filed with their respective DP's. Forms are available for download at <https://avantifeeds.com/downloads/>

17. SEBI vide its circular nos. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated Members holding shares in physical form to submit their PAN, nomination, contact details, bank account details and specimen signature in specified forms. Members may access <https://avantifeeds.com/downloads/> for Form ISR-1 to register PAN/e-mail id/bank details/other KYC details, Form ISR-2 to update signature and Form ISR-3 for declaration to opt out of Nomination.

In case a holder of physical securities fails to furnish PAN, nomination, contact details, bank account details and specimen signature by 1<sup>st</sup> October, 2023, KFinTech will be obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31<sup>st</sup> December, 2025, the Registrar/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

In compliance with SEBI guidelines, the Company had sent communication intimating about the submission of above details to all the Members holding shares in physical form.





18. Dispute Resolution Mechanism at Stock Exchanges-SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated 30<sup>th</sup> May, 2022, provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per this circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against the Company or its Registrar and Transfer Agent on delay or default in processing any investor services related request.

In compliance with SEBI guidelines, the Company had sent communication intimating about the said Dispute Resolution Mechanism to all the Members holding shares in physical form.

19. In accordance with the proviso to Regulation 40(1) of the Listing Regulations, as amended from time to time, and read with SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022, transfer of securities of the Company including transmission and transposition requests shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them, eliminate all risks associated with physical holding and participate in corporate actions.
20. The Companies (Management and Administration) Rules, 2014 stipulate that the remote electronic voting period shall close at 05:00 P.M. (IST) on the date preceding the date of AGM. Accordingly, the remote e-Voting period will commence at 09:00 A.M. (IST) on Tuesday, 8<sup>th</sup> August, 2023, and will end at 05:00 P.M. (IST) on Thursday, 10<sup>th</sup> August, 2023. The remote e-Voting will not be allowed beyond the aforesaid period and time, and the remote e-Voting module shall be disabled by KFinTech.
21. The member(s) who have casted their vote(s) by remote e-Voting may also participate in this AGM through VC / OAVM but shall not be entitled to cast their vote(s) again. Once the vote(s) on a resolution is cast by a member, on submission, the member shall not be allowed to modify it subsequently.
22. Subject to approval of the requisite number of vote(s), the Resolutions set out in this Notice for the AGM shall be deemed to be passed on the date of the meeting i.e. Friday, 11<sup>th</sup> August, 2023.
23. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking any information or clarification on the Notice of AGM are requested to send in writing queries to the Company, by Friday, 4<sup>th</sup> August, 2023 through e-mail at [investors@avantifeeds.com](mailto:investors@avantifeeds.com). Replies will be provided in respect of such written queries at the meeting.
24. **INSTRUCTIONS FOR REMOTE E-VOTING AND PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM AND VOTING DURING THE AGM:**

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholder(s) holding securities in demat mode with NSDL	<p><b>1. Existing Internet-based Demat Account Statement ('IDeAS') facility Users:</b></p> <ul style="list-style-type: none"> <li>i. Visit the e-services website of NSDL at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer website or on a mobile.</li> <li>ii. On the e-services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. Thereafter, enter the existing user ID and password.</li> <li>iii. After successful authentication, Member(s) will be able to see e-Voting services under 'Value Added Services'. Please click on 'Access to e-Voting' under e-Voting services, after which the e-Voting page will be displayed.</li> <li>iv. Click on Company name i.e. 'Avanti Feeds Limited' or ESP i.e. KFinTech.</li> <li>v. Member(s) will be re-directed to KFinTech's website for casting their vote(s) during the remote e-Voting period.</li> </ul>
	<p><b>2. Those not registered under IDeAS e-Services:</b></p> <ul style="list-style-type: none"> <li>i. Visit <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> for registering.</li> <li>ii. Select 'Register Online Ideas for IDeAS Portal' or click on <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>iii. Visit the e-Voting website of NSDL <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>iv. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section. A new screen will open.</li> <li>v. The Member(s) will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen.</li> <li>vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-Voting page.</li> <li>vii. Click on Company name i.e 'Avanti Feeds Limited' or i.e KFinTech after which the Member will be redirected to KFinTech website for casting their vote(s) during the remote e-Voting period.</li> </ul>
	<p><b>3. Members can also download the NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
	<p><b>4. Alternatively by directly accessing the e-Voting website of NSDL:</b></p> <ul style="list-style-type: none"> <li>i. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile.</li> <li>ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>iv. After successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e., KFinTech.</li> <li>v. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote(s) during the remote e-Voting period.</li> </ul>



Type of shareholders	Login Method
Individual Shareholder(s) holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for cdsl Easi / Easiest Facility:</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://web.cdslindia.com/myeasi/home/loginorwww.cdslindia.com">https://web.cdslindia.com/myeasi/home/loginorwww.cdslindia.com</a>.</li> <li>Click on login icon &amp; New System Myeasi tab</li> <li>Login with your registered user id and password.</li> <li>The members will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal.</li> <li>Click on e-Voting service provider name to cast your vote(s).</li> </ol>
	<p><b>2. User not registered for Easi/Easiest:</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Proceed with completing the required fields.</li> <li>After successful registration please follow the steps given in point 1 above.</li> </ol>
	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL:</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>.</li> <li>Provide your demat Account Number and PAN No.</li> <li>System will authenticate member by sending OTP on registered Mobile &amp; E-mail as recorded in the demat Account.</li> <li>After successful authentication, please enter the e-Voting module of CDSL. Click on the e-Voting link available against the name of the Company i.e. 'Avanti Feeds Limited' or select 'KFinTech'.</li> <li>Members will be re-directed to the e-Voting page of KFinTech to cast their vote(s) without any further authentication.</li> </ol>
Individual Shareholder (s) login through their demat accounts / Website of Depository Participant	I. Members can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
	II. Once logged-in, members will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	III. Click on options available against Avanti Feeds Limited or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote(s) during the remote e-Voting period without any further authentication
<p><b>Important note:</b> Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.</p> <p>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.</p>	
Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990 and 1800 22 44 30</b> .
Securities heldwith CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022-23058738 or 022-23058542-43/1800225533</b>

Any person holding equity shares in physical form and non-individual shareholders, who acquires equity shares of the Company and becomes a Member of the Company after sending of the Notice and holding equity shares as on the cut-off/record date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he / she is already registered with KFinTech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote(s).

## 25. LOGIN METHOD FOR E-VOTING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL'S SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE:

- A. Members whose e-mail addresses are registered with the Company's RTA / Depository Participants (s), will receive an e-mail from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- Visit the following URL: <https://evoting.kfintech.com>
  - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-Voting, you can use your existing User ID and password for casting the vote(s).
  - After entering these details appropriately, click on "LOGIN".
  - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - You need to login again with the new credentials.
  - On successful login, the system will prompt you to select the "EVENT" i.e., 'Avanti Feeds Limited-AGM' and click on "Submit".
  - On the voting page, enter the number of equity shares (which represents the number of vote(s)) as on the Cut-off/record Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the equity shares held will not be counted under either head.
  - Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
  - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote(s) on any specific item, it will be treated as abstained.
  - You may then cast your vote(s) by selecting an appropriate option and click on "Submit".
  - A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote(s). During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).
- (B) Members whose e-mail addresses are not registered with the Company / Depository Participants(s), and consequently the Notice of AGM and e-Voting instructions cannot be serviced, will have to follow the instructions provided in the Note no. 15 of Notes.

## 26. INSTRUCTIONS FOR ALL THE SHAREHOLDERS, INCLUDING INDIVIDUAL, OTHER THAN INDIVIDUAL AND PHYSICAL, FOR ATTENDING THE AGM OF THE COMPANY THROUGH VC / OAVM AND e VOTING DURING THE MEETING

- Members may access the same at <https://emeetings.kfintech.com/> by using the e-Voting login credentials provided in the e-mail received from KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes

to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

- iii. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge & Mozilla Firefox 22, etc.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, the Member(s) connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- viii. Institutional Members are encouraged to attend and vote(s) at the AGM through VC / OAVM.

## 27. OTHER INSTRUCTIONS

1. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFinTech. On successful login, select 'Speaker Registration' which will have opened from Tuesday, 8<sup>th</sup> August, 2023 to Thursday, 10<sup>th</sup> August, 2023. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
2. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the record date for e-Voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - a. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.
    1. Example for NSDL: MYEPWD <SPACE> IN12345612345678
    2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
  3. Example for Physical: MYEPWD <SPACE> xxxx1234567890
  - b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c. In case of any query and/or grievance, in respect of voting by electronic means or technical assistance for VC/OAVM participation, Member(s) may refer to the Help & Frequently Asked Questions (FAQs) and e-Voting user manual available at the download section of [https:// evoting.kfintech.com](https://evoting.kfintech.com) or contact Mr. Rajiv Kumar, an official of KFinTech or dial to toll free No. 1-800-309-4001 or send an e-mail to at [evoting.kfintech.com](mailto:evoting.kfintech.com) for any further clarifications.

## 28. General Instructions:

1. The Company has appointed M/s. V. Bhaskara Rao & Co, Company Secretaries, Proprietor: Sri V. Bhaskara Rao, Practicing Company Secretary, Hyderabad (FCS No. 5939, CP No. 4182) to act as Scrutinizer to scrutinize the remote e-Voting process and voting during the AGM in a fair and transparent manner. The Scrutinizer will submit their report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on or before Saturday, 12<sup>th</sup> August, 2023 and will also be displayed on the website of the Company ([www.avantifeeds.com](http://www.avantifeeds.com)), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.
2. All communications relating to equity shares / AGM are to be addressed to the Company's RTA at KFin Technologies Limited, Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana State, India, Toll free Number 1800 309 4001, e-Mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), website: [www.kfintech.com](http://www.kfintech.com).

3. As an ongoing endeavor to enhance Investor experience and leverage new technology, our KFinTech have been continuously developing new applications. Here is a list of applications that has been developed for our investors.

**Investor Support Centre:** A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

**URL:** <https://ris.kfintech.com/clientservices/isc/default.aspx>

**eSign Facility:** Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link below.

**URL:** <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>

**KYC Status:** Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

**URL:** <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

**KPRISM:** A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

**URL:** <https://kprism.kfintech.com/signin.aspx>

## Explanatory Statement:

In conformity with Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice. As per Listing Regulations an explanatory statement in relation to Item No.5 is also furnished and shall be taken as forming part of the Notice.

### Item No. 5

Sri J. V. Ramudu (DIN: 03055480) is currently an Independent Director of the Company, Chairman of the Board and Member of Audit Committee. He was appointed as an Independent Director of the Company by the Members at the 26<sup>th</sup> Annual General Meeting of the Company held on 9<sup>th</sup> August, 2019 for a period of Five (5) consecutive years commencing from 10<sup>th</sup> November, 2023 up to 9<sup>th</sup> November, 2028 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company. Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on 24<sup>th</sup> May, 2023, proposed the re-appointment of Sri J. V. Ramudu as an Independent Director of the Company for a second term of Five (5) consecutive years commencing from 10<sup>th</sup> November, 2023 up to 9<sup>th</sup> November, 2028 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Sri J. V. Ramudu retired from Indian Police Service in 2016 served in various capacities in the Indian Police Department of State of Andhra Pradesh. He was the First DGP (HOPF) of newly formed State of Andhra Pradesh. Post retirement he enrolled with the Bar Council of India. He is postgraduate in Economics and Law. Besides, he holds a post-graduate certificate in Criminal Justice and Police Management from the University of Leicester. He is endowed with a robust understanding on the issues of public importance and has a practical view of various matters concerning administration. He held various senior positions in the Government. He was Vice-Chairman & Managing Director, A.P. Police Housing Corporation from 2010 to 2012. He was awarded (i) Indian Police Medal in 1997, (ii) Antrik Suraksha Seva Pathak in 2004 and (iii) President Police Medal in 2007. He also had a stint in Orissa PHC to pull it out of red, as Director Specially appointed by Orissa Governor. He is a Philanthropist and running a school for around 600 students in his native village Narsimpally in Anantapur District. He developed his village as a Model Village by providing Drinking Water Facilities, Primary Health Care Centre, Roads, Temples, Grameena Bank, Rural Skill Development etc. He is vigorously working for getting Irrigation Canals to the neighbouring villages. He has very rich and varied experience in Community Services.

The NRC taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Sri J. V. Ramudu is an astute administrator with rich experience. He is endowed with paramount skills and integrity. His depth of knowledge and professional acumen is an invaluable resource to the Company. His qualifications and the rich experience in Government and Private sector meets the skills and capabilities required for the role of Independent Director of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that, in view of his background, experience and contribution made by him during his tenure of the first term, continued association of Sri J. V. Ramudu as an Independent Director and Chairman of the Board would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, Board recommended reappointment of Sri J. V. Ramudu as Non-Executive Independent Director of the Company, not liable to retire by rotation for a further for a period of Five (5) consecutive years commencing from 10<sup>th</sup> November, 2023 up to 9<sup>th</sup> November, 2028 (both days inclusive)

Sri J. V. Ramudu shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and Committee meetings.

The Company has in terms of Section 160(1) of the Companies Act, 2013 ('the Act') received a notice from a Member proposing his candidature for the office of Director. The Company has received a declaration from Sri J. V. Ramudu confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Sri J. V. Ramudu has confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20<sup>th</sup> June, 2018 issued by BSE Limited and the

National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Sri J. V. Ramudu has also confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members.

Sri J. V. Ramudu has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA'). In the opinion of the Board, Sri J. V. Ramudu fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management.

Copy of draft letter of appointment of Sri J. V. Ramudu setting out the terms and conditions of appointment is available for inspection by the members at the Corporate Office of the Company.

In terms of Reg.17(1A) of SEBI (LODR) Regulations (Amendment) 2018, appointment of a Non- Executive Director beyond the age of 75 years, requires consent of the members by way of Special Resolution. Sri J. V. Ramudu, shall attain age of 75 years at the end of the proposed second term. In view of the vast experience of Sri J. V. Ramudu the Board recommends passing Special Resolution for his re-appointment as Non-Executive Independent Director pursuant to aforesaid SEBI Regulation.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Sri J. V. Ramudu as an Independent Director is now placed for the approval of the Members by a Special Resolution.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are enclosed at Annexure-A to this Notice.

None of the Directors and Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Sri J. V. Ramudu and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

The Board recommends the Special Resolution as set out in Item No. 5 of the accompanying Notice for approval of the Members/Shareholders.

## Annexure-A

Details of the Directors retiring by rotation and seeking re-appointment / appointment at the Annual General Meeting pursuant to (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI) are as under:

### Details of Directors proposed to re-appoint:

Name of the Director	Sri A. Venkata Sanjeev
Director Identification Number (DIN)	07717691
Date of Birth	18 <sup>th</sup> June, 1991
Age (Years)	32
Qualification	Graduated in Mechanical Engineering
Experience (including expertise in specific functional area) / Brief Resume	<p>He joined as an Executive Director in 2019 prior to this he worked, as Manager- Operations, in the Company for about 5 years. His profile includes:</p> <ol style="list-style-type: none"> <li>a. Planning Production, raw material procurement, quality control and dispatches at all Feed Plants and implementation of the same.</li> <li>b. Assist the Board in strategic planning for expansion and establishing new units.</li> <li>c. Ensure achievement of corporate objectives under the guidance of the Board.</li> <li>d. Responsible for efficient management of the operations.</li> </ol>
Terms and Conditions of Re-appointment	Executive Director, liable to retire by rotation
Remuneration proposed to be paid (including sitting fees if any)	Remuneration as disclosed in report on Corporate Governance forming part of the Annual Report for the Financial year 2022-23
Date of first appointment on the Board	7 <sup>th</sup> June, 2019
Shareholding in the Company as on 31 <sup>st</sup> March, 2023	7,10,000 Equity shares
Relationship with other Directors / Key Managerial Personnel	Son of Sri A. Indra Kumar
Number of meetings of the Board attended during the financial year (2022-23)	7
Directorships of other Boards as on 31 <sup>st</sup> March, 2023	Srinivasa Cystine Private Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2023	-

Name of the Director	Mr. Bunluesak Sorajjakit
Director Identification Number (DIN)	02822828
Date of Birth	9 <sup>th</sup> February, 1961
Age (Years)	62
Qualification	Bachelor Degree of Production Technology, King Mongkut's Institute of Technology, Ladkrabang.
Experience (including expertise in specific functional area) / Brief Resume	Presently he is consultant advisors of Thai Union Feed PCL. Prior to this He worked as Chief Executive Officer of Thai Union Feeds Mill PCL, Thailand. He is a Technocrat and instrumental in bringing in changes in Shrimp farming methods and feed marketing methods.
Terms and Conditions of Re-appointment	Non-Executive, Non-Independent Director, liable to retire by rotation.
Remuneration proposed to be paid (including sitting fees if any)	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the Financial year 2022-23.
Date of first appointment on the Board	30 <sup>th</sup> January, 2010
Shareholding in the Company as on 31 <sup>st</sup> March, 2023	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the financial year (2022-23)	7
Directorships of other Boards as on 31 <sup>st</sup> March, 2023	<ol style="list-style-type: none"> <li>1. Thai Union Feedmill PCL</li> <li>2. TCM Fishery Co. Ltd.</li> <li>3. TMAC Co. Ltd.</li> <li>4. Thai Union Hatchery Co. Ltd.</li> <li>5. TMK Farm Co. Ltd.</li> <li>6. PT Thai Union Karishma Lestari Pte Ltd.</li> <li>7. Avanti Frozen Foods Private Limited</li> </ol>
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2023	-

Name of the Director	Sri J. V. Ramudu
Director Identification Number (DIN)	03055480
Date of Birth	1 <sup>st</sup> August, 1954
Age (Years)	69



Name of the Director	Sri J. V. Ramudu
Qualification	Post Graduate in Economics, Post Graduate in Law, and Post Graduate Certificate in Criminal Justice and Police Management from the University of Leicester, U.K
Experience (including expertise in specific functional area) / Brief Resume	Sri J. V. Ramudu retired from Indian Police Service in 2016 served in various capacities in the Indian Police Department of State of Andhra Pradesh. He was the First DGP (HOPF) of newly formed State of Andhra Pradesh. Post retirement he enrolled with the Bar Council of India. He is postgraduate in Economics and Law. He is on the Board of several Companies. A detailed resume is forms part of explanatory statement given in item no. 5 of the Notice.
Terms and Conditions of Re-appointment	Non-Executive, Independent Director, not liable to retire by rotation. As per terms and conditions mentioned in appointment letter.
Remuneration proposed to be paid (including sitting fees if any)	Sitting fees as disclosed in report on corporate governance forming part of the Annual Report for the Financial year 2022-23.
Date of first appointment on the Board	10 <sup>th</sup> November, 2018
Shareholding in the Company as on 31 <sup>st</sup> March, 2023	Nil
Relationship with other Directors / Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the financial year (2022-23)	7
Directorships of other Boards as on 31 <sup>st</sup> March, 2023	<ol style="list-style-type: none"> <li>1. Krishna Institute of Medical Sciences Limited</li> <li>2. Suvan Pharmaceuticals Limited</li> <li>3. Endiya Trustee Private Limited</li> <li>4. Sampada Business Solutions Limited</li> <li>5. Sarvejana Healthcare Private Limited</li> </ol>
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2023	<ol style="list-style-type: none"> <li>1. Suvan Pharmaceuticals Limited: Chairman of Stakeholder Relationship Committee &amp; Corporate Social Responsibility Committee Member of Nomination &amp; Remuneration Committee &amp; Audit Committee</li> <li>2. Krishna Institute of Medical Sciences Limited: Member of Nomination &amp; Remuneration Committee</li> </ol>

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

**A. Indra Kumar**  
Chairman & Managing Director  
DIN: 00190168

Place: Hyderabad  
Date: 24<sup>th</sup> May, 2023

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members of  
**Avanti Frozen Foods Private Limited**  
CIN: U05000AP2015PTC096509  
Flat No. 103, Ground Floor,  
"R" Square, Pandurangapuram,  
Vishakhapatnam, AP-530003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avanti Frozen Foods Private Limited (Subsidiary Company of a Listed Company i.e. Avanti Feeds Limited)** (herein after called "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the continuous relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Avanti Frozen Foods Private Limited** for the financial year ended on 31.03.2023, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Other applicable Acts

- (a) The Factories Act, 1948
- (b) The Industrial Disputes Act, 1947
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) The Employee State Insurance Act, 1948
- (f) The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (g) The Payment of Bonus Act, 1965
- (h) The Payment of Gratuity Act, 1972
- (i) The Contract Labour (Regulation & Abolition) Act, 1970
- (j) The Maternity Benefit Act, 1961
- (k) The Child Labour (Prohibition & Regulation) Act, 1986
- (l) The Industrial Employment (Standing Order) Act, 1946
- (m) The Employee Compensation Act, 1923
- (n) The Apprentices Act, 1961
- (o) Equal Remuneration Act, 1976
- (p) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
- (q) Customs Act, 1962
- (r) The Shops and Establishment Act, 1988
- (s) The water (Prevention and control of pollution) Act 1974
- (t) The Air (Prevention and control of pollution) Act 1981
- (u) The Environment Protection Act, 1986 and rules made there under
- (v) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- (w) Hazardous Waste (Management and Handling and transboundary Movement) Rules, 2008
- (x) The Food Safety and Standards Act, 2006
- (y) The Biological Diversity Act, 2002
- (z) The Marine Products Export Development Authority Act, 1972 and rules made thereunder
- (aa) The Coastal Aquaculture Authority Act, 2005 and rules made thereunder

We have relied on the representations made by the company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, Laws and regulations applicable to the company as mentioned above.

We have also examined compliance with the applicable clauses of the Secretarial Standards (“SS”) issued by The Institute of Company Secretaries of India (“ICSI”).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except for the Appointment of Chief Financial Officer upto December 18, 2022, However Sri. Venkata Surya Satyanarayana Dakarapu, was appointed as a Chief Financial Officer of the Company w.e.f. December 19, 2022 pursuant to Section 203 of the Companies Act, 2013 and respective rules made thereunder.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at the Board Meetings are carried out unanimously and there were no members dissenting the resolution(s) during the year under review.

We further report that there are adequate systems and processes in the company Commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the compliance of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**We further report that**, during the audit period the company has carried the following transactions/actions bearing on the company affairs in pursuance of above applicable acts, rules and regulations etc.

1. During the period under review, the Board of Directors of the Company at their meeting held on 10.05.2022 upon recommendations from NRC Committee, has Re-appointed Sri. A. Nikhilesh Chowdhary as an Executive Director of the Company for a further period of five years w.e.f. April 01, 2023 and fixing of remuneration, subject to approval of the Members. And the same was approved by the members at the 7<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2022.

2. Re-appointment of Smt. Y. Prameela Rani, as an Independent Director of the Company for a second term of five years vide special resolution passed in the 7<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August, 2022.

3. The Company vide 7<sup>th</sup> Annual General Meeting of the Members held on 9<sup>th</sup> August, 2022 have approved for keeping all the registers, returns and other records/documents required to be maintained by the Company under Section 88(1) and Section 92 of the Companies Act, 2013 at the office of the Company located at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad-500082, Telangana, which is not the registered office of the Company, pursuant to

provisions of section 94(1) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014.

4. The Company vide its Board of Directors meeting held on 10<sup>th</sup> May, 2022, has approved for keeping the Books of Account and other relevant Books and papers and financial statements, including that of its branch office or offices, if any, at a place other than its registered office of the Company at G-2, Concorde Apartments, 6-3-658, Somajiguda, Hyderabad-500082, Telangana, pursuant to provisions of section 128(1) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014.

5. During the period under review, shareholders possessing 100% of the equity shares of the Company as a physical form were dematerialized in accordance with the Depository Act, 1996 and Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

6. During the year under review, one of the directors nominated by PT Thai Union Group PCL, Mr. Wai Yat Paco Lee, (DIN: 02931372) Non-Executive Director had tendered his resignation dated February 16, 2023, with immediate effect.

7. During the period under review, Mr. Peerasak Boonmechote, (DIN: 10047883) was appointed as an Additional Director w.e.f February 20, 2023, by way of circular resolution, to hold the office as Non-Executive Director of the Company subject to the approval of shareholders in the ensuing Annual General Meeting.

8. During the period under review, Avanti Frozen Foods Inc, a wholly owned foreign Subsidiary of the Company had been dissolved on March 27, 2023.

V.Bhaskara Rao and Co  
Company Secretaries

V.Bhaskara Rao  
Proprietor  
FCS No.5939, CP No.4182  
Peer Review No.670/2020  
UDIN: F005939E000359138

Place: Hyderabad

Date: 23.05.2023

This Report is to be read with our letter of even date which is given as Annexure-A and forms an integral part of this report.

**‘ANNEXURE A’**

To,  
The Members of  
**Avanti Frozen Foods Private Limited**  
CIN: U05000AP2015PTC096509  
Flat No. 103, Ground Floor,  
"R" Square Pandurangapuram,  
Vishakhapatnam, AP-530003.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

V.Bhaskara Rao and Co  
Company Secretaries

V.Bhaskara Rao  
Proprietor  
FCS No.5939, CP No.4182  
Peer Review No.670/2020  
UDIN: F005939E000359138

Place: Hyderabad  
Date: 23.05.2023



Aiding Sustainability & Reliability to Aquaculture

[www.avantifeeds.com](http://www.avantifeeds.com)

**Registered Office**

Flat No. 103, Ground Floor  
'R' Square, Pandurangapuram  
Visakhapatnam - 530003  
Andhra Pradesh, India.

**Corporate Office**

G-2, Concorde Apartments  
6-3-658, Somajiguda  
Hyderabad - 500082.  
Telangana State, India.

Ph: 040-23310260/61

E-mail: [avantiho@avantifeeds.com](mailto:avantiho@avantifeeds.com)/  
[investors@avantifeeds.com](mailto:investors@avantifeeds.com)