



37TH
ANNUAL REPORT 2012-13



VENKY'S (INDIA) LIMITED



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

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

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

"Every successful organisation needs a clear commitment to excel in a chosen field; and this commitment will hold up over the years only by staying true to an original vision even in the worst of times."

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

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

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

Padmashree Dr. B. V. Rao



A Message From The Chairperson

Dear Shareholders,

Greetings of the Season!

I take pleasure in presenting you with a brief review of the performance of Venky's (India) Limited in 2012-13 and a general scenario of the poultry sector in India.

During the financial year ended 31st March, 2013, though Venky's continued to grow in terms of sales turnover, the overall profitability of the Company was lower – mainly due to the unprecedented increase in cost of feed prices coupled with lower realizations from the sale of day old chicks and grown up birds. The increase in the cost of feed ingredients was the highest ever in the history of the poultry industry. While the cost of feed ingredients went up by 40% to 45%, the increase in prices of eggs and chicken was only by 20% to 25%. The Animal Health Products and Oilseed Segments have performed satisfactorily.

I am happy to inform that during the year 2012-13 Venky's has completed the expansion-cum-modernisation programme which has resulted in increase in the capacities of Poultry and Poultry Products and Animal Health Products Segments, modernisation in Oilseed Segment and setting up of 'Venky's Xprs' outlets. Benefits of the expanded capacities have been reflected in the performance through increase in sales turnover.

In order to cater to the increasing demand for the Company's products, the Company has initiated another expansion programme in March, 2013 at an estimated cost of Rs.125 crores, to further augment capacities in poultry and poultry products segment, setting up a new plant for processing of oil seeds and expanding the network of Venky's XPRS outlets. This will be funded by internal accruals and long term loans. Benefits of the expanded capacities will start accruing to the Company from the next year.

Although there was a dip in profitability during the last financial year, I am quite confident that the Indian poultry industry in general, and your Company in particular, will bounce back soon and register a robust growth in the years ahead.

Thanks to the vision, meticulous planning and untiring efforts of our Founder Chairman, Late Padmashri Dr. B.V. Rao, we have built over the years, a world-class R&D base and infrastructure for production and technical support to the farmers, leading to a loyal customer base and strong customer-confidence in the quality of our products and services. These are our inherent strengths which give us a competitive edge in a rapidly growing market which has the potential for manifold growth for several years into the future. I am also equally optimistic about the growth of the Indian economy and the resultant higher purchasing power of middle-income groups and increased demand for protein-rich food products.

I wish you and your families all the best.

Anuradha J. Desai
Chairperson



BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Lt. Col. (Retd.) Ashok Mahajan	— Chairman (Independent Director)
Mr. Jitendra M. Desai	— Member (Non-Executive, Non-Independent Director)
Col. (Retd.) Surinder Kumar	— Member (Independent Director)

SHARE TRANSFER & INVESTORS' GRIEVANCES COMMITTEE

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

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. A. G. Bauskar

BANKERS

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

AUDITOR

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

REGISTRAR AND SHARE TRANSFER AGENT

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

CIN - L01222PN1976PLC017422

REGISTERED AND CORPORATE OFFICE

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

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Celebrating
25 years



New!

Chicken in Minutes



Chicken Hot Dog



Chicken and Cheese Nuggets

Smart choice for an Active Life



Cold Cuts



chicken Salami

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

vienna sausages



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

chicken franks



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

chicken cheese & onion sausages



Thaw the packet in refrigerator at 6 to 8 degrees centigrade for 8 hours or thaw in a microwave, shallow fry Venky's Chicken Cheese and Onion Sausages in a pan with very little oil for 2 to 3 minutes or put in a steamer for 2-3 minutes. Serve hot.

black olives



pistachio



green peppercorn



red & yellow pepper



chicken sausages



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

chicken cocktail sausages



Thaw the packet in refrigerator at 6 to 8 degrees centigrade for 8 hours or thaw in a microwave, shallow fry Venky's Chicken Cocktail Sausages in a pan with very little oil for 2 to 3 minutes or put in a steamer for 2-3 minutes. Serve hot.

chicken hot dog

Thaw the packet in refrigerator at 6 to 8 degrees centigrade for 8 hours or thaw in a microwave. Shallow fry Venky's Chicken Hot Dog in a non stick pan with very little oil for 2 to 3 minutes or put in a steamer for 2 to 3 minutes. Serve hot. Venky's Chicken Hot Dog can be put in a Hot Dog bun with Mustard/Barbeque sauce and served.

New





Fry & Serve

chicken popcorn



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

chicken meatballs



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

chicken lollipop



Authentic Chinese style Lollipops, marinated with all the required seasoning. Thaw the product, then deep fry in hot oil for 5 to 6 minutes or till reddish brown. Serve with Tomato ketchup or Hot Garlic Sauce.

chicken fingers



Add a zing to your evening snack with these Zingy Chicken Fingers. Deep fry the frozen fingers in hot oil, for 3 or 5 minutes or till golden brown. Serve with tomato ketchup.

chicken cutlets



A perfect evening snack for the entire family, enriched with traditional indian spices. Deep fry the frozen cutlets in hot oil, for 7 to 8 minutes or till golden brown. Serve with tomato ketchup.

chicken samosa



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

chicken nuggets



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

chicken burger patty



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

chicken & cheese nuggets

Heat oil in a pan to 180 degrees centigrade & gently drop Venky's frozen Chicken and Cheese Nuggets into it. Deep fry for 3 to 4 minutes until Chicken and Cheese Nuggets turn to light golden brown colour & rise to the top. Serve hot with tomato ketchup or mayonnaise. Do not overfry otherwise cheese may ooze out.

New





Heat & Serve



murg masala



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

chicken kheema



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

butter chicken



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

chicken sheek kabab



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

chicken hariyali kabab

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





FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

PARTICULARS	2012-13*	2011-12*	2010-11*	2009-10	2008-09
OPERATING RESULTS					
Turnover & Other Income	144,416	100,644	86,074	71,066	57,526
Material Cost	105,708	65,062	51,558	45,007	38,224
Personnel Cost	8,601	6,860	5,658	4,374	4,099
Interest	2,237	1,311	455	504	788
Other Expenses	22,396	20,503	16,661	12,055	10,450
Depreciation	1,553	1,177	964	898	862
Provision for Contingencies Written back	—	—	—	—	—
Profit Before Tax	3,920	5,719	10,775	8,229	3,103
Profit After Tax	2,478	4,105	7,303	5,432	2,056
Dividend (In Rs. per Equity Share)	5.00	5.00	5.00	4.00	3.50
FINANCIAL SUMMARY					
Assets Employed					
Current Assets	45,970	32,536	21,077	15,948	14,708
Current Liabilities	35,119	20,423	7,554	6,317	6,095
Net Current Assets	10,851	12,112	13,522	9,630	8,613
Net Fixed Assets	31,320	24,346	17,599	13,352	12,617
Investments	3,307	3,733	9,278	8,131	5,211
Deferred Tax Liability	(2,072)	(1,723)	(1,530)	(1,458)	(1,341)
Other Non Current Assets	5,612	2,851	—	—	—
Miscellaneous Expenses	—	—	—	—	—
Total Assets	49,019	41,320	38,870	29,655	25,100
Financed By					
Share Capital	939	939	939	939	939
Reserves & Surplus	32,802	30,639	26,478	19,721	14,768
Capital Grants and Subsidies	—	—	—	3	3
Borrowings	15,278	10,303	11,452	8,992	9,389
Total Liabilities	49,019	41,882	38,870	29,655	25,100
Earning per share (Rs.)	26.39	43.72	77.76	57.83	21.89
Book Value per share (Rs.)	359	336	291	220	167
Debt Equity Ratio	0.45	0.33	0.42	0.44	0.60
Share Price ** High	621.50	757.00	1012.40	371.00	174.00
Low	322.05	363.00	336.05	73.00	65.05
No. of Employees	4,090	4,343	3,728	3,084	3,335

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

** Source : BSE



FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

PARTICULARS	2007-08	2006-07	2005-06	2004-05	2003-04
OPERATING RESULTS					
Turnover & Other Income	52,838	41,688	38,377	34,752	31,231
Material Cost	32,940	26,042	23,070	19,341	18,496
Personnel Cost	3,774	3,302	2,918	2,635	2,302
Interest	872	483	317	344	408
Other Expenses	10,243	9,314	9,677	9,348	7,186
Depreciation	827	734	617	602	624
Provision for Contingencies Written back	—	—	—	(200)	—
Profit Before Tax	4,182	1,814	1,779	2,683	2,215
Profit After Tax	2,661	1,152	1,177	1,667	1,614
Dividend (In Rs. per Equity Share)	3.50	3.00	2.00	3.50	3.50
FINANCIAL SUMMARY					
Assets Employed					
Current Assets	14,684	13,450	10,899	9,436	10,087
Current Liabilities	5,750	5,215	4,543	4,223	4,227
Net Current Assets	8,934	8,235	6,356	5,213	5,860
Net Fixed Assets	12,270	11,596	10,700	9,056	8,948
Investments	5,263	4,442	4,040	2,412	1,033
Deferred Tax Liability	(1,392)	(1,543)	(1,392)	(1,575)	(1,469)
Other Non Current Assets	—	—	—	—	—
Miscellaneous Expenses	—	—	—	33	67
Total Assets	25,075	22,730	19,704	15,139	14,439
Financed By					
Share Capital	939	939	939	939	939
Reserves & Surplus	13,097	11,227	10,307	8,955	7,663
Capital Grants and Subsidies	4	5	103	103	98
Borrowings	11,035	10,559	8,356	5,142	5,739
Total Liabilities	25,075	22,730	19,704	15,139	14,439
Earning per share (Rs.)	28.33	12.26	12.53	17.75	17.18
Book Value per share (Rs.)	149	129	120	105	92
Debt Equity Ratio	0.79	0.87	0.74	0.51	0.66
Share Price ** High	288.00	151.00	227.25	106.00	99.00
Low	100.00	88.00	70.00	51.00	44.25
No. of Employees	3,566	3,095	3,079	2,848	2,802



Chicken Hotdog

American style hotdog a perfect quick bite for your appetite. Chicken meat marinated and steamed to give a juicy and soft sausage. The less spicy sausages is sandwiched in a fluffy roll and served with a perfect blend of mayo-mustard sauce.

Chicken Katti Roll

A munchy juicy bite with a blend of traditional Indian spices. Grinded chicken meat marinated with Indian spices and grilled to deliver a typical Indian flavor. The juicy chicken sheek kebab mixed with fresh salad, sprinkled with chaat masala is rolled in a soft paratha made from wheat flour. A coating of egg on the paratha makes it a wholesome nutritional quick meal. The roll is served with tomato ketchup.



Tender Grilled Chicken

Barbecue style grilled chicken prepared from tender breast pieces. Each boneless fillet is marinated with the combination of herbs and Indian spices grilled by expert hands to ensure that you are served with the juiciest and tastiest piece of meat. The lip smacking dish is accompanied with a crunchy Jeera Nan and a smooth in-house garlic dip, striking the right balance.



Garlic and Pepper Roast Chicken

A well cooked whole tender chicken marinated with a combination of Indian and Italian herbs. The garlic and pepper flavored marinate is roasted at the right temperature without any oil or butter applying externally, keeping a check on your fat intake. The medium spicy roast chicken is accompanied with the garlic dip.

Tandoori Chicken Roast

Whole tender chicken richly marinated with fresh yoghurt and pure Indian spices sourced from the best plantations across the country. The juicy and soft Tandoori chicken roast treats your taste buds to the rich Indian traditional flavour, the moment you take your first bite. Served with a fresh mint dip, the Tandoori Chicken Roast is a delight to have.



Bar-Be-Que chicken wings

Chicken wings marinated with bar-be-que sauce with herbs. Roasted and tossed with combination of sauces. Enhancing the experience of having mouth watering Bar-be-que wings.

COMBO MENU



Katti Kabab Combo

The Katti Kabab combo is the right choice for satisfying your big appetite. With 2 pieces of the delicious juicy chicken lollipops, the wholesome Katti Kabab roll and a chilled coke to quench your thirst, it's an offer you can't resist.

Tender Grilled Chicken Combo

The ultimate pure chicken combo. Treat your hunger to the perfectly grilled tender chicken, yummy lollipops and a crunchy Jeera Nan. Dip them in the tangy sauce or the tasty garlic dip and relish every bite you take. All this with a chilled coke to cool the heat.



VEG MENU

Cheese Nuggets



Veg Burger





Grilled chicken burger

A well cooked whole muscle of chicken marinated with a combination of Indian spices and herbs, Grilled not fried put on soft burger buns with right amount of mayonnaise to make it most wonderful chicken burger in the world.



Chicken Lollipop

Lollipops prepared with the best chicken wings bringing out the fresh taste of chicken in every bite. The blend of Indian & Chinese cuisine gives a unique flavor to the juicy lollipops. The tangy and spicy Schezwan sauce served along enhances the experience of the exciting preparation. There is no compromise on taste and the best flavors are retained even without any use of MSG in its preparation.





NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the members of the Company will be held on Monday, 12th August, 2013 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune – 411005 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended as on that date together with the Auditor's Report and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. B. Venkatesh Rao, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Jitendra M. Desai, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that subject to the provisions of Sections 198, 269, 309 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the approval of members be and is hereby accorded for the re-appointment of Mr. B. Balaji Rao as Managing Director of the Company for a period of five (5) years with effect from 1st November, 2012 on such remuneration and such terms and conditions as are set out in the explanatory statement attached to the notice."

By order of the Board of Directors

Pune
May 30, 2013

A. G. BAUSKAR
Company Secretary

NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under Item No.6 of the notice, to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND PROXY NEED NOT BE A MEMBER. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. HENCE THE PROXY FORM TO BE VALID SHALL BE RECEIVED BY THE COMPANY BEFORE 10TH AUGUST, 2013.
3. A brief profile of Directors retiring by rotation and being eligible for reappointment is given in the Report of Corporate Governance, which forms part of Directors' Report and shareholders are advised to refer to the same.
4. The Register of Members of the Company will remain closed from 5th August, 2013 to 9th August, 2013 (both days inclusive).
5. The dividend as recommended by the Board of Directors, if declared at the general meeting, will be paid to those shareholders or their mandate(s), whose names appear in the Register of Members of the Company as on 9th August, 2013 and in respect of shares held in electronic mode, as Beneficial owners in the record of the Depositories as on 9th August, 2013.
6. In case of dematerialisation of shares, the dividend payment shall be made through ECS, wherever relevant bank account details are made available by NSDL and CDSL.
7. In order to provide protection against fraudulent encashment of dividend warrants, members are requested to provide their bank account number, name and address of the bank / branch to M/s. Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company, in respect of shares held in physical mode and to their respective Depository

Participants for demat mode to enable them to incorporate the same in the Dividend warrant.

8. Shareholders may avail Electronic Clearing Service (ECS) for receiving direct credit of dividend to their respective accounts with Banks. This will enable expeditious credit of dividend amount and protect from loss, theft and postal delay of dividend warrants. (Please refer page no. 80 of this report.)
9. Members are requested to notify immediately change in their address to M/s. Bigshare Services Private Limited, Registrar and Transfer Agent of the Company. Members holding shares in demat form should inform the same to their respective Depository Participants.
10. Members desiring any information on Accounts are requested to write to the Company so as to reach atleast seven (7) days before the meeting to enable the Company to keep the information ready at the meeting.
11. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled-in for attending the meeting.
12. Pursuant to Section 205A & 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unclaimed for seven years from the date of such transfer shall be transferred by the Company to a Fund called "Investor Education and Protection Fund" set up by the Central Government. Accordingly, the unclaimed dividend in respect of dividend declared on 28.07.2005 for the financial year 2004-05 has been transferred to the "Investor Education and Protection Fund". The unclaimed dividend for the financial year 2005-06 onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend account of the Company to the said "Investor Education and Protection Fund" and no claims shall lie against the Fund or the Company in respect of individual amounts thereafter. Shareholders are, therefore, requested to check and send their claims, if any, for the relevant financial years from 2005-06 onwards before the respective amounts become due for transfer to the above fund.



EXPLANATORY STATEMENT :

Item No.6

The Board of Directors of the Company re-appointed Mr. B. Balaji Rao as Managing Director of the Company for a term of five years from 1st November, 2012. Mr. B. Balaji Rao has contributed significantly to the development of the Company and his re-appointment, as proposed, will enable the Company to continue to avail his expertise and services as Managing Director.

Following are the details of the terms of appointment of Mr. B. Balaji Rao as a Managing Director :

TERMS OF APPOINTMENT AND REMUNERATION:

Tenure : 1st November, 2012 to
31st October, 2017 (5 years)

Remuneration :

- (a) Salary
Rs.1,00,000/- per month.
- (b) House Rent Allowance :
50% of the salary i.e. Rs.50,000/- per month.
In case the company provides residential furnished accommodation, no House Rent Allowance will be payable.
- (c) Medical Reimbursement :
Rs.1,00,000/- per annum.
- (d) Leave Travel Allowance :
Rs.1,00,000/- per annum.
- (e) Car :
Mr. B. Balaji Rao shall be entitled to a car with a driver. However, use of car for official work shall not be considered as perquisite. He shall be entitled to telephone and other communication facilities at his residence and personal long distance calls, if any, shall be billed by the Company to the Managing Director.

- (f) Provident, Superannuation and Gratuity Funds:
Mr. B. Balaji Rao shall be entitled to Company's contribution to Provident Fund, Superannuation

Fund upto tax exempt limit and Gratuity as per the rules of the Company.

- (g) Club Fees :
Mr. B. Balaji Rao shall be entitled to fees of one club (excluding life membership fee)
- (h) Personal Accident Insurance
Mr. B. Balaji Rao shall be entitled to Personal Accident Insurance as per rules of the Company.
- (i) Commission :
Mr. B. Balaji Rao shall be entitled to a Commission of Rs.3,00,000/- per annum.
- (j) Leave and Leave Encashment :
Mr. B. Balaji Rao shall be entitled to earned leave on full pay as per the Rules of the Company. Encashment of leave shall be as per the Rules of the Company.
- (k) Maximum and Minimum Remuneration :
The total remuneration of Mr. B. Balaji Rao shall not be more than 5% of net profit of the Company as per Schedule XIII of the Companies Act, 1956. In case of loss/ inadequacy of profits the above remuneration shall be paid as a 'minimum remuneration' under Section II of Part II of Schedule XIII of the Companies Act, 1956.

Your Directors commend for your approval, the resolution set out in Item No.6 of the Notice.

Except Mrs. Anuradha J. Desai, Mr. B.Venkatesh Rao, Mr. B. Balaji Rao and Mr. Jitendra M. Desai, none of the other Directors are interested or concerned in the proposed resolution.

By order of the Board of Directors

Pune
May 30, 2013

A.G. BAUSKAR
Company Secretary

DIRECTORS' REPORT

The Shareholders,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report and audited accounts for the financial year ended 31st March 2013.

FINANCIAL RESULTS

(Rs. in lacs)

Description	2012-13	2011-12
Revenue from Operations (Net)	1,42,643	99,029
Operating Expenditure	1,36,628	92,216
Depreciation	1,554	1,178
Operating Profit	4,461	5,635
Finance Costs	2,314	1,541
Other Income	1,773	1,625
Profit Before Tax	3,920	5,719
Provision for Tax	1,383	1,613
Tax adjustment in respect of earlier years	59	—
Profit for the year	2,478	4,106
Amount available for appropriation	6,660	12,228
Appropriations :		
Transfer to General Reserve	2,000	7,500
Proposed Dividend	470	470
Dividend Distribution Tax	80	76
Net Surplus in the Statement of Profit and Loss	4,111	4,182

OPERATIONS

Sales turnover for the year ended 31st March, 2013 amounted to Rs.1,42,911 lacs as against Rs.99,246 lacs achieved in the previous year, registering a growth of 44%. Profit before tax was lower at Rs. 3,920 lacs as compared to Rs.5,719 lacs in the previous year, showing a decline of 31%.

During the year under review, the performance of the poultry and poultry products segment was affected due to the unprecedented high cost of feed ingredients and the lower realizations from sale of day old chicks and grown up birds. While the cost of feed ingredients went up by 40% to 45%, the

increase in prices of eggs and chicken was only by 20% to 25%. The extent of increase in the prices of raw material is unprecedented in the history of the poultry industry by far, and this can be considered as the worst year experienced by the poultry industry. This was largely responsible for the overall decline in profits of the Company. Performance of the other two segments, viz. animal health products and oilseed has been satisfactory.

EXPANSION

- (A) During the year under review, the Company has completed all the expansion-cum-modernisation programme which was started in August, 2011. The expansion was to augment the capacities in Poultry and Poultry Products and Animal Health Products Segments, modernisation in Oilseed Segment and for setting up of Venky's XPRS outlets.
- (B) The Company has initiated another expansion programme in March, 2013 at an estimated cost of Rs.125 crores, to further augment capacities in poultry and poultry products segment, setting up a new plant for processing of oil seeds and setting up of Venky's XPRS outlets. This will be funded by internal accruals and long term loans. Benefits of the expanded capacities will start accruing to the Company from next year.

DIVIDEND

Your Directors recommend a dividend of Rs.5.00 per equity share (50%). The dividend, if approved at the ensuing Annual General Meeting, will absorb Rs. 470 lacs (previous year Rs. 470 lacs).

SEGMENT-WISE PERFORMANCE

Operational performance of each business segment has been comprehensively covered in the Management Discussion and Analysis Report given in Annexure-A which forms part of this Report.

CORPORATE GOVERNANCE

As per the requirements of Clause 49 of the Listing Agreement a separate report on Corporate Governance along with the certificate issued by Company Secretary in Whole-Time Practice



Venky's (India) Limited

thereupon is given in Annexure-B which forms part of this Report.

DIRECTORS

As per the provisions of Articles of Association of the Company, Mr. B. Venkatesh Rao and Mr. Jitendra M. Desai, Directors are due for retirement by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

The term of office of Mr. B. Balaji Rao, Managing Director of the Company expired on 31.10.2012. The Board of Directors at its meeting held on 29.10.2012 has re-appointed Mr. B. Balaji Rao as Managing Director of the Company for a period of 5 years with effect from 01.11.2012. Brief terms and conditions of his appointment and remuneration are set out in the explanatory statement attached to the notice.

Mr. S. B. Thorat has tendered his resignation from the post of Director at the meeting of Board of Directors held on 30th May, 2013. The Board wishes to place on record its gratitude and appreciation for the co-operation and guidance rendered by him during his tenure as a Director.

Apart from the above, there is no change in the Board of Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors declare that :

1. the accounts for the year ended 31st March, 2013 have been prepared by following applicable accounting standards;
2. the Directors have 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 ended 31st March, 2013 and of the profit of the Company for that year;
3. proper care has been taken for the maintenance of adequate records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. the accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

ACCOUNTS

The accounts read with the notes thereon are self-explanatory and hence do not call for any further comments.

INSURANCE

The assets of the Company which include buildings, sheds, machinery, stocks, etc. are adequately insured.

PERSONNEL AND HUMAN RESOURCES

Employee relations continued to be cordial throughout the year. The Company did not have any employee during the year under review whose remuneration is required to be disclosed in terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

AUDITORS

M/s. Sudit K. Parekh & Co., Chartered Accountants, hold office of Statutory Auditors upto the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit in respect of certain products of the Foods Division, Animal Health Products Division and Oil Seed Division of the Company. The Board has appointed M/s. Joshi Apte & Associates, Pune as Cost Auditors of the Company for the financial year 2013-14. The Cost Audit is under process and the Company will submit the Cost Auditors' Report to the Central Government in time.

INFORMATION UNDER SECTION 217(1)(e)

A. Conservation of Energy

The operations of the Company are not power intensive. Nevertheless, the Company continues its efforts to conserve energy wherever practicable, by economising on the use of power at the farms, hatcheries and offices. The Company has installed state-of-the-art hatchers and setters at its hatcheries.

B. Technology Absorption

1. Research and Development (R & D)

- a) Specific areas : R & D activities of the Company are concentrated in the areas of developing wider application of Specific Pathogen Free (SPF) eggs and application of various breeder management techniques to improve productivity and increase feed efficiency.
- b) Benefits derived : Wider acceptance of SPF eggs in the manufacture of human and livestock vaccines in India and higher production and increased feed efficiency of breeders.
- c) Plan of action : Further promotion of SPF eggs applications in the biological industry
- d) Expenditure on R & D : The expenditure incurred by the Company during the year on Research and Development was Rs.56 lacs.

2. Technology Absorption, Adaptation and Innovation

- a) Efforts made : The Company maintains continuous interaction with Charles River Laboratories Inc. (formerly SPAFAS Inc.), U.S.A for absorption of technology.
- b) Benefits :
 - i. Development of new application
 - ii. Savings in foreign exchange through import substitution.

- c) Technology Imported : SPF egg production and Reagent production technologies were imported from Charles River Laboratories Inc. The benefit of the ongoing research by them in the said technologies is being derived by the Company through continued association with them.

C. Foreign Exchange Earnings and Outgo

- 1. Efforts have been made to increase exports of hatching eggs and SPF eggs.
- 2. Earnings and outgo :
 - a. Foreign exchange earnings (FOB) : Rs.210.11 lacs
 - b. Foreign exchange outgo : Rs.896.80 lacs

ACKNOWLEDGEMENT

The Directors place on record their appreciation for the excellent services of the employees at all the levels. The Company also expresses its thanks to its shareholders, bankers, Central and State Governments and district level authorities, Stock Exchanges, dealers and customers of the Company for their valued support.

For and on behalf of the Board of Directors

Pune
May 30, 2013

ANURADHA J. DESAI
Chairperson



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development :

The global economic growth slowed down during the last year as the recovery that was expected at the beginning of the year has not materialised. The agricultural sector in India has been growing at a slow pace in the past couple of years. For the year 2012-13 the Indian GDP has grown by 5% as compared to 6.5% in 2011-12. While there is some uncertainty in GDP growth rate for the current year, we have to deal with couple of negative factors, like high inflation, high fiscal deficit level, currency volatility and subdued industrial growth. However, in this backdrop the poultry industry continued to grow at satisfactory rates – both in broilers and in layers.

The growth rate witnessed by the poultry industry in the recent years is likely to continue for the foreseeable future. Presently the poultry industry is a Rs. 75,000 crore industry that provides direct and indirect employment to 5.00 million (Rs. 50 Lacs) people and also supports the economy of over 2 crore agricultural farmers, especially the maize and soya growers, dependent on this industry. 75% to 80% of the cost of production in the poultry industry consists of feed ingredients, like maize and soya. With an annual production of over 65,000 million eggs, India ranks second in the world in egg production. The broiler production is estimated at 3.5 million tons of chicken meat and India ranks 3rd in the world.

2. Opportunities, Threats, Risks and Concerns :

The vast gap between our present per capita consumption (54 eggs and 3.5 kg. of meat) and National Institute of Nutrition (NIN) recommended level (180 eggs and 11 kg of meat) offers a tremendous opportunity for the growth of poultry industry at least for the next two decades. As the disposable income rises steadily over the years coupled with urbanization in most part of India, the growth in demand for poultry products is likely to sustain.

Lack of adequate cold-chain at key locations and retail infrastructure are the reasons for slower than anticipated growth of the processing

segment of poultry industry. Highly volatile behaviour of feed ingredients prices is also one of the concerns of the poultry industry.

3. Segmentwise Performance :

a. Poultry and Poultry Products

The Company's major business segment is poultry and poultry products which consists of production and sale of day old broiler and layer chicks, specific pathogen free eggs, processed chicken products and poultry feed. In 2012-13 this segment's turnover was Rs.92,607 lacs as compared to Rs.71,323 lacs in the last year. The profit before tax and interest of this segment was Rs.1,524 lacs as compared to Rs.5,648 lacs in the previous year.

b. Animal Health Products

The Company has its animal health products manufacturing facility at Pune. This segment's sales turnover was Rs.10,683 lacs as compared to Rs.9,536 lacs. Profit before tax and interest was Rs.1,502 lacs as against Rs.1,596 lacs in the last year.

c. Oilseed

This segment registered a sales turnover of Rs.46,347 lacs as compared to Rs.25,867 lacs last year. Profit before tax and interest was Rs.4,343 lacs as against Rs.1,508 lacs in the previous year.

4. Outlook

The outlook for the year 2013-14 appears to be better in terms of overall growth for the Company. However, any steep increase in cost of poultry feed prices – as happened in the last year – will have an impact on the profitability of the Company.

5. Internal Control Systems and their adequacy

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 a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

Commensurate with the size of operation, your Company has Internal Audit Department which continuously reviews the internal control system by an exclusive programme of Internal Audit. The significant findings are then discussed by the Audit Committee of Directors and corrective measures are initiated. The Audit Committee also monitors the implementation of recommendations made by it.

6. Discussion on Financial Performance with respect to Operational Performance :

The turnover of the Company registered growth of 44% over the last year from Rs.99,246 lacs to Rs.1,42,911 lacs. The profit before tax from operations declined by 31% from Rs.5,719 lacs to Rs.3,920 lacs.

The borrowings of the Company during the year were increased by about 63% from Rs.18,821 lacs to Rs.30,744 lacs. The borrowed funds are being utilized for the expansion-cum-modernisation programme. Interest cost of the Company has increased by 50% from Rs.1,541 lacs to Rs.2,314 lacs.

Keeping in view liquidity, returns and also safety, the Company has invested certain funds in bank deposit and debt/liquid schemes of mutual funds.

7. Material Development in Human Resources / Industrial Relations front, including number of people employed :

In line with VH Group's corporate philosophy, the Human Resource is considered as the most valuable resource in the Company. The focus is on developing a performance culture with high standards of efficiency and innovation. Employee relations at all levels continue to remain cordial. As on 31st March, 2013 the Company has 4,090 employees.



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance :

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long-term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct in all the activities of the Company.

2. Board of Directors, Composition, No. of Board Meetings attended during the year :

(a) Composition and size of the Board :

As on March 31, 2013 the Board consists of 8 Directors out of which 4 Directors (50%) are Independent Directors and 4 Directors (50%) are Non - Independent Directors.

Independent Directors are Non-executive Directors, who apart from receiving Director's Remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management or its associates, which, may affect the independence of the Director and who are not related to the promoters or senior management of the Company and who has not been an executive of the Company and who is not a partner or an executive of the statutory audit firm, internal audit firm, legal firm and consulting firm who is associated with the company and who is not a material supplier, service provider or customer or a lessor or a lessee of the Company, which may affect the independence of the director and who is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.

(b) No. of Board Meetings held during the year along with the dates of the Meetings :

During the year 2012-13, four meetings were held. The dates on which the said meetings were held are as follows :

1. 29th May, 2012, 2. 9th August, 2012, 3. 29th October 2012, 4. 7th February, 2013.

(c) Attendance of Directors :

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member (as on the date of the Directors' Report)

Name of Director of the Company	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 23 rd August, 2012	No. of Directorships in other Public Companies	No. of Committee Positions [other than Venky's (India) Limited] in which Chairman/Member	
					Chairman	Member
Mrs. Anuradha J. Desai	Chairperson	4	Yes	2	1	1
Mr. B. Venkatesh Rao	Vice-Chairman	4	No	-	-	1
Mr. B. Balaji Rao	Managing Director	4	No	-	-	1
Mr. Jitendra M. Desai	Director	4	Yes	-	-	2
Mr. C. Jagapati Rao*	Director	4	No	2	-	-
Lt. Col. (Retd.) Ashok Mahajan*	Director	3	Yes	-	-	-

Name of Director of the Company	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 23 rd August, 2012	No. of Directorships in other Public Companies	No. of Committee Positions [other than Venky's (India) Limited] in which Chairman/Member	
					Chairman	Member
Col. (Retd.) Surinder Kumar *	Director	4	Yes	-	-	-
Mr. S. B. Thorat ⁺⁺	Director	4	Yes	-	-	-

*Independent Directors

⁺⁺ Ceased to be a Director w.e.f. 30.05.2013.

No. of Equity Shares held by Non-Executive Directors as of 31st March, 2013 :

Name of the Director	No. of Equity Shares as of 31 st March, 2013
Mrs. Anuradha J. Desai	4,11,951
Mr. B. Venkatesh Rao	43,554
Mr. Jitendra M. Desai	20,053
Mr. C. Jagapati Rao	95,342
Lt. Col. (Retd.) Ashok Mahajan	Nil
Col. (Retd.) Surinder Kumar	Nil
Mr. S. B. Thorat ⁺⁺	39,010

⁺⁺ Ceased to be a Director w.e.f. 30.05.2013.

3. Details of Directors being appointed or re-appointed :

As per the provisions of the Companies Act, 1956 and Articles 141 to 143 of the Articles of Association of the Company, Mr. B. Venkatesh Rao, Vice Chairman and Mr. Jitendra M. Desai, Director retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

Brief profile of the Directors proposed for appointment / re-appointment.

Mr. B. Balaji Rao was re-appointed as Managing Director by the Board of Directors for a period of five (5) years with effect from 1st November, 2012. Mr. B. Balaji Rao, aged 40 years, is a Director of the Company since, 1995 and holds the position of Managing Director of the Company since 1997. Mr. B. Balaji Rao is a Wholetime Director in Venkateshwara Hatcheries Private Limited and Director in B. V. Bio - Corp Private Limited, Bala Industries and Entertainment Private Limited, Eastern Hatcheries Private Limited, Srivenk Biological Laboratories Private Limited, Uttara Foods and Feeds Private Limited, Uttara Hatcheries and Agri - Farms Private Limited, Uttara Poultry and Agri - Farms Private Limited, Uttara Bakers Private Limited, Uttara Masala Products Private Limited, Uttara Biosciences Private Limited and Uttara Impex Private Limited.

Mr. B. Venkatesh Rao, aged 48 years, Vice Chairman of the Company is a Director of the Company since 1995. He has by his proactive approach lifted performance of the Company to high level of efficiency and productivity especially in operations and marketing of poultry feed.

Mr. B. Venkatesh Rao is Joint Managing Director in Venkateshwara Hatcheries Private Limited, Managing Director of Uttara Foods and Feeds Private Limited, Uttara Biosciences Private Limited and Uttara Impex Private Limited and Director in Venco Research and Breeding Farm Private Limited, Venkateshwara



Venky's (India) Limited

Research and Breeding Farm Private Limited, All India Poultry Development and Services Private Limited, B. V. Bio-Corp Private Limited, Bala Industries and Entertainment Private Limited, Bharat Egg Producers' Association, Eastern Hatcheries Private Limited, Srivenk Biological Laboratories Private Limited, Uttara Masala Products Private Limited, Uttara Hatcheries and Agri-Farms Private Limited, Uttara Poultry and Agri-Farms Private Limited and Uttara Bakers Private Limited.

Mr. B. Venkatesh Rao is a member of "Share Transfer and Investors' Grievances Committee" of Venky's (India) Limited and Committee of Directors of Venkateshwara Hatcheries Private Limited.

Mr. Jitendra M. Desai, aged 51 years, is Director of the Company since 1993. He is a member of Institute of Chartered Accountants of India and has expertise in corporate structuring, financial management and taxation.

Mr. Jitendra M. Desai is Managing Director of Venkateshwara Research and Breeding Farm Private Limited and Whole-time Director of Venkateshwara Hatcheries Private Limited. He is Director in B.V. Bio-Corp Private Limited, Bala Industries and Entertainment Private Limited, Eastern Hatcheries Private Limited, Srivenk Investments and Finance Private Limited, Srivenk Biological Laboratories Private Limited, Uttara Masala Products Private Limited, Uttara Hatcheries and Agri-Farms Private Limited, Uttara Poultry and Agri Farms Private Limited, Uttara Biosciences Private Limited and Uttara Impex Private Limited. He is alternate Director in Venco Research and Breeding Farm Private Limited.

Mr. Jitendra M. Desai is member of Operations Committee, Share Transfer & Investors Grievances Committee and Audit Committee of Venky's (India) Limited and member of Committee of Directors of Venkateshwara Hatcheries Private Limited.

4. Audit Committee

(Terms of Reference, Composition, and Meetings held during the year.)

There were four meetings of the Audit Committee held during the year. The dates on which the said Audit Committee Meetings were held are as follows :

1) 29th May, 2012, 2) 9th August, 2012, 3) 29th October, 2012, 4) 7th February, 2013

The attendance of each Member of the Committee is given below :

Name of Member	Number of meetings attended
Mr. Jitendra M. Desai	4
Lt. Col. (Retd.) Ashok Mahajan	3
Col. (Retd.) Surinder Kumar	4
Mr. S. B. Thorat ⁺⁺	4

⁺⁺ Ceased to be a Director w.e.f. 30.05.2013.

The Terms of Reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The Audit Committee comprises of all the Non-Executive Directors. Lt. Col. (Retd.) Ashok Mahajan, an Independent Director, is the Chairman of the Committee. Mr. Jitendra M. Desai and Col. (Retd.) Surinder Kumar are the other members of the Committee. The Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary is the Secretary of the Audit Committee.

5. Remuneration to Directors

The remuneration of Directors is decided at the Board level and approval of the shareholders is obtained at a general meeting. The Company has not set-up remuneration committee as it is not mandatory. The details of remuneration paid to the Directors (including sitting fees paid for attending Board Meetings and Committee Meetings) during the financial year 2012-2013 are given below :

Directors	Salary (Rs.)	Perquisites # (Rs.)	Commission Payable (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mrs. Anuradha J. Desai	-	-	1,42,858	75,000	2,17,858
Mr. B. Venkatesh Rao	-	-	1,42,857	20,000	1,62,857
Mr. B. Balaji Rao	8,50,000	11,65,701	1,83,333	-	21,99,034
Mr. Jitendra M. Desai	-	-	1,42,857	95,000	2,37,857
Mr. C. Jagapati Rao	-	-	1,42,857	20,000	1,62,857
Lt. Col. (Retd.) Ashok Mahajan	-	-	1,42,857	30,000	1,72,857
Col. (Retd.) Surinder Kumar	-	-	1,42,857	40,000	1,82,857
Mr. S. B. Thorat **	-	-	1,42,857	40,000	1,82,857
TOTAL	8,50,000	11,65,701	11,83,333	3,20,000	35,19,034

** Ceased to be a Director w.e.f. 30.05.2013.

Perquisites includes House Rent Allowance, Leave Travel Assistance and Company's contribution to Provident and Superannuation Funds, Gratuity and other allowances.

The Company has no stock option scheme for any of its Directors.

Except for the above, there are no pecuniary transactions between the Company and Non-Executive Directors.

6. Investors/ Shareholders Grievance Committee

(Composition, Number of investor complaints received, number of complaints redressed.)

Mrs. Anuradha J. Desai is the Chairperson of the Committee, Mr. B. Venkatesh Rao and Mr. Jitendra M. Desai are the other members of the Committee. Mr. A. G. Bauskar, Chief Financial Officer is the Compliance Officer and Company Secretary.

During the period under review, 66 complaints were received from the shareholders and others and all of them have been resolved to date.

7. Details of last Three General Meetings.

Details of the location of the last three Annual General Meetings (AGM), including Extra Ordinary General Meetings and the details of the resolutions passed or to be passed by the Postal Ballot :

Sr. No.	Meeting	Date, Time and Place
1.	AGM for the year 2011-12	23 rd August, 2012 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune – 411 005.
2.	AGM for the year 2010-11	5 th August, 2011 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune – 411 005.
3.	AGM for the year 2009-10	27 th August, 2010 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune – 411 005.



No Extra-ordinary General Meeting was held during the period under consideration.

All the resolutions including the special resolutions set out in the respective notices were passed by the shareholders. No resolution was passed through Postal Ballot during the last 3 years.

8. Code of Conduct :

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management. All the Board Members and the Senior Management Personnel have affirmed compliance with Code of Conduct, as on 31st March, 2013.

9. Managing Director / CFO Certification :

The Managing Director and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49 of the Listing Agreement, for the year ended 31st March, 2013.

10. Disclosures

There are no related party transactions made by the Company with its Promoters, Directors or Management or their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. The transactions with the related parties are disclosed in Note No. 10 of the Accounts in this Annual Report.

The track record of the Company in handling shareholders' grievances has been very good. During the last three years there were no penalties imposed either by Securities and Exchange Board of India (SEBI) or the Stock Exchanges or any statutory authority for non-compliance of any matter relating to the capital markets.

11. Means of communication (Publishing of financial results in newspapers English and Marathi)

The financial Results of the Company are published in widely circulating national dailies such as:

1. Hindu Business Line (English)
2. Business Standard (English)
3. Loksatta (Marathi).

The Company's results and official news releases are displayed on Company's website www.venkys.com.

12. General Shareholders Information

Particulars	Details
Annual General Meeting Date	12 th August, 2013
Time	10.30 A.M.
Venue	Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune - 411 005.
Financial Calendar 2013-14	i. First Quarter Results – upto August 14, 2013. ii. Second Quarter Results – upto November 15, 2013. iii. Third Quarter Results – upto February 15, 2014. iv. Audited Results for the year ending 31 st March, 2014 – end of May, 2014
Date of Book Closure	5 th August, 2013 to 9 th August, 2013
Dividend Payment Details	Within 30 Days after Annual General Meeting.
Names of Stock Exchanges in which it is listed and scrip code.	I. Bombay Stock Exchange Limited – 523261. II. National Stock Exchange of India Limited – VENKEYS
Demat ISIN number for NSDL and CDSL	INE 398A01010
Registrar & Transfer Agent	M/s Bigshare Services Private Limited, E – 2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072.
Share Transfer System	All the transfers received are processed at the office of Registrar and Share Transfer Agent and are approved by the “Share Transfer and Investors’ Grievance Committee” which meets twice in a month or more depending on the volume of transfers. Share transfers are registered and returned within 30 Days from the date of lodgement, if documents are complete in all respects.

Monthly Market High / Low for the year 2012-2013 on Bombay Stock Exchange Limited.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2012	408.00	375.00	October 2012	621.50	452.00
May 2012	408.45	322.05	November 2012	525.00	426.65
June 2012	458.40	353.40	December 2012	502.00	407.40
July 2012	467.45	410.20	January 2013	493.35	410.00
August 2012	579.00	421.75	February 2013	524.50	418.00
September 2012	583.40	495.30	March 2013	575.95	453.55

(Source: www.bseindia.com)



Venky's (India) Limited

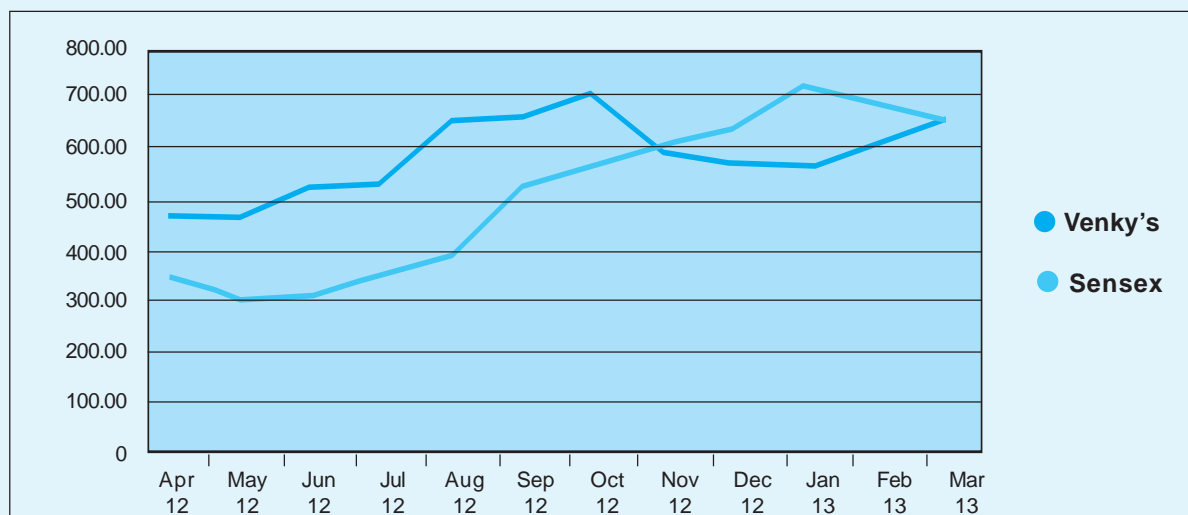
Monthly Market High / Low for the year 2012-2013 on National Stock Exchange of India Limited.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2012	407.10	374.10	October 2012	623.00	488.15
May 2012	408.20	316.35	November 2012	522.00	431.00
June 2012	458.50	355.60	December 2012	502.00	451.00
July 2012	468.00	413.90	January 2013	493.90	414.20
August 2012	578.80	421.00	February 2013	524.40	417.45
September 2012	583.10	492.30	March 2013	575.95	453.30

(Source: www.nseindia.com)

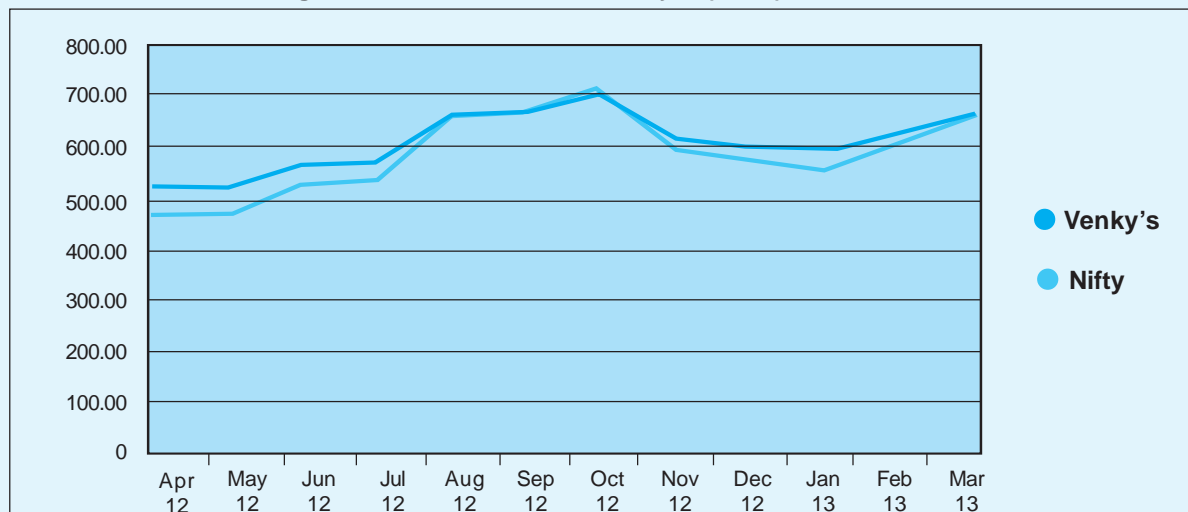
Comparative Price Charts:

Bombay Stock Exchange Limited V/s Venky's (India) Limited



(Source: www.moneycontrol.com)

National Stock Exchange of India Limited V/s Venky's (India) Limited



(Source: www.moneycontrol.com)

Distribution of shareholding and its patterns as on 31.03.2013

I. Distribution of Shareholding

No. of EquityShares held	Folios	%	No. of Shares	%
1 - 500	20609	97.37	12,47,855	13.29
501 - 1000	282	1.34	2,10,274	2.24
1001 - 2000	107	0.51	1,56,981	1.67
2001 - 5000	83	0.40	2,74,692	2.92
5001 - 10000	35	0.16	2,46,880	2.63
10001 - 50000	34	0.17	64,45,780	68.64
50001 & above	15	0.05	8,09,095	8.61
Total	21,165	100	93,91,557	100

II. Shareholding Pattern :

Category	No. of Shares	%
Promoters	52,69,445	56.11
Mutual Funds / Unit Trust of India	5,43,901	5.79
Banks	16,404	0.17
Foreign Institutional Investors	1,77,800	1.89
Private Bodies Corporate	6,48,465	6.90
Non-resident Indians	61,946	0.66
Public	26,73,596	28.48
Total	93,91,557	100

Dematerialisation of shares and liquidity :

About 86.80 % of the paid-up capital of the Company was dematerialised as on 31st March, 2013. The Company has not issued any GDRs/ ADRs/ warrants or any convertible instruments.

Unclaimed Dividend :

Unclaimed dividend up to and for the year 2004-05 has been transferred to the Investor Education and Protection Fund (IEPF) established by Central Government.

According to the provisions of the Companies Act, 1956, if the amount in the Dividend Account remained unclaimed for the period of 7 years from the date of disbursement, then same has to be transferred to IEPF. Following are the details of the unclaimed Dividend, if not claimed within the period of 7 years then same will be transferred to IEPF in accordance with the schedule given below :



Venky's (India) Limited

Financial Year	Date of declaration of dividend	Total Dividend (Rs.)	Unclaimed Dividend as on 31 st March, 2013 (Rs.)	Due date for transfer to IEPF
2005-06	28.07.2006	1,87,83,114	3,71,427.75	01.09.2013
2006-07	26.07.2007	2,81,74,671	5,91,798.00	02.09.2014
2007-08	18.09.2008	3,28,70,450	7,64,218.50	26.10.2015
2008-09	25.06.2009	3,28,70,450	8,15,010.50	02.08.2016
2009-10	27.08.2010	3,75,66,000	10,60,036.00	02.11.2017
2010-11	05.08.2011	4,69,58,000	13,10,450.00	02.09.2018
2011-12	23.08.2013	4,69,58,000	14,53,415.00	21.09.2019

Location of Units :

- Pune (Maharashtra) - Breeder Farms, Specific Pathogen Free Egg, Poultry Feed, Animal Health Products, Chicken Processing, Commercial Farms and Health Care Products.
- Solapur (Maharashtra) - Solvent Extraction, Refinery and Poultry Feed.
- Anand (Gujarat) - Breeder Farms & Hatchery
- Dehradun (Uttaranchal) - Breeder Farms, Hatchery and Poultry Feed.
- Allahabad (Uttar Pradesh) - Breeder Farm, Hatchery and Poultry Feed and Commercial Farms.
- Sunderpur (Uttar Pradesh) - Breeder Farm.
- Basti (Uttar Pradesh) - Hatchery.
- Sonapat (Haryana) - Breeder Farms and Hatchery.
- Panipat (Haryana) - Breeder Farms, Hatchery and Commercial Farms.
- Ambala (Haryana) - Breeder Farms, Poultry Feed
- Hissar (Haryana) - Commercial Farms.
- Kurukshetra (Haryana) - Commercial Farms.
- Karnal (Haryana) - Commercial Farms.
- Kaithal (Haryana) - Commercial Farms.
- Yamuna Nagar (Haryana) - Commercial Farms.
- Tohana (Haryana) - Commercial Farms.
- Ludhiana (Punjab) - Breeder Farms, Hatchery and Commercial Farms.
- Hoshiarpur (Punjab) - Breeder Farms, Hatchery and Commercial Farms.
- Gurdaspur (Punjab) - Commercial Farms.
- Sangrur (Punjab) - Commercial Farms.
- Rewa (Madhya Pradesh) - Breeder Farms and Hatchery.
- Kangra (Himachal Pradesh) - Hatchery.
- Kathua (Jammu & Kashmir) - Hatchery.
- Mujjafarpur (Bihar) - Hatchery.

Address for correspondence.

Shareholders' correspondence should be addressed to Registrar and Transfer Agent, M/s Bigshare Services Private Limited. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants. For dividend related queries, shareholders may contact Mr. S. Kannan, Assistant General Manager – Secretarial (Mob.No. 0988 147 3832) or Mr. Rohan Bhagwat, Asst. Company Secretary (Mob.No.095 45 22 88 22) at the registered office, Tel Nos. : 020 – 24251530 to 41 or Email: corp.shares@venkys.com.

B. NON-MANDATORY REQUIREMENTS :

a. Chairman of the Board :

Whether Chairman of the Board is entitled to maintain a Chairman's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties.	Expenses incurred in performance of duties by the Chairperson are reimbursed.
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b. Remuneration Committee :

It is not mandatory to set-up Remuneration Committee of directors and the Company has not set-up Remuneration Committee.

c. Shareholders' Rights:

The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders.	The Company's half yearly results are published in English and Marathi newspapers having wide circulation and uploaded on the Company's website i.e. www.venkys.com.
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DECLARATION UNDER CLAUSE 49 (I) (d) OF THE LISTING AGREEMENT

This is to confirm that, all the Board Members and Senior Management Personnel of Venky's (India) Limited have affirmed compliance with the respective Codes of Conduct for the Financial Year ended 31st March, 2013.

Pune
May 30, 2013

B. BALAJI RAO
Managing Director



Venky's (India) Limited

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
VENKY'S (INDIA) LIMITED

I have examined the compliance of conditions of Corporate Governance by Venky's (India) Limited ("the Company") for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to review of 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.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: May 30, 2013

P. L. Shettigar
Practicing Company Secretary
Manek Hall, Premises Monaa Hotels Pvt. Ltd.,
2, East Street,
Pune - 411001.
C.P. Number : 2917
Membership Number : FCS 3816

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

To
The Board of Directors
VENKY'S (INDIA) LIMITED
Dear Madam / Sirs,

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Venky's (India) Limited ["the Company"], to the best of our knowledge and belief, certify that :

- (a) We have reviewed the financial statements and the cash flow statements for the year ended on 31st March, 2013 and based on our knowledge and belief, we state that :
- i. these statements do not contain any material untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We hereby declare that all the Members of the Board of Directors and Senior Management have confirmed compliance with the Code of Conduct as adopted by the Company.

- (c) We are responsible for establishing and maintaining internal control and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee :
- i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Pune
May 30, 2013

B. BALAJI RAO
Managing Director

A.G. BAUSKAR
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

To,
The Members of
Venky's (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Venky's (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of the Act;

For **SUDIT K PAREKH & CO.**
Chartered Accountants
Firm Registration Number: 110512W

Pune
May 30, 2013

CH. SOMA RAJU
Partner
Membership Number: 200354

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

Re: Venky's (India) Limited

- | | |
|---|---|
| <p>i. In respect of its fixed assets:</p> <p>a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>b) The fixed assets have been physically verified during the year by the management under a regular programme of verification by rotation over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.</p> <p>ii. In respect of its inventories:</p> <p>a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>c) On the basis of our examination of the record of inventories, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of account.</p> <p>iii. In respect of loans granted or taken:</p> <p>a) According to the information and explanations given to us, the Company has granted unsecured loans to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rupees 3,500 lacs and the year end balance of loan granted to such company was Rupees 1,900 lacs.</p> <p>b) As per the explanations given to us, the rate of interest and other terms and conditions of loans referred to in (a) above are, in our opinion, not prima facie prejudicial to the</p> | <p>interest of the Company.</p> <p>c) In respect of the aforesaid loans, the party was regular in payment of interest. The principal amounts of loans are repayable on demand.</p> <p>d) The aforesaid loans are repayable on demand and hence the question of taking reasonable steps for receipt of principal and interest does not arise.</p> <p>e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, paragraph 4(iii) (f), (g) of the order are not applicable to the Company.</p> <p>iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.</p> <p>v. In respect of transactions entered in the register maintained pursuant to section 301 of the Companies Act, 1956:</p> <p>a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register maintained under section 301 have been so entered.</p> <p>b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of five lakh rupees in respect of each party during the financial year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time except that no comparison was possible in the case of purchase of items of highly specialised nature where we are informed that there are no alternative sources of supply.</p> <p>vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of Sections 58A</p> |
|---|---|



Venky's (India) Limited

- and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the cost accounting records maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, however we have not made a detailed examination of the records with a view to determine its accuracy. Based on our review we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix. In respect of statutory dues :
- a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth Tax, Sales-tax, Customs Duty, Service tax, Excise duty, cess and other statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31 March 2013 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at 31 March 2013 which have not been deposited on account of a dispute, are as follows :

Nature of Dues	Amount Involved (Rs in lacs)	Forum where Dispute is pending
Sales Tax	29.29	High Court
	268.00	Sales Tax Appellate Tribunal
	31.46	Assistant Commissioner of Sales Tax
	47.17	Joint Commissioner of Sales Tax
Income Tax	62.25	Commissioner of Income Tax (Appeal)

- x. The Company does not have accumulated losses as at the end of the financial year and has not incurred any cash losses during the current and

the immediately preceding financial year.

- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any dues towards financial institution and debenture holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. According to the information and explanations given to us, the provisions of chit fund statute, nidhi or mutual benefit fund or society are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the Company has applied term loans for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and based on an overall examination of the Financial Statements of the Company, we are of the opinion that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **SUDIT K PAREKH & CO.**

Chartered Accountants
Firm Registration Number: 110512W

CH. SOMA RAJU

Partner

Pune
May 30, 2013

Membership Number: 200354

BALANCE SHEET AS AT 31ST MARCH, 2013

(Rupees in Lacs)

	Note Reference	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share capital	1.1	939.16	939.16
Reserves and surplus	1.2	32,802.17	30,639.75
	(a)	33,741.33	31,578.91
NON-CURRENT LIABILITIES			
Long term borrowings	2.1	14,653.08	9,857.63
Deferred tax liabilities (net)	2.2	2,072.27	1,723.85
Other long-term liabilities	2.3	125.28	79.79
Long term provisions	2.4	499.58	365.73
	(b)	17,350.21	12,027.00
CURRENT LIABILITIES			
Short term borrowings	3.1	16,090.80	8,963.68
Trade payables	3.2	12,339.56	6,577.07
Other current liabilities	3.3	5,836.30	4,232.15
Short-term provisions	3.4	852.54	731.64
	(c)	35,119.20	20,504.54
Total (a+b+c)		86,210.74	64,110.45
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	4.1	26,249.25	20,480.23
Intangible assets	4.1	60.15	20.94
Capital work-in-progress		5,010.96	3,845.59
		31,320.36	24,346.76
Long-term loans and advances	4.2	4,111.77	2,758.47
Other non-current assets	4.3	1,500.76	735.52
	(a)	36,932.89	27,840.75
CURRENT ASSETS			
Current investments	5.1	3,307.72	3,733.71
Inventories	5.2	17,836.73	16,059.03
Trade receivables	5.3	10,744.88	5,341.52
Cash and bank balances	5.4	14,445.53	10,389.87
Short-term loans and advances	5.5	2,582.44	595.87
Other current assets	5.6	360.55	149.70
	(b)	49,277.85	36,269.70
Total (a+b)		86,210.74	64,110.45

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For and on behalf of the Board of Directors of

VENKY'S (INDIA) LIMITED

For **SUDIT K PAREKH & CO**

ANURADHA J. DESAI

B. VENKATESH RAO

Chartered Accountants

Chairperson

Vice Chairman

Firm Registration Number : 110512W

CH. SOMA RAJU

B. BALAJI RAO

A. G. BAUSKAR

Partner

Managing Director

Chief Financial Officer &
Company Secretary

Membership Number : 200354

Place : Pune

Place : Pune

Date : May 30, 2013

Date : May 30, 2013



Venky's (India) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lacs)

	Note Reference	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
REVENUES			
Revenue from operations (gross)	6.1		
Sale of products		139,232.83	95,261.46
Sale of services		97.50	181.95
Other operating revenues		3,581.04	3,802.40
		142,911.37	99,245.81
Less: Excise duty		268.66	216.82
Revenue from operations (net)		142,642.71	99,028.99
Other income	6.2	1,772.88	1,615.12
TOTAL REVENUES (I)		144,415.59	100,644.11
EXPENSES			
Cost of raw materials and packing materials consumed	7.1	102,627.95	62,320.09
Purchases of stock-in-trade	7.2	7,528.75	7,739.93
Changes in inventories of finished goods, work-in-progress, stock-in-trade and poultry for livestock breeding	7.3	(2,294.72)	(2,248.76)
Employee benefits expense	7.4	8,601.13	6,859.91
Finance costs	7.5	2,314.47	1,541.12
Depreciation and amortisation expense	4.1	1,553.76	1,177.97
Manufacturing, farm and other expenses	7.6	20,094.32	17,501.86
TOTAL EXPENSES (II)		140,425.66	94,892.12
PROFIT BEFORE TAX AND PRIOR PERIOD ITEMS (I-II)		3,989.93	5,751.99
Prior period items (net)	7.7.2	69.64	32.98
PROFIT BEFORE TAX		3,920.29	5,719.01
Less: Tax expense			
Current tax		1,035.00	1,420.00
Deferred tax		348.42	193.42
		1,383.42	1,613.42
PROFIT AFTER TAX		2,536.87	4,105.59
Tax adjustments in respect of earlier years		58.59	-
PROFIT FOR THE YEAR		2,478.28	4,105.59
EARNINGS PER SHARE	12		
(Nominal value of share: Rs.10/- per equity share; Previous year: Rs.10/-)			
Basic		Rs. 26.39	Rs. 43.72
Diluted		Rs. 26.39	Rs. 43.72

Summary of Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For **SUDIT K PAREKH & CO**
Chartered Accountants
Firm Registration Number : 110512W

CH. SOMA RAJU
Partner
Membership Number : 200354

Place : Pune
Date : May 30, 2013

For and on behalf of the Board of Directors of
VENKY'S (INDIA) LIMITED

ANURADHA J. DESAI
Chairperson

B. BALAJI RAO
Managing Director

Place : Pune
Date : May 30, 2013

B. VENKATESH RAO
Vice Chairman

A. G. BAUSKAR
Chief Financial Officer &
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,920.29	5,719.01
Adjustments for:		
Depreciation/ amortisation	1,553.76	1,177.97
Dividend income	(45.10)	(115.33)
Interest income	(980.05)	(189.66)
Finance cost	2,314.47	1,541.12
Loss/(Profit) on sale/discard of fixed assets (net)	(22.57)	4.56
Loss/(Gain) on sale of current investments (net)	(124.70)	(826.75)
Provision for doubtful debts & advances	74.68	18.56
Operating profit before changes in assets and liabilities	6,690.78	7,329.48
Changes in assets and liabilities		
Inventories	(1,777.70)	(3,825.25)
Trade receivables	(5,500.25)	580.89
Loans & advances and other assets	(198.66)	(65.67)
Other bank balances	(4,253.16)	(5,147.95)
Liabilities and provisions	7,153.92	3,211.41
Cash generated from operations	2,114.93	2,082.91
Direct taxes paid	(1,325.08)	(1,974.53)
NET CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	789.85	108.38
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	270.67	44.22
Payment towards capital expenditure	(9,201.13)	(8,436.68)
Purchase of investments in mutual funds	(13,700.34)	(16,710.38)
Disposal of investments in mutual funds	14,251.03	23,081.84
Intercompany deposits placed during the year	(3,500.00)	-
Intercompany deposits received back during the year	1,600.00	-
Interest received	764.74	57.03
Dividend received	45.10	115.33
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(9,469.93)	(1,848.64)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	5,000.00	8,136.15
Repayment of long term borrowings	(469.93)	(234.78)
Proceeds from / (Repayment of) short term borrowings (net)	7,127.12	(319.68)
Finance cost paid	(2,621.10)	(1,374.14)
Dividend paid (including dividend distribution tax)	(537.71)	(538.52)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	8,498.38	5,669.03



	(Rupees in Lacs)	
	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(181.70)	3,928.77
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,898.07	969.30
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,716.37	4,898.07
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks:		
in current accounts	333.50	629.84
in deposit accounts with original maturity for less than 3 months	1,721.69	3,335.44
In unpaid dividend accounts*	63.66	55.61
Cheques, drafts on hand	1,945.96	600.95
Cash on hand	651.56	276.23
TOTAL CASH AND CASH EQUIVALENTS	4,716.37	4,898.07

* The Company can utilise these balances only towards settlement of the unclaimed dividends.

Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

As per our attached report of even date

For **SUDIT K PAREKH & CO**

Chartered Accountants

Firm Registration Number : 110512W

CH. SOMA RAJU

Partner

Membership Number : 200354

Place : Pune

Date : May 30, 2013

For and on behalf of the Board of Directors of

VENKY'S (INDIA) LIMITED

ANURADHA J. DESAI

Chairperson

B. BALAJI RAO

Managing Director

Place : Pune

Date : May 30, 2013

B. VENKATESH RAO

Vice Chairman

A. G. BAUSKAR

*Chief Financial Officer &
Company Secretary*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

➤ Basis of accounting

The financial statements are prepared under historical cost convention on an accrual basis of accounting to comply in all material respects with mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006.

➤ Classification under Companies Act, 1956

The Company is a Non-Small and medium sized Company (Non-SMC) as defined in the General Instructions in respect of accounting standards as notified by the Companies (Accounting Standards) Rules, 2006.

➤ Change in accounting policy

Presentation and disclosure of financial statements

The revised Schedule VI as per notification dated 28th February 2011 (as amended by notification dated 30th March 2011) issued by the Central Government, has become applicable to the Company for the preparation and presentation of its financial statements. The revised schedule VI does not contain and affect the recognition and measurement principles applied while preparing the financial statements except to the extent it relates to accounting for dividend from investments in subsidiary companies. However it has a significant impact on classification, presentation and disclosures made in the financial statements. The previous year's figures have been reclassified in accordance with the requirements of the revised schedule VI.

➤ Classification of assets and liabilities

All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle for the purpose of current – non-current classification of assets and liabilities.

b. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

c. Valuations of Inventories

Inventories are valued as under:

- Poultry for livestock breeding : At cost
- Raw materials and packing materials : At cost or net realizable value, whichever is lower
- Work-in-progress : At cost or net realizable value, whichever is lower
- Finished goods : At cost or net realizable value, whichever is lower
- Stores and spares : At cost
- By products : At estimated selling price
- Cost of raw materials (except oilseeds), packing material and stores & spares is determined on



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

first in first out (FIFO) basis.

- Cost of oilseeds inventories is determined on quarterly moving weighted average basis.
- Cost of finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make sale.

d. Tangible Fixed Assets

- Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes all expenditure incurred necessary to bring the asset to its working condition for its intended use. In respect of self constructed assets, the expenditure incurred prior to commencement of commercial production and specifically attributable to the construction of the asset are capitalised upon the commencement of commercial production.
- Capital work-in-progress comprises the cost of fixed assets that are yet not ready for their intended use at the balance sheet date.

e. Depreciation

- Depreciation is provided on straight line method except in respect of assets of Narmada Hatcheries Division of the Company which are depreciated by the written down value method.
- Depreciation is charged at the rates specified in Schedule XIV to the Companies Act, 1956.
- Depreciation is provided on a pro-rata basis for assets purchased/sold during the year.

f. Revenue Recognition

- Sale of goods

Revenues from sales of goods are recognized when risks and rewards of ownership of goods are passed on to the customers, which are generally on dispatch of goods and are recorded net of taxes and duties.

- Income from services

Incomes from services are recognised pro-rata as and when services are rendered.

- Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

- Dividend income

Dividend income is recognised when the Company's right to receive is established by the reporting date.

g. Foreign Currency Transactions

- Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of transactions.
- Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the year.
- Monetary assets and liabilities in foreign currency, which are outstanding as at the year end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in statement of profit and loss for the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Exchange differences arising in respect of fixed assets acquired from outside India are charged to the statement of profit and loss for the year.
- Forward Contracts, other than those entered into to hedge foreign currency risks on highly probable forecasted transactions, existing financial assets and liabilities, are treated as foreign currency transactions and accounted accordingly as per AS 11. Exchange differences arising on such contracts are recognized in the period in which they arise.
- Gains and losses arising on account of roll over/ cancellation of forward contracts are recognized as income/expenses of the period in which such roll over/ cancellation takes place.
- All the other derivative contracts, including forward contracts entered into to hedge foreign currency risks on highly probable forecast transactions, existing financial assets and liabilities are recognized in the financial statements at fair value as on the Balance Sheet date, in pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008 on accounting of derivatives. The Company has adopted Accounting Standard (AS) 30 ["Financial Instruments Recognition and Measurement"] for the accounting of such derivative contracts, not covered under Accounting Standards (AS) 11 ["The Effects of Changes in Foreign Exchange Rates"] as mandated by the ICAI in the aforesaid announcement since April 1, 2011.
- Accordingly, the resultant gains and losses on fair valuation/ settlement of the derivative contracts covered under Accounting Standard (AS) 30 ["Financial Instruments: Recognition and Measurement"] are recognized in the Statement of profit and loss for the year or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge is effective, the gains or losses are recognized in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet, while the same is recognized in the statement of profit and loss where the hedge is ineffective. The amount recognized in the "Hedging Reserve" is transferred to the statement of profit and loss in the period in which the underlying hedged item affects the statement of profit and loss.
- The Company uses derivative financial instruments such as Forwards, Swaps and Options to hedge its risks associated with foreign exchange fluctuations. The Company uses Interest Rate Swaps specifically to protect against Interest Rate Volatility on the floating rate External Commercial Borrowings (ECBs). It also uses Cross Currency Swaps to protect against foreign currency exchange rate as well as interest rate fluctuations on its foreign currency loans. Swaps and Forwards are also used to hedge the currency risk inherent in the settlement of the Liabilities denominated in foreign exchange.
- The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.
- For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognized in Hedging Reserve and reclassified to Profit and Loss as per guidance in AS 30.
- The ineffective portion of the change in fair value of such instruments is recognised in the statement of profit and loss in the period in which they arise. The various cash flows with reference to the hedged items and the hedging instruments are expected to occur over the next ten years and are expected to affect the statement of profit and loss over the same period of time. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in statement of profit and loss.
- For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized in the statement of profit and loss till the period the relationship is found to be effective. If the hedging relationship ceases to be



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effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in statement of profit and loss.

- If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through statement of profit and loss.

h. Government Grants & Subsidies

- Non-refundable capital grants towards project undertaken by the Company are transferred to revenue account to the extent of depreciation on assets acquired out of the grants.
- Grant received against specific fixed assets are reduced from the cost of that asset.
- Subsidy in respect of air freight for export development is accounted for on accrual basis.
- Grants in the nature of Promoter's Contributions are treated as a part of Capital reserve.

i. Investments

- Investments are classified as current investments and long-term investments based on intention of the management at the time of purchase.
- Current investments are stated at the lower of cost and fair value.
- Long-term investments are stated at cost.
- Provision for diminution in value is made to recognize a decline, other than temporary, in the value of long-term investments.

j. Employee Benefits

a. Short term employee benefits

All employee benefits which fall due wholly within twelve months after the end of the period in which employee renders the related service are classified as short-term employee benefits. Undiscounted value of short term benefits such as salaries, wages, bonus and ex-gratia are recognized in the period in which the employee renders the related service.

b. Post-employment benefits

➤ Defined Contribution Plans

The Company's Employee's Provident Fund scheme, Employee's State Insurance Scheme and Employee's Superannuation Scheme are defined contribution plans. The Company's contribution paid/payable under the schemes are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

➤ Defined Benefit Plans

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under the plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. The gratuity liability is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit & loss.

c. Other long term employee benefits

Entitlement to annual leave is recognized when they accrue to employees. Annual leave can either be availed or en-cashed subject to a restriction on the maximum number of accumulation of leaves. The present value of the liability is determined based on independent actuarial valuation using the Projected Unit credit method. The discount rates used for determining the present value

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of the liability is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit & loss.

k. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss.

l. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products, with each segments representing a strategic unit that offers different products and serves different markets. The analysis of the geographical segments is based on the areas in which major operating divisions of the Company operate.

Intersegment transfers

The Company accounts for intersegment sales on the basis of price charged for inter segments transfers.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

m. Operating Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vests with lessor are classified as operating lease. Rental income on assets given and rental expenses on assets obtained under operating lease arrangements are recognised in the statement of profit and loss for the year as per the terms and conditions of the respective lease agreement.

n. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

o. Taxes on Income

- Tax expense for a year comprises of current tax and deferred tax.
- Tax on income for the current year is determined on the basis of the taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961, and based on expected outcome of assessment / appeals.
- Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against



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which such deferred tax assets can be realized.

- Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is a convincing evidence that the Company will pay income tax higher than the computed under MAT, during the period under which MAT is permitted to be setoff under applicable laws.
- In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the statement of profit and loss and shown as a MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is longer convincing evidence to the effect that Company will pay income tax higher than MAT during the specified period.

p. Research and Development

Revenue expenditure on research and development is charged to Statement of profit and loss for the year.

q. Intangible Assets

- Intangible assets are recorded at the consideration paid for their acquisition.
- Intangible assets are amortised over their useful economic life, as estimated by the management, on a straight line basis commencing from the date the asset is available to the company for its use. Management estimates of useful life of Intangible assets are as follows:

Trademark	-	5 years
Technical Know How	-	5 years
Software	-	3 years

r. Impairment of Fixed Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of the profit and loss.

s. Provisions

- Provisions are recognised when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
- Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.
- Contingent assets are not recognised in the financial statements.

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		(Rupees in Lacs)	
		As at 31 st March, 2013	As at 31 st March, 2012
1.1 SHARE CAPITAL			
AUTHORISED			
11,000,000 (Previous year 11,000,000) equity shares of Rs.10/- each		1,100.00	1,100.00
1,000,000 (Previous year 1,000,000) preference shares of Rs.100/- each		1,000.00	1,000.00
ISSUED, SUBSCRIBED AND PAID-UP			
9,391,557 (Previous year 9,391,557) equity shares of Rs.10/- each fully paid-up		939.16	939.16
Total		939.16	939.16
Forfeited equity shares pending re-issue 5,715 (Previous year 5,715)		0.57	0.57

- (a) **Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year :**

	As at 31 st March, 2013		As at 31 st March, 2012	
	Nos.	Amount	Nos.	Amount
Equity Shares				
Number of shares outstanding at the beginning of the year	9,391,557	939.16	9,391,557	939.16
Additions/deductions during the year	—	—	—	—
Number of shares outstanding at the end of the year	9,391,557	939.16	9,391,557	939.16

- (b) **Terms, rights and restrictions attached to equity shares :**

The Company has only one class of equity shares having a par value of Rs.10/- per share.

Each shareholder is entitled to vote in proportion to his share of the paid up equity capital of the Company except upon voting by "Show of hands" where one shareholder is entitled to one vote.

The Company declares and pays dividend in Indian Rupees.

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 in proportion to their shareholdings.

- (c) **Shares held by holding/ultimate holding company and/or their subsidiaries/associates :**

	As at 31 st March, 2013		As at 31 st March, 2012	
	Nos.	Amount	Nos.	Amount
Equity Shares				
Holding company				
Venkateshwara Hatcheries Private Limited	4,701,276	470.13	4,701,276	470.13



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Equity Shares	As at 31 st March, 2013		As at 31 st March, 2012	
	Nos.	% of holding	Nos.	% of holding
Venkateshwara Hatcheries Private Limited	4,701,276	50.06%	4,701,276	50.06%

- (e) There are no shares reserved for issue under options or contracts/commitments for the sale of shares/ disinvestment as at 31st March 2013 and 31st March 2012.
- (f) The Company has neither allotted any shares as fully paid up pursuant to contracts without payments being received in cash or by way of bonus shares nor bought back any shares for the period of five years immediately preceding 31st March 2013 or 31st March 2012.
- (g) The Company does not have any securities convertible into equity or preference shares as at 31st March 2013 and 31st March 2012.
- (h) For the year ended 31st March 2012, the amount of per share dividend recognized as distribution to equity shareholders was Rupees 5/- towards final dividend. The total dividend appropriation for the year ended 31st March 2012 amounted to Rupees 545.76 lacs including dividend distribution tax of Rupees 76.18 lacs.
- (i) The Board of Directors, in it's meeting on 30th May 2013, declared final dividend of Rupees 5/- per equity share. The total dividend appropriation for the year ended 31st March 2013 amounts to Rupees 549.38 lacs including dividend distribution tax of Rupees 79.80 lacs. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

1.2 RESERVES AND SURPLUS

Capital reserves

	As at 31 st March, 2013	As at 31 st March, 2012
Capital Grants	97.78	97.78
Profit on reissue of forfeited shares and debentures	1.64	1.64
Amalgamation Reserve		
Opening balance	2.42	2.42
Additions during the year ¹	73.53	-
	<u>75.95</u>	<u>2.42</u>

(a) 175.37 101.84

Capital redemption reserve

(b) 87.50 87.50

Securities premium account

(c) 223.19 223.19

Hedging reserve

Opening balance	601.20	—
Additions during the year	159.99	601.20
	<u>761.19</u>	<u>601.20</u>

(d) 761.19 601.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rupees in Lacs)	
		As at 31 st March, 2013	As at 31 st March, 2012
General reserve			
Opening balance		25,444.11	17,944.11
Transferred from surplus in the statement of profit and loss		2,000.00	7,500.00
	(e)	<u>27,444.11</u>	<u>25,444.11</u>
Surplus in the statement of profit and loss			
Opening balance		4,181.91	8,122.08
Net Profit for the year as per the Statement of Profit and Loss		2,478.28	4,105.59
Balance available for appropriations		<u>6,660.19</u>	<u>12,227.67</u>
Less: Appropriations			
Transferred to general reserve		2,000.00	7,500.00
Proposed dividend		469.58	469.58
Dividend distribution tax		<u>79.80</u>	<u>76.18</u>
Total appropriations		<u>2,549.38</u>	<u>8,045.76</u>
Net Surplus in the Statement of Profit and Loss	(f)	<u>4,110.81</u>	<u>4,181.91</u>
Total (a+b+c+d+e+f)		<u><u>32,802.17</u></u>	<u><u>30,639.75</u></u>
1	On amalgamation of other companies in the year 1996-97, an amount of Rs. 73.53 lacs had been provided for in the books of accounts and reduced from amalgamation reserve. The management believes that the provision is no longer required and hence, the said amount is transferred back to the amalgamation reserve during the year ended on 31 st March 2013.		
2.1 LONG TERM BORROWINGS			
Secured			
Term loans			
From Banks			
Rupee loan one		1,408.67	1,878.22
Rupee loan two		5,000.00	—
External commercial borrowings		<u>8,956.20</u>	<u>8,393.55</u>
		<u>15,364.87</u>	<u>10,271.77</u>
Less: Current maturities of term loans (Refer note no. 3.3)		<u>766.45</u>	<u>469.56</u>
	(a)	<u>14,598.42</u>	<u>9,802.21</u>
Unsecured			
Deferred payment liabilities			
Sales Tax Deferral		55.42	55.81
Less: Current maturities of deferred payment liabilities (Refer note no. 3.3)		<u>0.76</u>	<u>0.39</u>
	(b)	<u>54.66</u>	<u>55.42</u>
Total (a+b)		<u><u>14,653.08</u></u>	<u><u>9,857.63</u></u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of securities, terms of repayments and rate of interest :

(i) Rupee loan one (Secured) :

Rupee term loan carries an interest rate of sum of base rate as increased by appropriate term premia and spread per annum, subject to minimum rate of ICICI bank base rate +2.25%. The payment of interest shall be subject to statutory levies, if any. The loan is repayable in 9 half yearly equal instalments commencing from 25th March 2012. The loan is secured by an exclusive mortgage of land and buildings located at village Dikadla, Tehsil Samalkha, Dist. Panipat, State Haryana, plot no. 55, Sansarpur terrace, Dist. Kangra, State Himachal Pradesh and village Laider, Tehsil Bara, District Allahabad, State Uttar Pradesh and by way of hypothecation of movable fixed assets acquired/to be acquired out of said loan at these locations.

(ii) Rupee loan two (Secured) :

Rupee term loan carries an interest rate of sum of Bank Borrowing Rate (BBR) as increased by 150 basis points per annum. The loan is repayable in 54 equal monthly instalments commencing from 1st April 2014. The loan is secured by way of second charge on movable fixed assets of the Company in form of Plant & Machinery, Electrical Installations, vehicles, furniture and fixture, office equipments etc. and also by way of second charge on entire current assets of the Company.

(iii) External commercial borrowings (Secured) :

The Company has availed External commercial borrowing (ECB) from ICICI bank into two tranches for financing its expansion plans. ECB is repayable in 11 half yearly predetermined instalments commencing from 3rd April 2013 and is denominated in US\$. It carries an interest rate of 6 month USD LIBOR plus 4.5 percent. Taking into considerations, the currency risks in the cash flows arising out of fluctuations of USD LIBOR rates and also the currency fluctuations, the Company has entered into hedge agreements with its bankers. As per the hedge agreements, the effective rate of interest is fixed at 12% and 12.60% p.a. respectively for two tranches. Further the repayment of said liability in respect of the ECB is also fixed at predetermined exchange rate pursuant to the hedge agreements. ECB is secured by an exclusive mortgage of land, buildings and immovable plant and machinery at Processing plant situated at Baur Kamshet, Pune, Feed Mill and Oilseed plant at Solapur, poultry farm at village Bhigwan and SPF plant at Pasure Bhor.

Further ECB is secured by an exclusive hypothecation of movable assets of the company acquired/ to be acquired from the loan facilities extended by the bank.

(iv) Deferred payment liabilities (Unsecured) :

The deferred sales tax liabilities shall be repaid in equal annual instalments not exceeding five such instalments at the expiry of 10th year. The details of which are as detailed below :

(Rupees in Lacs)

Particulars	Healthcare division	Animal Health products division	Animal Health products division
		Scheme 01	Scheme 02
Deferred sales tax liability amount	51.99	1.90	1.92
Deferment scheme started from	1-Apr-07	30-Apr-02	30-Apr-03
Instalments will start from	1-Apr-17	30-Apr-12	30-Apr-13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rupees in Lacs)	
		As at 31 st March, 2013	As at 31 st March, 2012
2.2 DEFERRED TAX LIABILITIES (NET)			
Deferred tax liabilities			
Depreciation/amortisations		2,463.07	1,997.07
	(a)	<u>2,463.07</u>	<u>1,997.07</u>
Deferred tax assets			
Employee benefits		281.53	192.09
Provision for doubtful debts		102.71	74.93
Others		6.56	6.20
	(b)	<u>390.80</u>	<u>273.22</u>
Deferred tax liabilities (net)	(a-b)	<u><u>2,072.27</u></u>	<u><u>1,723.85</u></u>
Deferred tax assets - others represent deferred tax asset in respect of items which are allowed under Income Tax Act, 1961 on a payment basis.			
2.3 OTHER LONG-TERM LIABILITIES			
Others			
Security deposits		114.08	68.62
Statutory dues		11.20	11.17
	Total	<u><u>125.28</u></u>	<u><u>79.79</u></u>
2.4 LONG TERM PROVISIONS			
Provision for employee benefits - Compensated absences		499.58	365.73
	Total	<u><u>499.58</u></u>	<u><u>365.73</u></u>
3.1 SHORT TERM BORROWINGS			
Secured			
Loans repayable on demand			
From Banks - Cash credit facilities ¹		1,998.37	1,868.89
Others - from banks			
Short term loan one ¹		2,100.00	—
Short term loan two ²		3,000.00	—
Unsecured			
From Banks - Working capital facilities		8,992.43	7,094.79
	Total	<u><u>16,090.80</u></u>	<u><u>8,963.68</u></u>

The details of securities :

1. The cash credit facilities and short term loan one are secured by way of first charge on entire current assets of the Company on parri passu basis.
2. The short term loan two is secured by an extension of charge on land and buildings located at (i) Village Dikadla, Tehsil Samalkha, Dist. Panipat, State Haryana, (ii) Plot no. 55, Sansarpur terrace, Dist. Kangra, State Himachal Pradesh, (iii) Village Laider, Tehsil Bara, District Allahabad, State Uttar Pradesh, (iv) Processing plant at Baur Kamshet, Pune, (v) Feed Mill and Oilseed plant at Solapur, (vi) Poultry farm at village Bhigwan and (vii) SPF plant at Pasure Bhor and by way of hypothecation of movable fixed assets acquired/to be acquired out of Rupee term loan one and External commercial borrowings at these locations.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Rupees in Lacs)	
	As at 31 st March, 2013	As at 31 st March, 2012
3.2 TRADE PAYABLES		
Dues to Micro and Small Enterprises ⁽¹⁾	—	—
Others	12,339.56	6,577.07
Total	12,339.56	6,577.07
Note 1		
Under Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 nd October 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. Accordingly, information relating to disclosure under the said Act has been given only to the extent such information is readily available with the Company. This information has been relied upon by the auditors.		
3.3 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer note no. 2.1)	767.21	469.95
Interest accrued but not due on borrowings	328.13	246.21
Advance from customers	1,691.09	984.38
Unclaimed dividends ⁽¹⁾	63.66	55.61
Other payables		
Payable against capital goods	663.60	644.81
Advance against sale of capital goods	176.85	—
Other creditors	1,366.33	1,165.34
Statutory dues	239.10	169.06
Payable to employees	456.85	320.00
Security deposits	23.10	38.49
Payable to trade associations towards contributions	46.63	42.77
Other liabilities	13.75	95.53
Total	5,836.30	4,232.15
Note 1		
There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as at 31 st March 2013.		
3.4 SHORT TERM PROVISIONS		
Provision for employee benefits		
Compensated absences	57.43	46.20
Gratuity	245.73	139.68
(a)	303.16	185.88
Others		
Proposed dividend	469.58	469.58
Dividend distribution tax	79.80	76.18
(b)	549.38	545.76
Total (a+b)	852.54	731.64

(Rupees in Lacs)

Notes:

- | Description | Gross |
|-------------|-------|
|-------------|-------|

Adjustments represent leases entered into/cancelled during the year.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
4.2 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital advances	2,302.80	1,293.35
Security deposits	594.31	609.64
Other loans and advances		
Loans and advances to employees	55.82	64.35
Payments under protest	284.84	148.62
Balances with Government Authorities	35.23	35.23
Taxes paid (net of provisions for taxes)	838.77	607.28
Total	4,111.77	2,758.47
4.3 OTHER NON-CURRENT ASSETS		
Long term trade receivables		
Unsecured Considered good	67.79	45.58
Considered doubtful	302.17	230.94
	369.96	276.52
Less: Provision for doubtful debts	302.17	230.94
(a)	67.79	45.58
Others		
Balances with banks held as margin money against guarantees*	81.31	65.66
Balances with banks held as time deposits against guarantees*	4.38	4.23
Interest accrued but not due	20.04	15.85
Derivative asset	1,327.24	604.20
(b)	1,432.97	689.94
Total (a+b)	1,500.76	735.52

* Restricted bank balances against guarantees.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

5.1 CURRENT INVESTMENTS

As at 31 st March, 2013 (No. of Units)	As at 31 st March 2012 (No. of Units)		As at 31 st March, 2013	As at 31 st March 2012
UNQUOTED INVESTMENTS IN MUTUAL FUNDS (Units of face value of Rupees 10/- each, unless otherwise stated)				
HDFC Mutual Fund				
2,864,576	—	HDFC Liquid Fund - Growth	662.04	—
3,642,719	—	HDFC Liquid Fund - Dividend - Daily Reinvest	371.49	—
341,337	—	HDFC FMP 370D April 2012 (1) - Growth	34.14	—
159,992	65,355	HDFC Cash Management Fund - TAP - Daily Dividend Reinvestment	16.05	6.56
—	8,614,400	HDFC FMP 370D January 2012 (4) - Growth	—	861.44
IIFL Mutual Fund				
7,143,200	7,143,200	IIFL FMP Series - 1 - Growth	714.32	714.32
Kotak Mutual Fund				
6,413,535	6,413,535	Kotak FMP Series 71 - Growth	641.35	641.35
IDBI Mutual Fund				
5,000,000	5,000,000	IDBI FMP 550 Days Series - II (December 2011) - B - Growth	500.00	500.00
DSP Black Rock Mutual Fund (Units of face value of Rupees 1,000/- each)				
35,623	—	DSP Black Rock Money Manager Fund Regular - Daily Dividend	357.02	—
IDFC Mutual Fund				
—	5,566,278	IDFC Money Manager Fund - Treasury Plan A - Daily Dividend Reinvestment	—	560.52



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

5.1 CURRENT INVESTMENTS - Contd.

As at 31 st March, 2013 (No. of Units)	As at 31 st March 2012 (No. of Units)		As at 31 st March, 2013	As at 31 st March 2012
		Birla Sunlife Mutual Fund (Units of face value of Rupees 100/- each)		
3,767	—	Birla Sun Life Cash Manager - Growth - Regular Plan	10.64	—
301	—	Birla Sun Life Savings Fund - Retail - Growth Regular Plan	0.67	—
—	146,775	Birla Sun Life Savings Fund - Institutional Daily Dividend Reinvestment	—	146.87
—	783	Birla Sun Life Savings Fund - Retail - Daily Dividend	—	0.78
		ICICI Prudential Mutual Fund		
—	2,000,000	ICICI Prudential FMP Series 54 1 Year Plan A Cumulative	—	200.00
—	1,000,000	ICICI Prudential FMP Series 56 1 Year Plan E Cumulative	—	100.00
		Reliance Mutual Fund		
—	16,827	Reliance Liquid Fund - Cash Plan Daily Dividend Option - CPDD	—	1.87
		Total	3,307.72	3,733.71
		Aggregate amount of unquoted investments	3,307.72	3,733.71
		Aggregate provision made for diminution in value of investments	—	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
5.2 INVENTORIES		
(As taken, valued and certified by the management)		
Poultry for livestock breeding	4,105.20	3,094.63
Raw materials and packing materials	6,728.68	7,340.24
Raw material in transit	69.47	72.11
Work-in-Progress	4,767.77	3,740.01
Finished goods	1,474.61	1,169.68
Stock-in-trade	138.78	187.32
Stock-in-trade in transit	—	33.58
Stores and spares	552.22	421.46
Total	17,836.73	16,059.03
5.3 TRADE RECEIVABLES		
Unsecured, considered good*		
Outstanding for a period exceeding six months from the date they are due for payment	180.91	122.75
Other debts	10,563.97	5,218.77
Total	10,744.88	5,341.52
* include dues from		
(a) Private companies in which some of the directors of the Company are directors/members		
- Venkateshwara Hatcheries Private Limited	4,948.01	1,658.04
- Eastern Hatcheries Private Limited	31.26	18.74
- Bala Industries & Entertainment Private Limited	344.64	100.38
- Uttara Foods & Feeds Private Limited	431.00	40.61
- Venkateshwara Research & Breeding Farm Private Limited	40.37	33.87
- Uttara Impex Private Limited	—	11.64
(b) Firms in which some of the directors of the Company are partners		
- Venkateshwara Foods and Feeds	1,396.10	421.29



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

5.4 CASH AND BANK BALANCES

Cash and cash equivalents

Balances with banks in:

- current accounts	333.50	629.84
- deposit accounts with original maturity of less than three months	1,721.69	3,335.44
- unclaimed dividend accounts ⁽¹⁾	63.66	55.61

Cheques, drafts on hand	1,945.96	600.95
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Cash on hand	651.56	276.23
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(a)

4,716.37

4,898.07

Other bank balances

Bank Deposits ²	9,700.09	5,450.00
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Balances with banks held as margin money against guarantees	29.07	41.80
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(b)

9,729.16

5,491.80

Total (a+b)

14,445.53

10,389.87

Notes :

1. Represents restricted bank balances on account of unclaimed dividends.
2. Includes deposits of Rs. 300.09 Lacs (Previous year Rs. 450.00 Lacs) having original maturity for more than three months but less than twelve months and deposits of Rs. 9,400.00 Lacs (Previous year Rs. 5,000.00 Lacs) having original maturity of more than twelve months and due for its maturity within twelve months from the reporting date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	As at 31 st March, 2013	As at 31 st March, 2012
5.5 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good, except as stated otherwise)		
Other loans and advances		
Inter-corporate loans	1,900.00	—
Loans and advances to employees		
Considered good	138.50	125.18
Considered doubtful	3.45	—
	141.95	125.18
Less: provision for doubtful advances	3.45	—
	138.50	125.18
Advances to suppliers	350.32	263.38
Prepayments	131.30	94.59
Security deposits	59.08	29.09
Balances with Government Authorities	3.24	83.63
Total	2,582.44	595.87
5.6 OTHER CURRENT ASSETS (Unsecured, considered good)		
Interest accrued but not due	360.55	149.43
Other receivables	—	0.27
Total	360.55	149.70
5.7 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
Contingent liabilities		
Claims against the company not acknowledged as debt;		
Income-tax matters in dispute	65.25	10.84
Non agriculture tax in dispute	4.24	4.24
Sales tax demands in dispute	511.01	219.14
Excise duty demands in dispute	68.23	—
Electricity demands in dispute	310.14	186.89
Labour wages in dispute	158.76	148.39
Other demands in dispute	40.77	40.77



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rupees in Lacs)	
		As at 31 st March, 2013	As at 31 st March, 2012
Commitments			
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,053.16	1,454.66
(ii)	Other commitments		
a.	Contractual commitments for purchase of goods	103.40	—
b.	Hedge agreements to buy US\$		

	2012-13 In Lacs (US\$)	2011-12 In Lacs (US\$)	2012-13 (Rupees in Lacs)	2011-12 (Rupees in Lacs)
Hedge of External commercial borrowing principal repayment	165.00	165.00	8,956.20	8,393.55
Interest rate swap against exposure to variable interest outflow on External Commercial Borrowing, swap to pay fixed interest @ 12% and receive a variable interest @ 6 months USD LIBOR and applicable margin.				
Notional amount	150.00	150	7,630.50	7,630.50
Interest rate swap against exposure to variable interest outflow on External Commercial Borrowing, swap to pay fixed interest @ 12.60% and receive a variable interest @ 6 months USD LIBOR and applicable margin.				
Notional amount	15.00	15.00	763.05	763.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

		For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
6.1 REVENUE FROM OPERATIONS					
	Unit ⁽¹⁾	Quantity ⁽¹⁾	Amount	Quantity ⁽¹⁾	Amount
Sale of products					
Day old commercial chicks	Nos.	57,184,817	11,456.43	61,112,600	11,537.06
S.P.F. eggs	Nos.	7,251,758	3,563.73	6,317,918	3,032.95
Grownup commercial broiler	Kgs.	76,381,839	46,680.57	52,899,365	27,420.31
Grownup commercial layer	Nos.	801,581	1,207.30	1,050,032	1,373.66
Processed chicken	Kgs.	10,158,416	17,282.16	10,570,635	16,279.97
Animal health products					
Powder	M.T.	4,213	7,522.54	3,565	6,596.20
Liquid	K.L.	1,979	2,478.51	1,871	2,284.82
Poultry feed	M.T.	43,319	9,338.12	50,715	8,389.35
Refined oil	M.T.	20,025	13,662.65	15,779	9,917.36
De-oiled cake for poultry feed	M.T.	82,862	26,040.82	45,096	8,429.78
	(a)		139,232.83		95,261.46
Sale of services					
Processing charges			97.50		181.95
	(b)		97.50		181.95
Other operating revenues					
Grown up parents			400.66		416.95
Hatching eggs			153.29		265.71
Culls			934.63		836.02
By-products			1,568.39		1,712.09
Miscellaneous			524.07		571.63
	(c)		3,581.04		3,802.40
Total (a+b+c)			142,911.37		99,245.81

Note 1 :

Given voluntarily by the management for better understanding by shareholders.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
6.2 OTHER INCOME		
Interest income	980.05	189.66
Dividend income from current investments	45.10	115.33
Gain on sale of current investments (net)	124.70	826.75
Profit / (Loss) on foreign currency translations and transactions (net)	0.80	(5.54)
Profit / (Loss) on fixed assets sold discarded (net)	22.57	(4.56)
Other non-operating income (net)		
Rent	183.73	250.41
Less : Directly attributable expenses	1.20	2.85
	182.53	247.56
Miscellaneous income	418.32	245.92
Less : Directly attributable expenses	1.19	—
	417.13	245.92
Total	1,772.88	1,615.12

7.1 COST OF RAW MATERIALS AND PACKING MATERIALS CONSUMED

a. Cost of raw materials and packing materials consumed

Inventories at the beginning of the year	7,340.24	5,907.64
Add : Purchases (net of returns)	102,016.39	63,752.69
	109,356.63	69,660.33
Less: Inventories at the end of the year	6,728.68	7,340.24
Total	102,627.95	62,320.09

b. Break up of raw materials and packing materials consumed under broad heads

		For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
	Unit ⁽¹⁾	Quantity ⁽¹⁾	Amount	Quantity ⁽¹⁾	Amount
Feed and feed ingredients	M.T.	241,801	45,623.04	185,743	26,989.21
Breeder S.P.F. eggs	Nos.	7,000	219.55	7,000	174.55
Day old commercial chicks	Nos.	—	—	2,501,813	325.64
Oilseeds and oil cakes	M.T.	121,123	40,022.05	98,075	22,718.48
AHP ingredients		Numerous	4,837.30	Numerous	3,678.32
Other raw materials		Numerous	9,780.78	Numerous	6,596.49
Packing materials		Numerous	2,145.23	Numerous	1,837.40
Total			102,627.95		62,320.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	Unit ⁽¹⁾	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
		Quantity ⁽¹⁾	Amount	Quantity ⁽¹⁾	Amount
7.2 PURCHASES OF STOCK-IN-TRADE					
Day old commercial chicks	Nos.	15,541,986	2,158.94	17,758,399	2,554.14
Processed chicken	Kgs.	2,672,612	2,654.00	2,522,813	2,482.87
Animal health products					
Powder	M.T.	1,896	1,833.54	1,752	1,910.46
Liquid	K.L.	29	102.38	24	55.01
Others		Numerous	779.89	Numerous	737.45
Total			7,528.75		7,739.93

Note 1 :

Given voluntarily by the management for better understanding of shareholders.

		For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
7.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE AND POULTRY FOR LIVESTOCK BREEDING			
a. Changes in inventories			
Inventories at the beginning of the year			
Poultry for livestock breeding		3,094.63	2,346.09
Finished goods		1,169.68	1,119.15
Work in progress		3,740.01	2,264.80
Stock in trade		187.32	212.84
		8,191.64	5,942.88
Less: Inventories at the end of the year			
Poultry for livestock breeding		4,105.20	3,094.63
Finished goods		1,474.61	1,169.68
Work in progress		4,767.77	3,740.01
Stock in trade		138.78	187.32
		10,486.36	8,191.64
Total		(2,294.72)	(2,248.76)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

b. Break-up of inventory under broad heads

	2012-2013		2011-2012	
	Closing Inventory	Opening Inventory	Closing Inventory	Opening Inventory
Poultry for livestock breeding				
Broiler and layer breeder birds	3,799.64	2,841.70	2,841.70	2,107.90
SPF breeder birds	305.56	252.93	252.93	238.19
(a)	4,105.20	3,094.63	3,094.63	2,346.09
Finished goods				
Processed chicken	318.16	382.32	382.32	379.56
Refined oil	153.51	68.40	68.40	33.53
Animal health products				
Powder	545.09	470.51	470.51	469.86
Liquid	272.81	126.86	126.86	171.88
Poultry feed	115.15	60.47	60.47	20.15
De-oiled cake for poultry feed	8.22	10.21	10.21	14.64
S.P.F. eggs	29.33	16.23	16.23	15.11
Miscellaneous	32.34	34.68	34.68	14.42
(b)	1,474.61	1,169.68	1,169.68	1,119.15
Work in progress				
Hatching eggs	1,191.69	978.70	978.70	585.18
Crude oil	333.95	243.91	243.91	121.76
Processed chicken	37.35	9.68	9.68	29.66
Commercial broiler in growing	3,076.33	2,352.13	2,352.13	1,363.35
Commercial layer in growing	128.45	155.59	155.59	164.85
(c)	4,767.77	3,740.01	3,740.01	2,264.80
Stock in trade				
Animal health products				
Powder	128.40	179.13	179.13	193.42
Liquid	10.38	8.19	8.19	19.42
(d)	138.78	187.32	187.32	212.84
Total (a+b+c+d)	10,486.36	8,191.64	8,191.64	5,942.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(Rupees in Lacs)	
	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
7.4 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages (Including gratuity, bonus and compensated absences)	7,624.71	6,073.34
Contribution to provident and other funds	510.00	413.18
Staff welfare expenses	466.42	373.39
Total	8,601.13	6,859.91
7.5 FINANCE COSTS		
Interest expense	2,625.23	1,631.73
Other borrowing costs	77.39	229.50
	2,702.62	1,861.23
Less: Capitalised during the year	388.15	320.11
Total	2,314.47	1,541.12
7.6 MANUFACTURING, FARM AND OTHER EXPENSES		
Chicks / grownup birds purchased	1,862.35	1,689.57
Consumption of stores, spare and other supplies	1,217.67	1,052.61
Bird rearing and custom hatching charges	3,474.60	2,745.29
Power and fuel	4,279.78	3,306.21
Rent	515.30	426.03
Repairs to:		
Building	329.73	350.51
Machinery	775.25	630.42
Others	258.60	227.05
	1,363.58	1,207.98
Insurance	86.36	65.27
Rates and taxes	478.75	234.19
Carriage outward (net)	1,843.01	1,685.25
Travelling and conveyance	1,453.68	1,128.43
Advertisement and publicity	411.18	1,357.57
Bad debts & advances written off and provision for doubtful debts & advances	75.90	18.56
Miscellaneous expenses	3,032.16	2,584.90
Total	20,094.32	17,501.86



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
7.7 OTHER INFORMATION AND DISCLOSURES FORMING PART OF THE FINANCIAL STATEMENT		
7.7.1 Miscellaneous expenses include auditor's remuneration as follow:		
(Stated net of service tax)		
Audit	40.25	35.00
Audit under the Income-tax Act, 1961	12.65	11.00
Taxation matters	5.00	—
Other services	26.77	16.84
Reimbursement of expenses	4.23	3.14
Total	88.90	65.98
7.7.2 PRIOR PERIOD ITEMS (NET)		
Cost of raw materials and packing materials consumed	1.36	0.33
Consumption of stores and spares	0.26	—
Employee benefits expense	0.26	1.32
Power and fuel	0.54	0.48
Repairs	1.00	1.47
Rent	0.37	—
Rates and taxes	1.13	4.58
Carriage outward (net)	0.05	0.75
Travelling & conveyance	0.16	1.03
Advertisement and publicity	55.17	7.47
Miscellaneous expenses (net)	9.34	15.55
Total	69.64	32.98
7.7.3 CIF VALUE OF IMPORTS		
Raw material / trading goods	2,663.82	1,730.00
Capital goods	66.28	928.75
Stores & spares	103.91	123.90
Packing material	18.64	10.38
Total	2,852.65	2,793.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
7.7.4 EXPENDITURE IN FOREIGN CURRENCY		
Travelling expenses (net of recovery)	233.95	274.42
Professional fees	116.52	104.55
Security expenses	56.64	71.66
Advertisement and publicity	27.29	73.19
Finance cost	461.57	409.81
Miscellaneous expenses	0.83	—
Total	896.80	933.63

7.7.5 VALUE OF IMPORTED AND INDIGENOUS GOODS CONSUMED

Particulars	2012-2013		2011-2012	
	(Rupees in Lacs)	% of total consumption	(Rupees in Lacs)	% of total consumption
Raw materials & packing materials				
Imported	1,734.85	1.69%	894.67	1.44%
Indigenous	100,893.10	98.31%	61,425.42	98.56%
Total	102,627.95	100.00%	62,320.09	100.00%
Stores, spare & other supplies				
Imported	77.46	6.36%	83.68	7.95%
Indigenous	1,140.21	93.64%	968.93	92.05%
Total	1,217.67	100.00%	1,052.61	100.00%

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
7.7.6 EARNINGS IN FOREIGN EXCHANGE		
F.O.B. value of exports (SPF Eggs)	210.11	240.69



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

7.7.7 DERIVATIVE FINANCIAL INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

In line with the Company's risk management policy, the various financial risks mainly relating to changes in the exchange rates and interest rates are hedged by the Company using a cross currency swaps.

a. Particulars of the derivative contracts entered into for hedging purpose outstanding at the balance sheet date :

	2012-2013		2011-2012	
	Exposure	Mark to market value	Exposure	Mark to market value
For Hedging foreign currency risk Currency Swaps	9,437.95	10,765.19	9,714.66	10,318.86

b. Particulars of unhedged foreign currency exposure outstanding at the balance sheet date:

	2012-2013		2011-2012	
	(Foreign Currency in lacs)	(Rupees in Lacs)	(Foreign Currency in lacs)	(Rupees in Lacs)
Trade payables (in US\$)	5.32	290.93	2.53	131.68
Trade payables (in Euro)	0.62	43.17	—	—
Advance from customers (in US\$)	0.01	0.47	—	0.19
Advance from customers (in AED)	0.48	7.35	—	—
Advance to suppliers (in Euro)	0.50	35.16	0.36	23.82
Trade receivables (in US\$)	—	0.02	—	—

8 EMPLOYEE BENEFITS

(a) Employee benefits expense include contribution towards defined contribution plans as follow:

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Provident fund scheme	426.94	342.50
Superannuation scheme	46.78	37.83
State insurance scheme	23.83	22.94
Total	497.55	403.27

(b) Plan description : Gratuity and Compensated absences plan

(i) Gratuity (Funded)

The Company makes annual contributions to the Gratuity Fund managed by ICICI Prudential Life Insurance Company Ltd, a funded defined benefit plan for qualifying employees. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs only upon completion of 5 years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date by an independent actuary appointed by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

(ii) Compensated absences (Non Funded)

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date by an independent actuary appointed by the Company.

(c) Defined benefit plans/ compensated absences - as per actuarial valuation carried out by an independent actuary as at 31st March 2013

	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2012-13	2011-12	2012-13	2011-12
I	Change in defined benefit obligation				
	Liability at the beginning of the year	1,462.32	1,242.53	411.92	336.49
	Interest cost	124.28	103.16	30.71	25.78
	Current service cost	160.01	116.68	85.41	57.48
	Benefit Paid	(115.77)	(57.69)	(101.21)	(66.39)
	Actuarial (gain)/loss on obligation	214.75	57.64	130.18	58.56
	Liability at the end of the year	1,845.59	1,462.32	557.01	411.92
II	Change in Plan Assets				
	Fair value of plan assets at the beginning of the year	1,322.65	1,089.74	—	—
	Expected return on Plan Assets	125.09	103.70	—	—
	Contributions by employers	135.00	129.20	—	—
	Benefit Paid	(0.52)	(4.22)	—	—
	Actuarial gain/(loss) on Plan Assets	17.64	4.23	—	—
	Fair value of plan assets at the end of the year	1,599.86	1,322.65	—	—
	Total actuarial Loss/(Gain) to be recognized	197.11	53.41	130.18	58.56
III	Actual Return on Plan Assets				
	Expected return on plan assets	125.09	103.70	—	—
	Actuarial gain/(loss) on Plan Assets	17.64	4.23	—	—
	Actual Return on Plan Assets	142.73	107.93	—	—
IV	Amount Recognized in the Balance Sheet				
	Liability at the end of the year	1,845.59	1,462.32	557.01	411.92
	Fair Value of Plan Assets at the end of the year	1,599.86	1,322.65	—	—
	Amount Recognized in the Balance Sheet	245.73	139.67	557.01	411.92



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2012-13	2011-12	2012-13	2011-12
V	Expenses Recognized in the Statement of profit and loss for the year				
	Current Service cost	160.01	116.68	85.41	57.48
	Interest cost	124.28	103.16	30.71	25.78
	Expected return on plan assets	(125.09)	(103.70)	—	—
	Net Actuarial Loss/(Gain) to be recognized	197.11	53.41	130.18	58.56
	Expenses Recognized in P & L	356.31	169.55	246.30	141.82
VI	Amount Recognized in the Balance Sheet				
	Opening net Liability	139.67	152.79	411.92	336.49
	Expenses as above	356.31	169.55	246.30	141.82
	Contributions by employers/Benefits paid	(250.25)	(182.67)	(101.21)	(66.39)
	Amount Recognized in the Balance Sheet	245.73	139.67	557.01	411.92
VII	Actuarial Assumptions for the year				
	Discount Factor	8.30%	8.50%	8.30%	8.50%
	Rate of Return on Plan Assets	9.00%	9.00%	NA	NA
	Interest Rate	8.50%	8.50%	NA	NA
	Attrition Rate				
	i) Staff below age 35	5.00%	5.00%	5.00%	5.00%
	ii) Others	1.00%	1.00%	1.00%	1.00%
	Rate of Escalation in Salary	8.00%	8.00%	8.00%	8.00%

(d) The estimates of future salary increases, considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors.

(e) The major categories of plan assets as a percentage of total plan assets.

Particulars	% of total investments as at	
	31 st March, 2013	31 st March, 2012
Debentures / Bonds	53.35	63.61
Government Securities	13.56	0.43
Deposit with Banks	25.70	24.54
Others	7.39	11.42
Total	100.00	100.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

(f) Experience History

Particulars	31 st March, 2013	31 st March, 2012	31 st March, 2011	31 st March, 2010	31 st March, 2009
Present value of obligation	1,845.59	1,462.32	1,242.52	1,100.63	1,207.33
Fair value of plan assets	1,599.86	1,322.65	1,089.74	867.61	647.92
Surplus / (Deficit) in the plan	(245.73)	(139.67)	(152.78)	(233.02)	(559.41)
Experience adjustment					
On plan liabilities - Loss/(gain)	214.75	57.64	17.32	(15.82)	(3.31)
On plan assets - Loss/(gain)	(17.64)	(4.23)	23.86	0.74	(19.37)

9 SEGMENT REPORTING

Business segments

The primary segment reporting format is determined to be business segments as the Company's risk and rate of return are affected predominantly by differences in the products produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different markets.

The "Poultry and poultry products" segment produces and sells Chicks, Grownup commercial broiler and layer, processed chicks, S.P.F. Eggs, poultry feed and other miscellaneous poultry products. The "Animal Health Products" segments produces and sells medicines and other health products for birds. The "Oilseed segment" produces and sells edible refined Soya oil and Soya de-oiled cake.

Transfer prices between segments are measured on the basis of price charged for inter segment transfers.

Segment revenue includes transfer between inter segments. Those transfers are eliminated in total revenue.

Corporate Expenses are allocated to other segments at cost.

Geographical segments

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by the location of the assets.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

9 SEGMENT REPORTING

A. Primary Segment Information: Business segments

Particulars	Poultry & Poultry Products		Animal Health Products		Oilseed		Elimination		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
REVENUE										
Revenue from Operations	92,607.20	71,323.13	9,937.55	8,897.80	40,097.96	18,808.06	—	—	142,642.71	99,028.99
Inter-segment Sales	—	—	745.80	638.53	6,249.02	7,058.87	6,994.82	7,697.40	—	—
Total Revenue	92,607.20	71,323.13	10,683.35	9,536.33	46,346.98	25,866.93	6,994.82	7,697.40	142,642.71	99,028.99
RESULT										
Segment Result	1,524.31	5,647.53	1,501.64	1,596.07	4,343.46	1,507.78	—	—	7,369.41	8,751.38
Unallocated Corporate Expenses	—	—	—	—	—	—	—	—	1,212.04	1,617.40
Operating Profit	—	—	—	—	—	—	—	—	6,157.37	7,133.98
Interest Expense	—	—	—	—	—	—	—	—	2,237.08	1,414.97
Income Taxes	—	—	—	—	—	—	—	—	1,383.42	1,613.42
Profit from Ordinary Activities	—	—	—	—	—	—	—	—	2,536.87	4,105.59
Extra ordinary items	—	—	—	—	—	—	—	—	—	—
Net Profit	—	—	—	—	—	—	—	—	2,536.87	4,105.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Currency : Indian Rupee)

(Rupees in Lacs)

Particulars	Poultry & Poultry Products		Animal Health Products		Oilseed		Elimination		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
OTHER INFORMATION										
Segment Assets	46,335.07	39,756.53	5,527.22	4,949.68	13,723.08	7,233.77	—	—	65,585.37	51,939.98
Unallocated corporate assets									20,625.37	12,170.47
Total Assets									86,210.74	64,110.45
Segment Liabilities	14,764.23	9,327.31	1,962.51	1,615.04	2,555.01	1,023.63	—	—	19,281.75	11,965.98
Unallocated Corporate Liabilities									33,187.66	20,565.56
Total Liabilities									52,469.41	32,531.54
Capital Expenditure	9,063.54	8,359.46	166.55	350.69	376.05	168.85	—	—	9,606.14	8,879.00
Unallocated Corporate Capital Expenditure									1.91	387.97
Total Capital Expenditures									9,608.05	9,266.97
Depreciation/amortisation	1,262.89	935.35	73.42	51.57	122.47	114.89	—	—	1,458.78	1,101.81
Unallocable Corporate Depreciation/amortisation									94.98	76.17
Non-Cash Expenses other than depreciation	45.12	14.69	29.56	5.96	—	5.29	—	—	74.68	25.94
Unallocable Non-cash Expenses other than depreciation									—	—

B. Secondary Segment Information: Geographical segments

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by the location of the assets. Since all the assets are located in India and revenue from customers located out of India are less than 10% of total revenue, there are no reportable geographical segments.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

10 RELATED PARTIES DISCLOSURES

I. NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

a. Key Management Personnel and their relatives

- 1 Mrs. Anuradha J. Desai
- 2 Mr. B. Venkatesh Rao
- 3 Mr. B. Balaji Rao
- 4 Mr. Jitendra M. Desai

b. Where control exists

Party that exercises control

- 1 Venkateshwara Hatcheries Private Limited - Holding Company

c. Fellow subsidiaries where transactions have taken place during the year

- 1 Eastern Hatcheries Private Limited
- 2 Bala Industries and Entertainment Private Limited

d. Enterprises over which Key Management Personnel and their relatives have significant influence and enterprises having a Key Management Personnel in common where transactions have taken place during the year

- 1 Venco Research and Breeding Farm Private Limited
- 2 Uttara Foods and Feeds Private Limited
- 3 B. V. Bio-Corp Private Limited
- 4 Venkateshwara Research and Breeding Farm Private Limited
- 5 Uttara Impex Private Limited
- 6 All India Poultry Development and Services Private Limited
- 7 Venkateshwara Foods & Feeds (Firm)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

II. a. DETAILS REGARDING PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL

Sr. No.	Transactions	2012-13	2011-12
1	Remuneration		
	Salary	8.50	6.00
	Contribution to provident and other funds	2.64	1.86
	Perquisites	9.02	6.43
		20.16	14.29
2	Commission	6.12	10.28
3	Sitting fees	1.90	1.90
4	Rent paid (expense)	3.60	3.60
	Total	31.78	30.07

b. BREAKUP OF PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL

Sr. No.	Transactions	2012-13	2011-12
	Remuneration		
1	Mr. B. Balaji Rao	20.16	14.29
	Total	20.16	14.29
	Commission		
1	Mrs. Anuradha J. Desai	1.43	3.09
2	Mr. B. Venkatesh Rao	1.43	3.10
3	Mr. B. Balaji Rao	1.83	1.00
4	Mr. Jitendra M. Desai	1.43	3.09
	Total	6.12	10.28
	Sitting fees		
1	Mrs. Anuradha J. Desai	0.75	0.75
2	Mr. B. Venkatesh Rao	0.20	0.20
3	Mr. Jitendra M. Desai	0.95	0.95
	Total	1.90	1.90
	Rent paid (expense)		
1	Mr. B. Venkatesh Rao	3.60	3.60
	Total	3.60	3.60



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

III. a. TRANSACTIONS WITH RELATED PARTIES

(Rupees in Lacs)

Sr. No.	Nature of significant transaction	Party that exercises control		Fellow subsidiaries		Enterprises over which key management personnel and their relatives have significant influence and enterprises having a key management person in common		Total	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Purchase of materials / finished goods	7,739.64	7,104.03	36.33	17.77	6,860.03	6,052.93	14,636.00	13,174.73
2	Sale of materials / finished goods	29,952.24	17,133.99	1,798.07	811.33	9,037.33	5,712.47	40,787.64	23,657.79
3	Purchase of fixed assets	65.90	6.64	646.81	402.36	12.22	3.65	724.93	412.65
4	Sale of fixed assets	42.88	495.03	-	-	1.30	-	44.18	495.03
5	Expenses recharged to other companies (income)	203.90	139.19	1.32	0.12	19.71	13.95	224.93	153.26
6	Expenses recharged by other companies (expense)	363.50	266.02	4.57	9.05	47.12	11.81	415.19	286.88
7	Collateral security given and outstanding	9,400.00	-	-	-	-	-	9,400.00	-
8	Commission received on Collateral security given	47.00	-	-	-	-	-	47.00	-
9	Custom hatching charges / testing charges / processing charges (income)	52.93	78.37	-	1.18	107.66	196.46	160.59	276.01
10	Custom hatching charges / testing charges / processing charges (expense)	-	1.76	-	-	24.43	163.43	24.43	165.19
11	Repairs and maintenance expense	-	-	82.78	29.58	-	-	82.78	29.58
12	Advertisement and publicity	-	-	-	116.13	-	-	-	116.13
13	Consignment sales commission (expense)	-	-	8.03	5.80	-	-	8.03	5.80
14	Rent (income)	154.46	219.50	-	-	29.27	30.91	183.73	250.41
15	Rent (expense)	70.98	66.51	-	-	-	-	70.98	66.51
16	Contributions to trade associations	-	-	-	-	75.80	41.77	75.80	41.77
17	Deposits taken from Lessee / Franchisees	-	-	-	-	-	20.00	-	20.00
18	Outstanding receivable/ (payables), net of payable / receivables	4,948.01	1,658.04	375.90	107.88	553.16	(432.71)	5,877.07	1,333.21
19	Outstanding deposits from Lessee / Franchisees receivable / (payables), net of payable / receivables	210.53	210.53	-	-	(20.00)	(20.00)	190.53	190.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b . DISCLOSURE IN RESPECT OF TRANSACTIONS WHICH ARE MORE THAN 10% OF THE TOTAL TRANSACTIONS

(Rupees in Lacs)

Sr. No.	Transactions	2012-13	2011-12
	Purchase of materials / finished goods		
1	Venkateshwara Hatcheries Private Limited	7,739.64	7,104.03
2	Venco Research and Breeding Farm Private Limited	1,809.49	2,064.30
3	B. V. Bio-Corp Private Limited	3,094.04	2,502.65
4	Others	1,992.83	1,503.75
	Total	14,636.00	13,174.73
	Sale of materials / finished goods		
1	Venkateshwara Hatcheries Private Limited	29,952.24	17,133.99
2	Venco Research and Breeding Farm Private Limited	3,967.45	3,119.91
3	Others	6,867.95	3,403.89
	Total	40,787.64	23,657.79
	Purchase of fixed assets		
1	Bala Industries and Entertainment Private Limited	646.81	402.36
2	Others	78.12	10.29
	Total	724.93	412.65
	Sale of fixed assets		
1	Venkateshwara Hatcheries Private Limited	42.88	495.03
2	Others	1.30	-
	Total	44.18	495.03
	Expenses recharged to other companies (income)		
1	Venkateshwara Hatcheries Private Limited	203.90	139.19
2	Others	21.03	14.07
	Total	224.93	153.26
	Expenses recharged by other companies (expense)		
1	Venkateshwara Hatcheries Private Limited	363.50	266.02
2	Others	51.69	20.86
	Total	415.19	286.88



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

Sr. No.	Transactions	2012-13	2011-12
	Collateral security given and outstanding		
1	Venkateshwara Hatcheries Private Limited	9,400.00	-
	Total	9,400.00	-
	Commission received on Collateral security given		
1	Venkateshwara Hatcheries Private Limited	47.00	-
	Total	47.00	-
	Custom hatching charges / testing charges / processing charges (income)		
1	Venkateshwara Hatcheries Private Limited	52.93	78.37
2	B. V. Bio-Corp Private Limited	97.50	181.95
3	Others	10.16	15.69
	Total	160.59	276.01
	Custom hatching charges / testing charges / processing charges (expense)		
1	Uttara Foods and Feeds Private Limited	10.32	136.75
2	B. V. Bio-Corp Private Limited	14.11	21.62
3	Others	-	6.82
	Total	24.43	165.19
	Repairs and maintenance expenses		
1	Bala Industries and Entertainment Private Limited	82.78	29.58
	Total	82.78	29.58
	Advertisement and publicity		
1	Bala Industries and Entertainment Private Limited	-	116.13
	Total	-	116.13
	Consignment sales commission (expense)		
1	Eastern Hatcheries Private Limited	8.03	5.80
	Total	8.03	5.80
	Rent (income)		
1	Venkateshwara Hatcheries Private Limited	154.46	219.50
2	Venco Research and Breeding Farm Private Limited	21.92	24.91
3	Others	7.35	6.00
	Total	183.73	250.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

Sr. No.	Transactions	2012-13	2011-12
	Rent (expense)		
1	Venkateshwara Hatcheries Private Limited	70.98	66.51
	Total	70.98	66.51
	Contributions to trade associations		
1	All India Poultry Development and Services Private Limited	75.80	41.77
	Total	75.80	41.77
	Deposits taken from Lessee / Franchisees		
1	Venkateshwara Research and Breeding Farm Private Limited	-	20.00
	Total	-	20.00
	Outstanding receivable/ (payables), net of payable / receivables		
1	Venkateshwara Hatcheries Private Limited	4,948.01	1,658.04
2	Eastern Hatcheries Private Limited	31.26	18.74
3	Bala Industries & Entertainment Private Limited	344.64	89.14
4	Uttara Foods & Feeds Private Limited	431.00	40.61
5	Uttara Impex Private Limited	(63.02)	11.64
6	Venkateshwara Research and Breeding Farm Private Limited	40.37	33.87
7	Venco Research and Breeding Farm Private Limited	(522.75)	(291.31)
8	Venkateshwara Foods and Feeds	1,396.10	421.29
9	B. V. Bio-Corp Private Limited	(728.54)	(648.81)
	Total	5,877.07	1,333.21
	Outstanding deposits from Lessee / Franchisees receivable / (payables), net of payable / receivables		
1	Venkateshwara Hatcheries Private Limited	210.53	210.53
2	Venkateshwara Research and Breeding Farm Private Limited	(20.00)	(20.00)
	Total	190.53	190.53



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lacs)

	31 st March, 2013	31 st March, 2012
11 LEASES		
A. Operating Lease : (Company as a lessor)		
The Company has entered into commercial leases on surplus hatcheries and breeder farms.		
Future minimum lease rentals receivable under non-cancellable operating leases are as follows :		
Within one year of the balance sheet date	—	55.20
After one year but not more than five years	—	—
More than five years	—	—
B. Operating Lease : (Company as a lessee)		
The Company has entered into commercial leases on certain office buildings, breeder farms, feed mills, godowns, cold storages and other plant and equipments.		
a. Future minimum lease rentals payable under non-cancellable operating leases are as follows :		
Within one year of the balance sheet date	110.24	108.80
After one year but not more than five years	88.36	184.72
More than five years	26.25	31.25
b. Lease payments recognised in the statement of profit and loss for the period	515.30	426.03
12 EARNINGS PER SHARE (EPS)		
a. There is no potential equity shares and hence the basic and diluted EPS are the same.		
b. The calculation of the Basic and Diluted EPS is based on the following data :		
Net Profit for the year after tax	2,478.28	4,105.59
Weighted average number of equity shares outstanding during the year	9,391,557	9,391,557
Basic and Diluted EPS for equity share (Face value of Rs.10/- each)	26.39	43.72
13 Previous year's figures have been regrouped/recast/rearranged wherever necessary in order to conform to current year's presentation.		

As per our attached report of even date

For **SUDIT K PAREKH & CO**
Chartered Accountants
Firm Registration Number : 110512W

CH. SOMA RAJU
Partner
Membership Number : 200354

Place : Pune
Date : May 30, 2013

For and on behalf of the Board of Directors of
VENKY'S (INDIA) LIMITED

ANURADHA J. DESAI
Chairperson

B. BALAJI RAO
Managing Director

Place : Pune
Date : May 30, 2013

B. VENKATESH RAO
Vice Chairman

A. G. BAUSKAR
Chief Financial Officer &
Company Secretary

VENKY'S (INDIA) LIMITED

Registered and Corporate Office: "Venkateshwara House", S.No. 114/A/2, Pune-Sinhagad Road, Pune-411 030

Date: May 30, 2013.

Dear Shareholder(s),

Option for ECS Mandate / Bank Mandate

ECS Mandate

As an added service to our shareholders, we are pleased to offer the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). Shareholders who would like to avail this facility are requested to fill up the mandate form provided on page no. 81 of this report and submit the same to the Company's Registrar and Share Transfer Agent's office **latest by 31st July, 2013**. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on postal system, loss / damage of dividend warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

Kindly note that as per the directives of Securities and Exchange Board of India (SEBI), in respect of shareholders holding shares in dematerialised form, dividend shall be paid through ECS (where such facility is available) directly into the bank account furnished by the shareholders to their respective Depository Participant at the time of opening the Demat Account, provided that bank particulars and MICR details are made available to the Company in the beneficiary positions provided by NSDL & CDSL. **Such shareholders therefore need not submit the mandate form provided on the reverse of this letter but should ensure that the Bank particulars submitted to their respective Depositories are correct and valid.** In case it is desired to receive dividend in an account other than the one specified while opening the Demat Account, such shareholders may please inform the same to their respective Depository Participant immediately. The details informed to the Company or its Share Transfer Agent will not be considered in such cases.

Bank Mandate

Shareholders holding shares of the Company in physical form and who, for any reason, would not like to avail of the ECS facility being offered to such shareholders as mentioned above, are requested to furnish, (if not done earlier) in the mandate form provided on page no. 81, details of their Bank Account number and name of the Bank and the Branch, which would be printed on the dividend warrants to avoid fraudulent encashment thereof.

Kindly note that the ECS / Bank Mandate instructions should be under the signature of the shareholder(s) as per specimen lodged with the Company.

We seek your co-operation to enable us to serve you better.

Yours faithfully,

For **VENKY'S (INDIA) LIMITED**

A. G. BAUSKAR
COMANY SECRETARY



Venky's (India) Limited

FORM FOR ECS MANDATE / BANK MANDATE

I/We _____ do hereby authorise Venky's (India) Limited to-

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) - ECS Mandate ☐
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate ☐

(Please tick (P) in the appropriate Box)

Folio No(s) _____

A. Bank Name	
B. Branch	
C. Bank Address (for ECS Mandate only)	
D. Bank Account Number	
E. Account Type (Savings / Current)	
F. 9 Digit Code number of bank & branch as appearing on the MICR Cheque (for ECS Mandate only)	
G. STD code & telephone no. / mobile no. of Shareholder (optional)	

I / We shall not hold the Company responsible if the ECS could not be implemented.

(1) _____ (2) _____ (3) _____

Signature of Shareholder(s)
(as per specimen lodged with the Company)

Notes :

1. Please submit this form to the Company's Registrar and Share Transfer Agent's office at E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072 **on or before 31st July, 2013.**
2. Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.

IMPORTANT COMMUNICATION TO SHAREHOLDERS

Following are the Company's recommendations to its shareholders:

Green Initiative

We seek the support of our shareholders in helping us saving our environment by registering their email id with the company for receiving all the communication i.e. Annual Report, various notices etc. through email as permitted by the law. Investors willing to avail the electronic mode of communication shall register their email id by filling and sending the form appearing on **page no. 83** of this annual report.

Open demat account and dematerialise your shares

Members are requested to convert their physical shares into demat form. Holding shares in demat form helps investors to get immediate transfer of shares. No stamp duty is payable on transfer of shares held in demat form and risk associated with physical certificates such as forged transfer, loss of share certificate or torn certificates are avoided.

Consolidate multiple folios

Members holding shares in identical order or names in more than one folio are requested to write to the company to consolidate their shares and send relevant share certificates for consolidation. This would facilitate the member in one point tracking of his/her holding and corporate benefits.

Appoint a Nominee

Investors are requested to appoint a nominee for their shareholding. Nomination would help the nominees to get the shares transmitted in their name without any hassles. Investor should register their nomination in case of physical shares with the Registrar and Share Transfer Agent of the Company i.e. M/s Bigshare Services Private Limited and in case of demat holding with their respective Depository participant.

(Form on Page No. 83)



Venky's (India) Limited

REGISTRATION OF E-MAIL ADDRESS FORM

To,
Bigshare Services Private Limited (Unit : Venky's (India) Limited)
E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.

I/we shareholder(s) of Venky's (India) Limited hereby accord my/our approval to receive annual reports, notices of general meetings/postal ballot and such other documents that are allowed by the law, to be sent in electronic mode from time to time.

I/we request you to note my/our latest email address, as mentioned below. I/we attach the self attested copy of pan card or passport towards identification proof for the purpose of verification.

Folio No. / DP – Client ID	
Name of the first/ sole shareholder	
Name of joint shareholder(s) if any	
Registered Address	
E-mail address (to be registered)	

Place :

Date :

(Signature of Shareholder)

NOMINATION FORM

I _____ the holder(s) of shares under the Folio number(s) / Client Id No. _____ of Venky's (India) Limited wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my or our death.

Name and Address of Nominee

Name : _____
Address : _____

Date of birth* : _____ (* To be furnished in case the nominee is a minor)

**The Nominee is a minor whose guardian is

Name and Address of Guardian : _____

(** To be deleted if not applicable)

Signature :

Name :

Date :

Address, name and signature of witnesses :

Locations of Units of Venky's (India) Limited



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

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



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