(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

1. Corporate information

Avanti Feeds Limited, (the Company) is a listed public Company under "The Companies Act, 1956", with its registered office in Visakhapatnam. Avanti Feeds Limited has started its commercial operations in 1993 and now stands as the leading manufacturer of Shrimp Feed.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation and measurement

(i) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act,2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value

- defined benefit plans- plan assets measured at fair value

2.2 Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Critical estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The areas involving critical estimates or judgements are;
- Estimation of defined benefit obligation, refer note 41
- Useful life of fixed assets, refer note 2.4(p)
- Expected credit loss of financial assets, refer note 33
- Determination of principal and agent relationship - refer note 31
- Identification of government grant - refer note 23

2.4 Significant accounting policies

a. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Chairman and Managing Director (CMD) of the Company has been identified as the chief operating decision maker. Refer Note 39 for the segment information presented.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of its primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupees (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange difference regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Timing of recognition: Revenue from sale of shrimp feed is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

Measurement of revenue: Revenue from sale of goods represents amounts invoiced, net of discounts and sales returns. No element of financing is deemed present as the sales are made with a credit term of 30-60 days, which is consistent with market practice.

d. Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Loans received from government in the nature of interest free deferred taxes are treated in the nature of government grant. The difference between the fair value of the loan and the amount of loan received is accounted as government grant. The government grant is recognised in the Statement of Profit and Loss over the period of loan.

e. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f. Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

g. Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

Cash and cash equivalents in the balance sheet includes cash at bank and cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. For the purpose of statement of cash flows, cash and cash equivalents cash an short term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

i. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

k. Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

l. Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition,the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in Statement of Profit and Loss as other income when the Company right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when - the Company has transferred the rights to receive cash flows from the financial asset or - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

m. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period and are included in other gains/(losses).

n. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

o. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value Depreciation on tangible assets is calculated on a straight-line basis as per the useful life prescribed and in the manner laid down under Schedule II to the Companies Act, 2013. The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. Assets costing individually rupee equivalent of ₹ 5,000 or less are fully charged off on purchase. Depreciation for assets purchased / sold during the period is proportionately charged.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

p. Intangible assets

Intangible assets that are acquired are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any.

(i) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Amortisation methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (6 years in case of computer softwares) on a straight line basis.

(iii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

q Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the year end which are unpaid . The amounts are unsecured and are usually paid as per mutually agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

s. Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

u. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post- employment obligations

The Company operates the following post-employment schemes:

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund, Employee State Insurance and superannuation fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds and Employee State Insurance funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Superannuation Scheme (administered through a 'Superannuation Trust' formed by the Company) is a defined contribution plans, where the Company has no further obligations under the plan beyond its monthly/ quarterly contributions.

(iv) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

v. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

w. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

3. Property, plant and equipment and capital work-in-progress

	Land - Free hold	Buildings	Roads	Plant & machinery	Wind mills	Electrical Installation	Lab equipments	Office equipment	Computers	Furniture and fixtures	Motor vehicles	Total tangible assets	Capital work - in - progress
Gross Carrying amount													
Deemed cost as at 1st April, 2016	**1,296.96**	**1,691.87**	**118.41**	**2,649.74**	**649.31**	**699.89**	**167.54**	**54.79**	**35.73**	**104.37**	**442.28**	**7,910.48**	**3,547.08**
Additions	41.17	1,614.28	102.77	3,924.38	-	593.43	80.31	38.48	15.82	11.94	266.60	6,689.18	4,389.51
Disposals	-	-	-	8.37	-	-	7.11	1.19	1.52	0.17	74.02	92.40	7,936.59
Closing gross carrying amount as at 31 March, 2017	**1,338.13**	**3,306.15**	**221.18**	**6,565.75**	**649.31**	**1,293.32**	**240.74**	**92.08**	**50.03**	**116.14**	**634.86**	**14,507.26**	**-**
Additions	517.49	22.38	9.15	3,789.58	-	679.29	36.60	27.22	66.77	5.69	98.96	5,253.12	4,442.14
Disposals	-	-	-	16.08	-	0.76	3.08	0.85	14.08	0.01	17.71	52.58	4,429.56
Closing gross carrying amount as at 31 March, 2018	**1,855.62**	**3,328.52**	**230.33**	**10,339.25**	**649.31**	**1,971.85**	**274.25**	**118.45**	**102.72**	**121.81**	**716.10**	**19,707.80**	**12.58**
Accumulated Depreciation													
Balance as at 1st April, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	80.06	17.44	705.92	54.12	133.61	23.23	21.47	21.31	15.18	77.07	1,149.41	-
Disposals	-	-	-	2.00	-	-	1.06	0.25	1.34	0.17	6.74	11.56	-
Balance as at 31 March, 2017	**-**	**80.06**	**17.44**	**703.92**	**54.12**	**133.61**	**22.17**	**21.22**	**19.97**	**15.01**	**70.33**	**1,137.85**	**-**
Charge for the year	-	109.88	27.64	940.80	54.12	157.41	27.95	22.15	21.08	14.20	89.47	1,464.71	-
Disposals	-	-	-	5.06	-	0.30	0.82	0.19	9.45	0.01	5.16	21.00	-
Balance as at 31 March, 2018	**-**	**189.94**	**45.08**	**1,639.66**	**108.24**	**290.72**	**49.30**	**43.18**	**31.59**	**29.20**	**154.64**	**2,581.56**	**-**
Net Carrying amount													
As at 1st April, 2016	**1,296.96**	**1,691.87**	**118.41**	**2,649.74**	**649.31**	**699.89**	**167.54**	**54.79**	**35.73**	**104.37**	**442.28**	**7,910.48**	**3,547.08**
As at 31st March, 2017	**1,338.13**	**3,226.09**	**203.74**	**5,861.83**	**595.19**	**1,159.71**	**218.57**	**70.86**	**30.06**	**101.13**	**564.53**	**13,369.41**	**-**
As at 31st March, 2018	**1,855.62**	**3,138.58**	**185.26**	**8,699.59**	**541.07**	**1,681.13**	**224.94**	**75.27**	**71.13**	**92.62**	**561.46**	**17,126.24**	**12.58**

i) Refer to note 15 and 19 for information on property, plant and equipment pledged as security by the company.
ii) Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

4 Intangible assets

Description of Assets	Computer Software
Gross carrying amount	
Deemed cost as at 01st April, 2016	4.72
Additions	-
Disposals	-
Closing gross carrying amount as at 31st March, 2017	**4.72**
Additions	5.71
Disposals	-
Closing gross carrying amount as at 31st March, 2018	**10.43**
Accumulated Depreciation	
Balance as at 01st April, 2016	**-**
Amortisation expense for the year	2.48
Disposals	-
Balance as at 31st March, 2017	**2.48**
Amortisation expense for the year	2.11
Disposals	-
Balance as at 31st March, 2018	**4.59**
Net Carrying amount	
As at 01st April, 2016	**4.72**
As at 31st March, 2017	**2.24**
As at 31st March , 2018	**5.84**

5 Investments:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Non - Current Investments (Refer Note (a) below)			
I. Investments carried at cost			
(i) Equity Instruments subsidiaries (unquoted)	8,461.00	8,461.00	8,461.00
(i) Equity Instruments of Associated company (unquoted)	2,735.06	2,735.06	2,735.06
II. Investment carried at fair value through profit and loss			
(iii) Equity instruments of other entities (quoted)	3.76	4.98	5.26
(iv) Equity instruments of other entities (unquoted)	12.00	12.00	12.00
	11,211.82	**11,213.04**	**11,213.32**
b) Current investments (Refer Note (b) below)			
Investment carried at fair value through profit and loss			
(i) Investments in Mutual Funds (quoted)	54,215.33	26,057.35	-
	54,215.33	**26,057.35**	**-**
Note (a) : Details of non-current investments			
(i) Equity instruments of subsidiaries (unquoted)			
Svimsan Exports & Imports Private Limited			
10,00,000 (31st Mar, 2017: 10,00,000,1st April, 2016: 10,00,000) equity shares of ₹10/- each fully paid up	100.00	100.00	100.00
Less: Provision for diminution in the value of investment (refer note 29.3)	(100.00)	(100.00)	(100.00)
Avanti Frozen Foods Private Limited			
60,10,000 (31st March 2017 : 60,10,000, 1st April, 2016: 60,10,000) equity shares of ₹ 10/- each fully paid up)	8,461.00	8,461.00	8,461.00
	8,461.00	**8,461.00**	**8,461.00**
(ii) Equity instruments of associate Company (unquoted)			
Srivathsa Power Projects Limited			
1,66,93,630 (31st Mar, 2017: 1,66,93,630, 1st April, 2016: 1,66,93,630) equity shares of ₹ 10/- each fully paid up	1,670.54	1,670.54	1670.54
Patikari Power Private Limited *			
1,06,45,200 (31st Mar, 2017: 1,06,45,200, 1st April, 2016: 1,06,45,200) equity shares of ₹ 10/- each fully paid up	1,064.52	1,064.52	1064.52

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
* Out of 1,06,45,200 equity shares, 42,50,000 shares have been pledged with respect to loan taken by Patikari Power Private Limited from consortium of banks led by State Bank of India.			
	2,735.06	**2,735.06**	**2,735.06**
(iii) Equity instruments of other entities (quoted)			
IDBI Bank Limited			
2,880 (31st Mar, 2017: 2,880, 1st April, 2016: 2,880) equity shares of ₹ 10/- each fully paid up	2.08	2.16	2.09
UCO Bank Limited			
7,800 (31st Mar, 2017: 7,800, 1st April, 2016: 7,800) equity shares of ₹10/- each fully paid up	1.68	2.82	3.17
	3.76	**4.98**	**5.26**
(iv) Equity instruments of other entities (unquoted)			
Bhimavaram Hospitals Limited			
1,20,000 (31st Mar, 2017: 1,20,000, 1st April, 2016: 1,20,000) equity shares of ₹ 10/- each fully paid up	12.00	12.00	12.00
	12.00	**12.00**	**12.00**
	11,211.82	**11,213.04**	**11,213.32**
Total non-current investments			
Aggregate amount of quoted investments and market value thereof	3.76	4.98	5.26
Aggregate amount of unquoted investments	11,308.06	11,308.06	11,308.06
Aggregate amount of impairment in the value of investments	100.00	100.00	100.00
Note (b) : Details of Current investments			
(valued at lower of cost and fair value, unless stated otherwise)			
Investment in unquoted mutual funds			
SBI - Premier Liquid Fund - 757170.04 units of ₹ 1003.25 each (31st Mar, 2017 691383.175 units of ₹ 1003.25 each : 1st April, 2016 Nil)	7,596.31	6,936.30	-
HDFC Short Term opportunities Fund - STP - Wholesale Option - Nil units of ₹ Nil each (31st March 2017 ; 7075858.868 units of ₹ 17.67 each; 1st April, 2016 Nil)	-	1,272.81	-
HDFC Floating Rate Income Fund - STP - Wholesale Growth - 5152012.14 units of ₹ 30.2436 each (31st March 2017 ; 10818608.01 units of ₹ 27.73 each; 1st April, 2016 Nil)	1,558.15	3,058.40	-
ICICI - Pru - Flexible Income Plan Growth - 1989086.936 units of ₹ 260.2065 each (31st March 2017 : 1311958.038 units of ₹ 305.15 each; 1st April, 2016 Nil)	5,176.81	4,084.64	-
IDFC Super Saver Income Fund Short Term Plan - Growth - Nil units of ₹ Nil each (31st March 2017 - 3802119.453 units of ₹ 32.876 each ; 1st April, 2016 Nil)	-	1,268.84	-
Kotak Low duration Fund Standard Growth (Regular Plan) - 257840.784 units of ₹ 2122.9824 each (31st March, 2017 ; 257840.784 units of ₹ 1939.1812 each ; 1st April, 2016 Nil)	5,473.91	5,111.64	-
Birla Sunlife Short Term Fund - Growth Regular Plan Nil units of ₹ Nil each (31st Mar,2017: 2034438.983 units of ₹ 61.4420 each ; 1st April, 2016 Nil)	-	1,266.88	-
Birla Sunlife Savings Fund - Growth Regular Plan - 1486.60 units of ₹ 341.9069 each (31st March, 2017: 959619.837 units of ₹ 312.6238 each ; 1st April, 2016 Nil)	5.08	3,057.84	-
Aditya Birla Sunlife Savings Cash Manager - 617775.12 units of ₹ 417.5546 of each (31st March, 2017 Nil ; 1st April, 2016 Nil)	2,579.55	-	-
Franklin Ultra Short Term Fund - SIP - Growth - 21636685.43 units of ₹ 24.0531 each (31st March 2017 Nil ; 1st April, 2016 Nil)	5,204.29	-	-
Baroda Pioneer Treasure Advantage - 255109.993 units of ₹ 2033.1430 each (31st March 2017 Nil ; 1st April, 2016 Nil)	5,186.75	-	-

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
IDFC Ultra Short Term Fund - 6305779.878 units of ₹ 24.6253 each (31st March 2017 Nil ; 1st April, 2016 Nil)	1,552.82	-	-
IDFC Credit Opportunities Fund - Regular Plan - 19183578.17 units of ₹ 10.7189 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,056.27	-	-
Franklin India Low Duration Fund - Growth - 26016733.96 units of ₹19.9756 each (31st March 2017 Nil ; 1st April, 2016 Nil)	5,197.00	-	-
Reliance Regular Savings Fund - Debt Plan - G - G. Option - 8516690.584 units of ₹ 24.2077 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,061.69	-	-
Reliance Corporate Bond Fund - Growth Plan - 14596941.94 units of ₹ 14.0131 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,045.48	-	-
L & T Income Opportunities Fund - 10339176.19 units of ₹ 19.9074 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,058.26	-	-
Kotak Income Opportunities Fund - Growth Regular - 10778765.83 units of ₹ 19.1253 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,061.47	-	-
Kotak Low duration Fund - Standard Plan (G)- 85448.948 units of ₹2122.9824 each (31st March 2017 Nil ; 1st April, 2016 Nil)	1,814.07	-	-
Reliance Money Manager - Growth plan growth option - 108053.089 units of ₹2394.5731 each (31st March 2017 Nil ; 1st April, 2016 Nil)	2,587.41	-	-
	54,215.33	**26,057.35**	**-**
Total current investments	**54,215.33**	**26,057.35**	**-**
Aggregate amount of quoted investments and market value thereof	**-**	**-**	**-**
Aggregate amount of unquoted investments	**54,215.33**	**26,057.35**	**-**
Aggregate amount of impairment in the value of investments	**-**	**-**	**-**

6 Loans

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Non-current			
Unsecured, considered good			
Loans to employees	58.60	26.48	43.34
Total	**58.60**	**26.48**	**43.34**
(b) Current			
Unsecured, considered good			
Loans to employees	90.03	54.51	68.32
Loans to subsidiary	-	-	4,377.21
Interest accrued on loan to subsidiary	-	-	141.26
Interest accrued on electricity deposits	19.84	22.18	15.94
Unsecured, considered doubtful			
Loans to wholly owned subsidiary	91.40	90.98	90.56
Provision for doubtful loans	(91.40)	(90.98)	(90.56)
Total	**109.87**	**76.69**	**4,602.73**

7 Other Financial Assets :

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Non-current			
Unsecured, considered good			
Margin Money Accounts	26.17	16.58	15.02
Security deposits	429.89	313.02	279.74
Total	**456.06**	**329.60**	**294.76**

Refer note 12(i) for details on margin money deposits.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

8 Other Assets

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current			
Unsecured, considered good			
Capital advances	16.00	16.00	674.94
Taxes paid under protest	121.01	121.01	120.88
Total	**137.01**	**137.01**	**795.82**
Current			
Prepaid expenses	176.72	40.66	135.75
Advance for purchases	16.71	154.69	87.91
Export incentives receivable	-	17.15	-
MEIS Licenses on hand	289.87	419.85	489.57
Other advances	333.80	309.52	244.09
Total	**817.10**	**941.87**	**957.32**

9 Inventories (valued at lower of cost and net realizable value)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials (includes good in transit)			
-in godown	31,762.68	22,257.81	19200.55
-in goods in transit	183.50	269.18	396.4
Packing materials	266.79	602.25	367.21
Work-in-process	678.65	280.80	313.09
Finished goods	4,332.59	4,147.19	1450.55
Stores and spares	1,568.63	1,684.71	710.93
Total	**38,792.84**	**29,241.94**	**22,438.73**

10 Trade receivables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade receivables - Current			
Secured & Considered Good :	1,723.73	674.59	1,031.27
Unsecured, considered good	189.58	521.15	501.99
Total	**1,913.31**	**1,195.74**	**1,533.26**

11 Cash and cash equivalents

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks :			
- In current accounts	558.77	496.31	473.78
- deposits with original maturity of less 3 months	0.77	2,600.00	6,501.36
- interest accrued on deposits	13.07	22.91	12.73
Cash in hand	21.82	26.73	11.55
Total	**594.43**	**3,145.95**	**6,999.42**

12 Other bank balances

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unpaid dividend accounts	129.94	96.62	67.76
Margin money accounts	620.19	350.62	229.22
Total	**750.13**	**447.24**	**296.98**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

12.1 Margin money deposits given as security
Margin Money deposits with bank of a carrying amount of ₹ 646.37 Lakh (31st March, 2017: 366.48 Lakh) are lien marked for import L.C.s and for issuance of SBLC for Anti Dumping Duty purpose to US Customs Authorities.

13 Equity share capital

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised capital			
7,92,50,000 fully paid up equity shares of ₹ 2/- each (31st March, 2017; 7,92,50,000; 1st April, 2016: 7,92,50,000)	1,585.00	1,585.00	1,585.00
Issued, subscribed and paid up			
4,54,15,210 fully paid up equity shares of ₹ 2/- each (31st March, 2017 4,54,15,210; 1st April, 2016 4,54,15,210)	908.30	908.30	908.30
	908.30	**908.30**	**908.30**

(a) Reconciliation of the number of shares outstanding:

	Number of shares	Amount
Balance at 1st April, 2016	4,54,15,210	908.00
Shares issued during the year	-	-
Balance at 31st March, 2017	4,54,15,210	908.00
Shares issued during the year	-	-
Balance at 31st March, 2018	4,54,15,210	908.00

(b) Details of shares held by each shareholder holding more than 5% shares

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹ 2/- each fully paid up (previous year ₹ 2/- each)						
1. Srinivasa Cystine Private Limited	1,20,99,705	26.64	1,20,99,705	26.64	1,20,99,705	26.64
2. Thai Union Group Public Company Limited	70,10,210	15.44	1,14,10,210	25.12	1,14,10,210	25.12
3. Thai Union Asia Investment Holding Limited	42,74,675	9.41	-	-	-	-
4. Alluri Indra Kumar	27,76,900	6.11	27,76,900	6.11	27,76,900	6.11
5. Alluri Indra Kumar (HUF)	27,29,750	6.01	27,29,750	6.01	27,29,750	6.01

Thai Union Group Public Company Limited which is formerly know as Thai Union Frozen Products PCL. Company.

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

(c) Rights attached to equity shares:
The Company has only one class of equity shares having par value of ₹ 2/- per share (31st March, 2017: ₹ 2; 1st April, 2016: ₹ 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

14 Other equity

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
General reserve	13,081.87	9,081.87	7,081.87
Securities premium account	438.00	438.00	438.00
Retained earnings	79,360.56	46,902.76	33,107.48
Total Other Equity	**92,880.43**	**56,422.63**	**40,627.35**

	As at 31st March, 2018	As at 31st March, 2017
General Reserve		
Balance at beginning of year	9,081.87	7,081.87
Transferred from Surplus in Statement of Profit and Loss	4,000.00	2,000.00
Balance at end of year	**13,081.87**	**9,081.87**
Securities premium reserve		
Balance at beginning of year	438.00	438.00
Balance at end of year	**438.00**	**438.00**
Retained earnings		
Balance at beginning of year	46,902.76	33,107.48
Profit attributable to owners of the Company	41,493.86	19,642.37
Other comprehensive income	(116.60)	(20.85)
Transfer to general reserve	(4,000.00)	(2,000.00)
Dividend (including dividend distribution tax)	(4,919.46)	(3,826.24)
Balance at end of year	**79,360.56**	**46,902.76**

General Reserve:
General reserve represents the amount transferred from profit and loss account to General reserve on account of dividend distributed.

Securities premium reserve:
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act 2013.

15 Non-current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
Vehicle loans			
from banks (refer note i below)	-	-	14.48
Unsecured			
Deferred sales tax loan (refer note ii below)	-	-	134.22
Total non-current borrowings	**-**	**-**	**148.70**

* Current maturities on long-term borrowings have been disclosed under the head Other current financial liabilities

i. Vehicle loans:

Nature of Security & Terms of Repayment :

Vehicle loans are secured by hypothecation of respective vehicles. The loans are repayable in 36 months.

ii. Other Loans

The Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers for the financial years from 2001-02 to 2004-05 was converted in to interest free loan which is repayable in 14 years. The balance amount outstanding as on 31.03.2017 ₹163.32 is repaid in March, 2018.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

16 Other financial liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Non - Current			
Security deposits*	374.50	374.50	374.50
Total	**374.50**	**374.50**	**374.50**
b. Current			
Current maturities of Long term borrowings (refer note 15)			
- vehicles loan	-	14.48	46.28
- sales tax deferment loan	-	163.32	142.98
Unpaid dividend	129.94	96.62	67.76
Derivative financial instrument	-	13.52	37.21
Capital creditors	-	18.76	257.44
Total	**129.94**	**306.70**	**551.67**

*Security Deposits taken from dealers for supplying them shrimp feed on credit term. These deposits carry an interest of @ 9% per annum (31st March, 2017: 9% p.a.; 1st April, 2016: 9% p.a.).

17 Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provisions (refer note 41)			
Provision for gratuity	218.16	36.50	22.63
Provision for leave encasement	102.30	75.83	126.02
	320.46	**112.33**	**148.65**
a. Non - Current portion	320.46	92.66	20.79
b. Current portion	-	19.67	127.86
Total	**320.46**	**112.33**	**148.65**

18 Other Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Non-Current			
Deferred Government grant	-	-	23.12
Total	**-**	**-**	**23.12**
b) Current			
Advance from customers	2,873.14	2,352.31	2,298.63
Statutory dues	216.41	160.39	138.67
Deferred Government grant (refer note 23)	-	23.13	23.13
Total	**3,089.55**	**2,535.83**	**2,460.43**

19 Current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured:			
Working capital loan from State Bank of India	-	131.16	651.56
Total	**-**	**131.16**	**651.56**

Working Capital loans of ₹ NIL (P. Y. ₹131.16 Lakh) was availed from State Bank of India, Industrial Finance Branch, Hyderabad. The loan is secured by first charge on all current assets, second charge on fixed assets of the company and personal guarantee of Mr. A. Indra Kumar, Chairman and Managing Director of the Company. The loan is repayable on demand and carries interest @ 10.70% p.a.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

20 Trade payable

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Dues to micro enterprises and small enterprises (Refer Note below)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	27,245.32	23,603.14	13,440.29
	27,245.32	**23,603.14**	**13,440.29**

Dues to micro and small enterprises:
With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from the suppliers is still awaited. In view of this, the liability of interest cannot be reliably estimated nor the required disclosures could be made. Accounting in this regard will be carried out after the process is completed and reliable estimate made in this regard. However management is of the opinion that liability in any case will be insignificant having regard to the supplier's profile of the Company.

21 Income Taxes
21 (a) Deferred tax balance
For the year ended 31st March, 2018

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation and amortisation	1,000.53	213.85	-	1,214.38
Fair valuation of Investments	129.62	528.25	-	657.87
Fair valuation of derivative instruments	31.18	(31.18)	-	-
Others	(2.07)	2.86		0.79
Total	**1,159.26**	**713.78**	**-**	**1,873.04**

For the year ended 31st March, 2017

	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation and amortisation	463.57	536.96	-	1,000.53
Fair valuation of Investments	1.31	128.31	-	129.62
Fair valuation of derivative instruments	(12.88)	44.06	-	31.18
Others	-	(2.07)	-	(2.07)
Total	**452.00**	**707.26**	**-**	**1,159.26**

21 (b) Current tax liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current tax liabilities			
Provision for tax (net of advance tax of ₹)	-	630.71	851.39
Total Current tax liabilities	**-**	**630.71**	**851.39**

21 (c) Tax Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current tax assets (net of provision for tax)	620.38	-	-
Total	**620.38**	**-**	**-**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

21(d) Tax expense recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current tax	20,707.55	9,297.63
In respect of the current year	20,707.55	9,297.63
Deferred tax	713.78	707.26
In respect of the current year	713.78	707.26
Total tax expense	**21,421.33**	**10,004.89**

21 (e) - Tax Expense recognised in Other comprehensive income

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Deferred tax		
In respect of the current year	-	-
	-	**-**

21 (f) - Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before tax from continuing operations	62,915.19	29,636.07
Profit before tax from discontinuing operations	-	11.19
Income tax expense calculated at 34.608% (2017-16 :34.608%)	21,773.69	10,260.32
Impact of expenses that are not deductible (taxable) in determining taxable profit		
Weighted average deduction under u/s 35CCC	(85.50)	(83.82)
Exempt income	(349.54)	(164.91)
Deduction u/s 80IA	(37.60)	(16.52)
Expenditure in relation to exempted income	85.24	-
Others	35.03	9.82
Income tax expense recognised in profit or loss	**21,421.33**	**10,004.89**

22 Revenue from operations

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Sale of Products		
Finished goods	2,81,264.15	2,23,054.79
Traded Goods	268.74	30.31
Total	**2,81,532.89**	**2,23,085.10**

Refer note 31 for revenue relating Shrimp processing and export business.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

23 Other income (net)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest income on		
Bank deposits	27.32	31.92
Others	38.02	200.09
Dividend income from investments mandatorily measured at fair value through profit or loss	1,010.01	476.50
Profit on sale of Mutual Fund	668.65	135.41
Exchange differences (net)	19.33	11.68
Other non-operating income	239.80	149.47
Fair value gain/(loss) on financial instruments measured at fair value through profit and loss	1,528.66	370.77
Fair value gain/(loss) on financial derivative	-	23.69
Amortisation of government grant (refer note below)	23.13	23.13
Total	**3,554.92**	**1,422.66**

Note: The Company had availed sales tax deferment scheme in 2001-02. Under the scheme, the sales tax collected from the customers for the financial years from 2001-02 to 2004-05 was converted in to interest free loan which is repayable in 14 years. The balance amount outstanding of as on 31.03.2017 ₹180.47 is repaid in March, 2018. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly from any other forms of government assistance.

24 Cost of materials consumed

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Inventory at the beginning of the year	22,855.09	20,051.56
Add: Purchases	2,09,783.50	1,82,532.74
	2,32,638.59	**2,02,584.30**
Less: Inventory at the end of the year	32,212.97	22,855.09
Cost of materials consumed	**2,00,425.62**	**1,79,729.21**

25 Changes in inventories of finished goods and work-in-progress

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Closing Stock:		
Finished goods	4,332.59	4,147.19
Work-in-progress	678.66	280.80
	5,011.25	**4,427.99**
Opening Stock:		
Finished goods	4,147.20	1,450.55
Work-in-progress	280.80	313.09
	4,428.00	**1,763.64**
Net increase / (decrease)	**(583.25)**	**(2,664.35)**

26 Employee benefits expense

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Salaries, wages and bonus	9,222.46	6,169.56
Contribution to provident and other funds	316.50	312.93
Gratuity expense	101.56	20.00
Staff welfare expenses	117.38	96.84
Total	**9,757.90**	**6,599.33**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

27 Depreciation and amortisation expense

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Depreciation of property, plant and equipment	1,464.71	1,149.41
Amortization of intangible assets	2.11	2.48
Total	**1,466.82**	**1,151.89**

28 Other expenses

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Rent (refer note (i))	146.01	125.16
Power & fuel	3,518.44	2,800.16
Repairs & maintenance		
- Buildings	76.36	374.67
- Plant & machinery	81.19	297.86
- Others	7.62	73.44
Consumable stores	1,280.99	1,495.04
Other manufacturing expenses	1,541.63	1,255.20
Rates & taxes	225.14	227.70
Insurance	152.57	140.73
Electricity charges	8.65	7.79
Vehicle maintenance	56.30	48.39
Travelling & conveyance	450.81	419.26
Communication costs	42.33	45.89
Printing & stationery	31.16	24.20
Directors' sitting fees	8.70	9.30
Auditors Remuneration (refer note (ii))	27.40	35.21
Professional charges	160.92	90.15
Corporate Social Responsibility (refer note(iii)	605.03	567.29
Donations	5.02	15.93
Bank charges	48.52	106.80
Assets written off	18.37	10.10
Advertisement charges	14.44	12.23
Carriage outward	285.99	296.46
Marketing expenses	301.15	77.49
Royalty	1,271.10	1,006.93
Loss on sale of Fixed Assets	3.04	6.64
Bad debts written off	19.13	-
General expenses	241.94	204.43
Total:	**10,629.96**	**9,774.45**

Notes:

i) Operating leases:

Lease payments made under operating leases aggregating to ₹ 146.01 Lakh (31st March, 2017:₹ 125.16 Lakh) have been recognized as an expense in the Statement of Profit and Loss. The future minimum lease commitments under non-cancellable operating leases are Nil .

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
ii) Auditors' remuneration(net of service tax) comprises of		
As Auditors	18.88	18.40
Tax Matters	-	4.60
Other Services	4.72	8.92
Reimbursement of expenses	3.80	3.29
Total	**27.4**	**35.21**
iii) Corporate Social Responsibility		
Agricultural extension projects	494.08	484.37
Others	110.95	82.92
Total	**605.03**	**567.29**

29 Finance costs

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest expense		
- Interest on bank overdrafts and loans	12.51	32.00
- Interest on income tax	-	110.47
- Unwinding of interest on Deferred sales tax loan	-	29.11
Other borrowing costs	111.92	86.36
Total	**124.43**	**257.94**

30 Exceptional Items

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Income :		
CVD Refund	-	6.17
Total	**-**	**6.17**
Less : Expenditure		
Provision for doubtful advance	0.42	0.42
Anti Dumping duty	78.88	-
	79.30	**0.42**
Total	**(79.30)**	**5.75**

The exceptional item of ₹ 79.30 Lakh for the year ended 31st March, 2018 includes differential anti dumping duty of ₹ 78.88 Lakh paid (net of refunds) on final determination by the Department of Commerce, USA on the exports made by the company during the financial years from 2010-11 to 2014-15 and provision for doubtful advance ₹ 0.42 Lakh given to wholly owned subsidiary Svimsan Exports & Imports Private Limited (SEIPL). (Previous Year ₹ 5.75 Lakh includes CVD refund income of ₹ 6.17 Lakh and provision for doubtful advances given to SEIPL ₹ 0.42 Lakh.)

31 Discontinued operations

With effect from 1st November, 2015, the company transferred the Shrimp Processing & Export Division ('Export Business') to Avanti Frozen Foods Pvt. Ltd (AFFPL), pursuant to a Business Transfer Agreement (BTA). This was done in order to improve business efficacy and to bring global recognition to Shrimp Processing Business. As AFFPL was in the process of obtaining requisite statutory and regulatory approvals to carry on the Export business, AFL carried the aforesaid business on behalf of AFFPL for the period of 1st November, 2015 to 30th June, 2016 in the capacity of an agent. Accordingly, no sales and related expenditure of the Export business for the aforesaid period, have been recognised in the Statement of Profit and Loss.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

A profit (after tax) only to the extend of ₹ 7.43 attributable to AFL in relation to the business transferred, have been included in the Statement of Profit and Loss. A detailed statement of the operations of Shrimp Processing & Export Division for the period from 1st April, 2016 to 22nd November, 2016 is given here under.

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Profit / (Loss) from ordinary activities		
Revenue from operations		30,631.09
Other income	-	639.07
Total revenue (A)	-	31,270.16
Cost of materials consumed	-	7,165.76
Purchases of stock-in-trade	-	14,093.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	5,859.11
Employee benefits expense	-	179.20
Depreciation and amortisation expense	-	-
Finance costs	-	4.49
Manufacturing expenses	-	557.35
Selling and Distribution expenses	-	1,419.86
Other expenses	-	114.79
Total expenses	-	29,394.17
Exceptional Item (Profit transferred to AFFPL)		1,864.80
Total expenses (B)		31,258.97
Profit before tax	-	11.19
Tax expense	-	3.75
Profit / (Loss) after tax	-	7.44

32 Fair value measurements

Financial instruments by category	31st March 2018		31st March 2017		1st April, 2017	
	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL
Financial Assets						
Investments						
- in equity instruments	-	-	-		-	
- Quoted		3.76		4.98		5.26
- Unquoted		12.00		12.00		12.00
- in mutual funds	-	54,215.33	-	26,057.35	-	-
Trade receivables	1,913.31	-	1,195.74	-	1,533.26	-
Cash and cash equivalents	594.43	-	3,145.95	-	6,999.42	-
Other bank Balances	750.13	-	447.24	-	296.98	-
Loans	168.47	-	103.17	-	4,646.07	-
Bank Deposits	26.17	-	16.58	-	15.02	-
Security deposits	429.89	-	313.02	-	279.74	-
Total Financial Assets	**3,882.40**	**54,231.09**	**5,221.70**	**26,074.33**	**13,770.49**	**17.26**
Financial Liabilities						
Borrowings	-	-	131.16	-	651.56	-
Current maturities of long term debt from banks	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	-	-	-	-
Security deposits	374.50		374.50	-	374.50	-
Trade payables	27,245.32	-	23,603.14	-	13,440.29	-
Derivative financial instrument	-	-	-	13.52	-	37.21
Capital creditors	-	-	18.76	-	257.44	-
Total Financial Liabilities	**27,619.82**	**-**	**24,127.56**	**13.52**	**14,723.79**	**37.21**

Notes to financial statements

for the year ended 31st March, 2018

(i) Fair value hierarchy

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature. In absence of specified maturity period, the carrying amount of the non-current financial assets and non-current financial liabilities such as security deposits, are considered to be same as their fair values.

With respect to Corporate Guarantees, the management has determined the fair value of such guarantee contracts as 'Nil' as the subsidiary company is not being benefited significantly from such guarantees.

The fair value of quoted equity investments, has been classified as Level 1 in the fair value hierarchy as the fair value has been determined on the basis of market value. The fair value of unqoted equity instruments has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of discounted cash flows. The fair value of mutual funds is classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of Net Assets Value (NAV) declared by the mutual fund. The fair value of Financial derivative contracts has been classified as Level 2 in the fair value hierarchy as the fair value has been determined on the basis of mark-to-market provided by the Bank from which the contract has been entered. The corresponding changes in fair value of investment is disclosed as 'Other Income'.

33 Financial Risk Management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, security deposits, other bank deposits and loans	Ageing analysis Credit ratings of customers and subsidiaries	Credit monitoring for customers. Diversification of bank deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by Joint Managing Director (JMD).	Working capital management by Deputy General Manager in under the guidance of Joint Managing Director. The excess liquidity is channelised through mutual funds and bank deposits.
Market Risk - interest rate	Long term borrowings at variable rate	Sensitivity analysis	Capital is managed by Joint Managing Director. The capital requirements are managed by analyzing the funds requirement and budgets in conjunction with the strategic plan.
Market Risk - Price risk	From investment in equity shares	Market and price sensitivity analysis.	The portfolio is not large and the risk is not significant.
Market Risk - foreign exchange rate	Future commercial transactions (receivable/ payables)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The Company's risk management is carried out by the JMD under policies approved by the Board of Directors. The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Credit Risk

(i) Credit Risk Management

Credit risk arises from cash and cash equivalents, loans, security deposits and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed by the Marketing General Manager of the Avanti Feeds Limited. The Company has few customer with most of them being foreign customers. The Company provides a credit period of 60-90 days which is in line with the normal industry practice. The Marketing GM undertakes the credit analysis of each customer before transacting. The finance team under the guidance of Marketing GM also periodically review the credit rating of the customers and follow up on long outstanding invoices.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on going basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The below factors are considered:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- actual or expected significant changes in the operating results of the borrower.
- significant increase in credit risk on other financial instruments of the same borrower.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of the borrower in the Company and changes in operating results of the borrower.

Macro economic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following:

Category	Description of category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade receivables
High quality assets, low credit risk	Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Medium risk, moderate credit risk	Assets where the probability of default is considered moderate, counter party where the capacity to meet the obligation is not strong	12-month expected credit losses	12-month expected credit losses	Life time expected credit losses
Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in are payment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss	Asset is written off		

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

Year Ended 31st March, 2018

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	194.64	0%	-	194.64
	Loans and advances	259.45	35%	90.98	168.47
	Security deposits	429.89	0%	-	429.89

Year Ended 31st March, 2017

Expected credit losses for loans, deposits and other receivables, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	464	0%	-	463.82
	Loans and advances	194	47%	90.98	103.17
	Security deposits	313	0%	-	313.02

As at 1st April, 2016

Expected credit losses for loans, investments, deposits and other receivables from related parties, excluding trade receivables

Particulars	Asset Group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition	Other bank balances	312.00	0%	-	312.00
	Loans and advances	4,555.51	2%	90.56	4,464.95
	Security deposits	279.74	0%	-	279.74

Expected credit loss for trade receivables under simplified approach
Year ended 31st March, 2018

Ageing	Not due	0-90 days	91-180 days	181 - 365 days	More than 365 days	Total
Gross carrying amount	1,913.17	0.12	0.02			0.14
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,913.17	0.12	0	-	-	0.14

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Year ended 31st March, 2017

Ageing	Not due	0-90 days	91-180 days	91-180 days	More than 365 days	Total
Gross carrying amount	1,195.74	-	-	-	-	-
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,195.74	-	-	-	-	-

As at 1st April, 2016

Ageing	Not due	0-90 days	91-180 days	91-180 days	More than 365 days	Total
Gross carrying amount	1,533.26	-	-	-	-	-
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,533.26	-	-	-	-	-

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Joint Managing Director monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and any excess/short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual cash flows

31st March, 2018	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Trade payables	27,245.32	27,245.32	27,245.32	-	-	-
Capital creditors	-	-	-	-	-	-
	27,245.32	**27,245.32**	**27,245.32**	**-**	**-**	**-**

Contractual cash flows

31st March, 2017	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	131.16	131.16	131.16	-	-	-
Trade payables	23,603.14	23,603.14	23,603.14	-	-	-
Capital creditors	18.76	18.76	18.76			
	23,753.06	**23,753.06**	**23,753.06**	**-**	**-**	**-**

Contractual cash flows

1st April, 2016	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Borrowings	651.56	989.51	794.56	194.95	-	-
Trade payables	13,440.29	13,440.29	13,440.29	-	-	-
Capital creditors	257.44	257.44	257.44	-	-	-
	14,349.29	**14,687.24**	**14,492.29**	**194.95**	**-**	**-**

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

Market Risk - Interest Risk

The Company's main interest rate risk arises from long term and short term borrowings with variable rates, which exposes the Company to cash flow interest rate risk.

The exposure of the Company to interest rate changes at the end of the reporting period are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Variable rate borrowings	-	131.16	651.56
Total	**-**	**131.16**	**651.56**

At the end of the reporting period, the Company had the following variable rate borrowings and receivables:

	31st March, 2018			31st March, 2017			1st April, 2016		
	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings	Weighted Average Interest rate %	Balance	% of total borrowings
Financial Liabilities									
Current borrowings	-	-		10.70%	131.16	100%	10.55%	651.56	100%
	-	**-**			131.16	**100%**	**-**	651.56	**100%**

Sensitivity

The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

	Impact on profit after tax and equity	
	As at 31st March, 2017	As at 1st April, 2016
Interest rate - Increases by 100 basis points	-	(1.31)
Interest rate - Decreases by 100 basis points	-	1.31

Market risk - Price risk

The Company's investments in quoted equity securities is very minimal, hence there is limited exposure to price risk.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of sales denominated in foreign currencies and other expenditures. As a policy, the Company does not hedge any of its exposure to foreign currency. The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Amount in Foreign Currency	Amount in ₹ (Lakh)	Amount in Foreign Currency	Amount in ₹ (Lakh)	Amount in Foreign Currency	Amount in ₹ (Lakh)
Trade and other payables						
USD	48,83,710	3,196.67	31,43,590	2,092.34	17,66,798	1,165.46
EURO	-	-	-	-	50,868	38.03
Advance to suppliers						
USD	1,77,116	114.27	2,96,660	197.24	2,28,702	153.07
EURO	50,840	40.62	9,018	6.04	1,76,250	128.82
Derivatives outstanding						
Forward contracts						
To buy USD	-	-	23,84,250.00	1,590.39	25,62,897.00	700.04
To sell USD	-	-	2,97,030.00	205.14	1,21,14,669.00	8,188.40
Net exposure			(7,59,710.00)	(509.85)	(1,10,89,868.00)	(8,500.75)

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

Sensitivity
The profit or loss is sensitive to higher/lower interest expense as a result of changes in interest rates.

	Impact on profit after tax and equity	
	As at 31st March, 2018	As at 31st March, 2017
Increase in USD rate by 1%	(30.82)	(5.10)
Decrease in USD rate by 1%	30.82	5.10

34 Capital management

(a) Risk Management
The Company's objectives when managing capital are to

> safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

> Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company has been maintaining a steady dividend."

The Company's capital structure is largely equity based. It monitors capital on the basis of the following gearing ratio: Net debt divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Net debt	-	131.16	800.26
Total equity	93,788.73	57,330.93	41,535.65
Net debt to equity ratio	**1%**	**3%**	**2%**

(b) Dividends

	31st March, 2018	31st March, 2017
Equity Shares		
(i) Final dividend for the year ended 31st March, 2017 of ₹ 9/- (31st March 2016 ₹ 7/-) per fully paid share.	4,087.37	3,179.06
(ii) Dividends not recognised at the end of the reporting period		
(iii) In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 6 per fully paid equity share (31st March, 2017 – ₹ 9/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	8,174.74	4,087.37

35 Contingent Liabilities

	31st March, 2018	31st March, 2017	1st April, 2016
A. Demands raised by customs, service tax, sales tax, income tax and other authorities, being disputed by the Company*	3,093.59	3,098.72	3,160.29
Corporate guarantee given to Avanti Frozen Foods Private Limited	11,506.00	7,590.00	6,225.00

AFL has given a corporate guarantee to AFFPL for an amount of ₹ 11,506.00 (31st March, 2017: ₹ 7,590.00; 1st April, 2016: ₹ 6,225)

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

* Details of demands raised by customs, service tax, sales tax, income tax and other authorities :

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central excise Act, 1944 and Customs Act, 1962	Customs duty & Central Excise	2,999.18	1999-2002	CESTAT, Hyderabad
Madhya Pradesh VAT Act, 2002	Sales tax (MP VAT demand for soya transactions in 2005-06)	29.22	2005-2006	High Court of Madhya Pradesh
Electricity Act, 2003	Electricity duty	4.37	2011-2012 to 2014-2015	Supreme Court
Customs Act, 1962	Customs duty	60.82	2009 -2010 to 2011-2012	CESTAT, Chennai
		3,093.59		

(i) The Customs and Central Excise Department raised demand for ₹ 1494.59 Lakh and levied penalty of ₹ 1504.59 Lakh for customs duty forgone on duty free imports of raw materials and non-fulfilment of export obligation for the period 1999-2000 to 2001-2002 when the Company was operating as a 100% EOU. Company had achieved Net Foreign Exchange Earning in 2003-04 and the Development Commissioner of Visakhapatnam Export Procession Zone allowed Company to de-bond upon being satisfied with the fulfilment of exports made by the Company and foreign exchange earning obligations. Further, Company had paid ₹ 1655.03 Lakh excise duty in lieu of the duty free import of raw materials and spares. However, the Customs and Central Excise Department raised the demand without considering the amounts paid. This demand and levy of penalty was contested by the Company before CESTAT, Bangalore and Hon'ble CESTAT remanded the case back to The Commissioner for fresh adjudication after considering all the aspects raised by the Company. The Commissioner gave his order confirming the demand and Company again approached CESTAT against this order. The matter is pending before CESTAT, Hyderabad.

(ii) The Company purchased soya bean in the year 2004-05, converted the same in to DOC in 2005-06 and used some part for own consumption in manufacturing of shrimp feed and some part was exported. The resultant soya oil was sold locally. The Commercial Tax Act pertaining to soya bean processing and soya oil sale was amended with effect from 13.12.2004 and Commercial Tax department took the view that the soya bean purchased prior to 13.12.2004 will attract tax at old rates and a demand to ₹ 29.22 Lakh was raised. This is being contested by the Company in the High Court of Madhya Pradesh.

(iii Company approached Supreme Court against the order of High Court of Andhra Pradesh confirming the levy and collection of Electricity Duty on self generated power from DG sets.

(iv) Company is importing Squid Liver Powder (SLP) which was one of the raw materials for manufacturing of shrimp feed. SLP was imported by the Company under raw material classification. However, Customs has disputed our claim and demanding duty applicable for import of complete feed. Company appealed against the order of Commissioner of Customs (Appeals), Chennai before CESTAT, Chennai.

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(2) The Company has given corporate guarantee of ₹ 11506 Lakh as on 31.03.2018 (₹ 7590 Lakh as on 31.03.2017 and ₹ 6225 as on 31.03.2016) to State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad for loans facilities availed by Avanti Frozen Foods Private Limited.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

36 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL (31st March, 2107: Nil; 1st April, 2016: ₹ 1075.22 Lakh).

37 Earnings per share

	31st March, 2018	31st March, 2017
Profit after Tax (PAT)		
From continuing operations (A)	41,493.86	19,634.93
From discontinued operations (B)	-	7.44
Total Net Profit	41,493.86	19,642.37
Weighted average number of equity shares for Basic EPS (C)	**4,54,15,210**	**4,54,15,210**
(a) Basic earnings per share		
From continuing operations (A/C)	**91.37**	**43.23**
From discontinued operations (B/C)	**-**	**0.02**

Note:
There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares.

38 Corporate social responsibility expenditure

a) Expenditure related to CSR as per section 135 of companies act, 2013 read with schedule VII thereof, against the mandatory spend of ₹ 515.40 Lakh (previous year ₹ 378.00 Lakh)

b) Amount spent during the year on:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Revenue expenditure on CSR activities	605.03	569.29
Total	**605.03**	**569.29**

39 Segment reporting

The Company is predominantly engaged in the business of Shrimp feeds and power generation The Chairman and Managing Director (CMD) has been identified as the Chief Operating Decision maker (CODM). There is only one segment in the Company which is Shrimp Feed.

As the Company does not have revenue from any significant external customer amounting to 10% or more of the Company's total revenue, the related information as required under paragraph 34 of Ind AS 108 has not been disclosed.

Shrimp Feed is manufactured & marketed to the farmers, which is used in Aqua culture to grow shrimp.

Company had installed four wind mills of 3.2MW at Chitradurga, Karnataka. Power generated from wind mills is sold to BESCOM under Power Purchase agreement.

Segment Revenue and Results
All segment revenues & expenses that are directly attributable to the segments are reported under the respective segment. The revenues and expenses that are not directly attributable to any segments are shown as unallocated expenses.

Segment assets and liabilities
Segment assets include all operating assets used by the business segment and consist principally Fixed Assets, Debtors and Inventories. Segment liabilities primarily include creditors and other liabilities. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

	Shrimp Feed		Windmill		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue								
External Sales	2,81,369.04	2,22,978.33	163.85	106.77	-	-	2,81,532.89	2,23,085.10
Inter-segment sales							-	-
Total Revenue	**2,81,369.04**	**2,22,978.33**	**163.85**	**106.77**	**-**	**-**	**2,81,532.89**	**2,23,085.10**
Segment Result								
Operating Profit	59,510.57	28,471.34	53.41	(5.74)		-	59,563.98	28,465.60
Other Income	281.44	313.78	-	47.80	3,273.48	1,061.08	3,554.92	1,422.66
Interest Expense	124.43	257.94	-			-	124.43	257.94
Exceptional item	-	-	-	-	(79.30)	5.74	(79.30)	5.74
Income tax - Current year & previous year		-		-	20,707.55	9,297.63	20,707.55	9,297.63
- Deferred Tax		-		-	713.78	707.26	713.78	707.26
Net Profit after tax	**59,667.58**	**28,527.17**	**53.41**	**42.05**	**(18,227.15)**	**(8,938.06)**	**41,493.84**	**19,631.17**
Other Information								
Segment Assets	55,812.64	44,679.57	633.86	687.32	70,375.04	40,817.67	1,26,821.54	86,184.56
Segment Liabilities	25,504.40	27,002.44	10.74	11.02	7,517.67	1,840.17	33,032.81	28,853.63
Capital Employed	**30,308.24**	**17,677.13**	**623.12**	**676.30**	**62,857.37**	**38,977.50**	**93,788.73**	**57,330.93**
Capital Expenditure	12.58	-	-	-	-	-	12.58	-
Depreciation	1,375.86	1,054.19	57.34	57.34	33.62	40.36	1,466.82	1,151.89

40 Related party disclosures

1. Names of related parties and related party relationship:

Related parties where control exists

Subsidiary	Svimsan Exports & Imports Private Limited Avanti Frozen Foods Private Limited
Related parties with whom transactions have taken place during the year	
Key Managerial Personnel (KMP)	Sri A. Indra Kumar, Chairman and Managing Director
	Sri C. Ramachandra Rao, Joint Managing Director, Company Secretary and CFO
Relatives of Key Managerial Peronnel	Sri A. Venkata Sanjeev
	Sri A. Nikilesh
Associate Companies	Srivathsa Power Projects Limited
	Patikari Power Private Limited
Entities where KMP are interested	Srinivasa Cystine Private Limited
	SCL Trading Private Limited
	Sanjeev Agro Vet Private Limited
	Sri Sai Srinivasa Agro Farms & Developers Private Limited

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

2. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties:

Particulars	Key Management Personnel		Companies over which Significant Influence is exercised		Subsidiary	
	For the year ended		For the year ended		For the year ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Remuneration	5,098.56	2,705.59	-	-	-	-
Rent paid	4.30	4.19	2.53	2.48	-	-
Rent Received	-	-	1.69	1.72	-	-
Dividend paid	537.67	402.05	2,242.95	1,744.52	-	-
Loan given	-	-	-	-	0.42	0.42
Interest Received	-	-	-	-	-	158.07
Investments	-	-	-	-	-	-
Purchase of goods	-	-	-	-	1,206.61	14,093.61
Sale of Goods	-	-	-	-	364.68	30.31
Sale of Fixed Assets	-	-	-	-	-	34.56
Commission on corporate guarantee					8.56	-
Corporate guarantee given	-	-	-	-	11,506.00	7,590.00

*below the rounding off norm adopted by the Company

Year end Balances

Particulars	Key Management Personnel		Associate Companies		Subsidiary	
	As at		As at		As at	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Investment	-	-	2,735.06	2,735.06	8,561.00	8,561.00
Remuneration	4,604.73	2,290.49	-	-	-	-
Rent payable	-	0.35	-	-	-	-
Trade Payable	-	-	-	-	-	63.91
Loans and Advances outstanding	-	-	-	-	8.56	0.42
Corporate guarantee given	-	-	-	-	703.35	1,489.53

*below the rounding off norm adopted by the Company

41 Employee Benefits

(i) Leave obligations

The leave obligations cover the Company's liability earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

	31st March, 2018	31st March, 2017	1st April, 2016
Current leave obligations expected to be settled within the next 12 months	-	19.67	127.86

(ii) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund (at the rate of 12% of basic salary); Employee State Insurance and Superannuation Fund in India for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 316.50 Lakh (31st March, 2017 - ₹ 312.93 Lakh)

(iii) Post employment benefit obligation Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	As at 31st March, 2018			As at 31st March, 2017		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	**273.01**	**236.50**	**36.51**	**224.50**	**202.67**	**21.83**
Current Service Cost	54.23	18.91	35.32	22.96	18.61	4.35
Past Service Cost	44.41		44.41			
Interest expense/(income)	21.83	0.64	21.19	17.96	-	17.96
Contributions	-		-			-
Total amount recognised in profit or loss	**120.47**	**19.55**	**100.92**	**40.92**	**18.61**	**22.31**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)						
(Gain)/loss from change in demographic assumptions			-			-
(Gain)/loss from change in financial assumptions	9.78		9.78			-
Experience (gains)/losses	107.45		107.45	20.85		20.85
Total amount recognised in other comprehensive income	**117.23**	**-**	**117.23**	**20.85**	**-**	**20.85**
Employer contributions		36.50	(36.50)		28.49	(28.49)
Benefit payments	8.53	8.53	-	13.26	13.26	-
Closing Balance	**502.18**	**284.02**	**218.16**	**273.01**	**236.51**	**36.50**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Present value of funded obligations	502.18	273.01	224.50
Fair value of plan assets	284.02	236.51	202.67
Deficit of funded plan	218.16	36.50	21.83
Unfunded plans	-	-	-
Deficit of gratuity plan	218.16	36.50	21.83

(ii) Significant estimates: actuarial assumptions
The significant actuarial assumptions for defined benefit obligation are as follows:

	31st March, 2018	31st March, 2017	1st April, 2016
Discount rate	8.00%	7.70%	8.00%
Salary escalation rate	10.00%	10.00%	10.00%
Employee attrition rate	10.00%	10.00%	7.00%
Assumptions regarding mortality rate are set based on actuarial advice in accordance with published statistics.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.

(iii) Sensitivity analysis
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation							
	Change in assumption		Increase in assumption			Decrease in assumption		
	31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)		31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)		31st March, 2018 (₹ in Lakh)	31st March, 2017 (₹ in Lakh)
Discount rate	1.00%	1.00%	Decrease by	537.59	300.76	Increase by	470.83	249.18
Attrition rate	1.00%	1.00%	Decrease by	533.42	300.76	Increase by	483.07	249.18
Salary escalation rate	1.00%	1.00%	Increase by	534.40	286.69	Decrease by	472.87	258.39

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The major categories of plan assets are as follows

	31st March, 2018	31st March, 2017	1st April, 2016
Funds managed by Life Insurance Corporation of India	284.02	236.51	202.67
Total	**284.02**	**236.51**	**202.67**

(v) Risk exposure
Through its defined benefit plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The Company's plan assets are insurer managed funds and are subject to less material risk.

Changes in bond yields: A decrease in bond yields will increase plan liabilities and the Company ensures that it has enough reserves to fund the liability

(vi) Defined benefit liability and employer contributions
Expected contributions to post-employment benefit plans for the year ending '31st March 2018 are ₹ 279.76 Lakh

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
31st March, 2018				
Gratuity	80.39	221.75	248.38	406.23
Total	**80.39**	**221.75**	**248.38**	**406.23**

42 First-time Ind AS adoption reconciliations:

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IndAS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, if any. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value."

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements
for the year ended 31st March, 2018

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS as at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial guarantee contract

- Security deposits carried at amortised cost

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

		31st March, 2017	1st April, 2016
Total equity as per previous GAAP		57,238.21	41,531.04
Fair valuation of investments	1	374.55	3.78
Fair valuation of derivative instruments	2	(117.13)	(10.74)
Deferred sales tax loan treated as government grant	3	(5.98)	-
Deferred tax income/(expense) on above adjustments	4	(158.72)	11.57
Total equity as per Ind AS		**57,330.93**	**41,535.65**

Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars		31st March, 2017
Net Profit as per previous GAAP for the period ended 31st March, 2017		
Fair valuation of investments	1	370.77
Fair valuation of derivative instruments	2	(106.39)
Deferred sales tax loan treated as government grant	3	(5.98)
Deferred tax expense on above adjustments	4	(170.34)
Remeasurements of Defined employee benefits	5	20.85
Total adjustments		**108.91**
Profit after tax as per Ind AS		19,642.37
Other comprehensive income	6	(20.85)
Total comprehensive income as per Ind AS		**19,621.52**

C: Notes to first-time adoption

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2016. This increased the retained earnings by ₹ 375.00 Lakh as at 31st March 2017 (1st April, 2016 - ₹ 4/- Lakh).

(All amounts in lakhs in Indian Rupees, unless otherwise stated)

Notes to financial statements

for the year ended 31st March, 2018

Note 2: Derivative financial instruments

Under the previous GAAP, the Company applied the requirements of Accounting Standard 11 The effects of changes in foreign exchange rates to account for foreign currency forward contracts. At the inception of the contract, the forward premium or discount was separated and amortised as income or expense over the period of contract. The underlying receivables and payables were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of forward contracts resulted in a loss of ₹ 117 (April 01, 2015: ₹ 11). Consequent to the above, the profit for the year and total equity as at 31st March, 2016 has decreased by ₹ 106 as a result of the fair value change on the forward contracts.

Note 3: Deferred sales tax loan

Under the previous GAAP, the interest-free government loan and goverment loans at below market rate interest were carried at its cost. Under Ind AS, such loans are in the nature of financial liability, carried at amortised cost, with corresponding benefit of below the market rate of interest being recognised as a government grant. Difference between the fair value of the loan and the transaction cost has been recognised as government grant. Consequent to this change, the amount of loan decreased by ₹ 17 as at 31st March, 2017 (April 01, 2016: ₹ 46). The government grant liability increased by ₹ 23 as at 31st March, 2017 (April 01, 2016: ₹ 46.00 Lakh). The profit for the year and total equity as at 31st March, 2017 decrease by ₹ 6 due to amortisation of government grant of ₹ 26.00 Lakh, which is partially off-set by the unwinding of interest amounting to ₹ 23.00 Lakh.

Note 4: Deferred tax

Under previous GAAP, deferred tax expense/credit were recognised on timing differences between book profits and taxable profits. Under Ind AS, deferred tax is required to be recognised on all temporary differences.

Accordingly, The management has recognised deferred tax liability of ₹ 159 as at 31st March, 2017 (1st April, 2016- deferred tax asset of ₹12.00 Lakh) on the above transition adjustments with a corresponding impact on retained earnings. Further, the deferred tax expense for the year ended 31st March, 2017 have decreased by ₹ 170.00 Lakh

Note 5: Rebates and discounts

Under the previous GAAP, rebates and discounts (not in the nature of trade discount) were recognised as other expense and the revenue was recorded on gross amounts. Under Ind AS, revenue is recognised net of rebates and discounts. Accordingly the Revenue has decreased by ₹ 11,692.00 Lakh for the period ended 31st March 2017 with a corresponding decrease in other expenses. There is no impact on the total equity or profit as result of this adjustment.

Note 6: Re-measurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 increased by ₹ 21 Lakh. There is no impact on the total equity as at 31st March 2017.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 8: Retained earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 9: Reclassifications

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements

43 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.