

A Message From The Chairperson

Dear Shareholders,

Greetings of the Season !

It is my pleasure to present you with a review of the general scenario of the poultry sector in India and the prospects of Venky's (India) Limited in particular.

In spite of the various adverse factors, such as steep increase in prices of feed ingredients like maize and soya, fall in egg and broiler prices during the period July, 2008 to September, 2008, the poultry sector has been able to register a decent growth during the financial year 2008-09. We have witnessed fluctuations in the fortunes of the poultry sector during the year, but thanks to the strong foundation laid by our Late Chairman Padmashree Dr. B.V. Rao, your Company has not only survived the uncertain times but registered a reasonably satisfactory sales turnover and profits.

The growth of the poultry sector is synonymous with the growth of rural employment and creation of wealth for the rural poor. Poultry continues to be a key player in providing a source of affordable and nutritious food in these days of rising prices of other food items. Presently, the per capita consumption in our country is about 52 eggs and 3.1 kgs of poultry meat per year. Even at this low level, poultry sector is providing employment to more than 3 million persons and contributing over Rs.45,000 crores to GNP. Its potential to grow into a major contributor to the Indian economy in the near future is well recognized.

The vast gap between our present per capita consumption and National Institute of Nutrition (NIN) recommended level i.e. 180 eggs and 11 kgs. of poultry meat offers excellent opportunity for the growth of poultry industry and this huge gap in consumption levels has to be bridged. To this end the poultry sector should see sustained growth in egg and broiler production. Though the overall demand scenario is favourable for continued growth of the industry, the industry is facing the threat of relentless increase in prices of maize and soya. The poultry industry has pleaded with the Government to ban forward trading in maize and soya and channelise the export of maize and soya meal through a designated government agency and to put a ceiling on the volume of export and ban on export by private parties; and the industry is hopeful of getting a favourable response from the Government.

Coming to the performance of the Company for the year 2008-09, though the sales turnover registered a growth of 9%, the profit before tax declined by 26% mainly due to steep increase in price of soya and maize and the Company could not pass on the increase to its customers. With a balanced product-mix encompassing day-old chicks, specific pathogen free eggs, animal health products, poultry feed, processed chicken and solvent extraction – offering much needed stability in financial performance – your Company would continue to perform satisfactorily, both in terms of volumes and profitability ensuring better returns to the shareholders.

My best wishes for you and your families.

Anuradha J. Desai

Chairperson

33rd
Annual
Report
2008-09

BOARD OF DIRECTORS

Mrs. Anuradha J. Desai	— Chairperson
Mr. B. Venkatesh Rao	— Vice Chairman
Mr. B. Balaji Rao	— Managing Director and Chief Executive Officer
Mr. Jitendra M. Desai	
Mr. S.B. Thorat	
Mr. B.G. Deshmukh	
Mr. C. Jagapati Rao	
Lt. Col. (Retd.) Ashok Mahajan	

AUDIT COMMITTEE

Mr. B.G. Deshmukh	— Chairman (Independent Director)
Mr. S.B. Thorat	— Member (Independent Director)
Mr. Jitendra M. Desai	— Member (Non-Executive Non-Independent Director)
Lt. Col. (Retd.) Ashok Mahajan	— Member (Independent Director)

SHARE TRANSFER & INVESTORS' GRIEVANCES COMMITTEE

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

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. A. G. Bauskar

BANKERS

State Bank of India
Industrial Development Bank of India

AUDITORS

Sudit K. Parekh & Co.
Chartered Accountants
Ballard House, 2nd floor, Adi Marzaban Path,
Ballard Pier, Fort, Mumbai-400 001.

REGISTRARS AND SHARE TRANSFER AGENTS

Bigshare Services Private Limited
E-2, Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (East), Mumbai-400 072.
Tel. : 022-28473747, 28470652-53

REGISTERED AND CORPORATE OFFICE

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

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FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

PARTICULARS	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
OPERATING RESULTS					
Turnover & Other Income	57,526	52,838	41,688	38,377	34,677
Material Cost	38,224	32,940	26,042	23,070	19,341
Personnel Cost	4,099	3,774	3,302	2,918	2,560
Interest	788	872	483	317	344
Other Expenses	10,450	10,243	9,314	9,677	9,348
Depreciation	862	827	734	617	602
Provision for Contingencies Written back		—	—	—	(200)
Profit Before Tax	3,103	4,182	1,814	1,779	2,682
Profit After Tax	2,056	2,661	1,152	1,177	1,667
Dividend (%)	35	35	30	20	35
FINANCIAL SUMMARY					
Assets Employed					
Current Assets	14,708	14,684	13,450	10,899	9,360
Current Liabilities	6,095	5,750	5,215	4,543	4,147
Net Current Assets	8,613	8,934	8,235	6,356	5,213
Net Fixed Assets	12,617	12,270	11,596	10,700	9,056
Investments	5,211	5,263	4,442	4,040	2,412
Deferred Tax Liability	(1,341)	(1,392)	(1,543)	(1,392)	(1,575)
Miscellaneous Expenses	—	—	—	—	33
Total Assets	25,100	25,076	22,730	19,704	15,139
Financed By					
Share Capital	939	939	939	939	939
Reserves & Surplus	14,768	13,097	11,227	10,307	8,955
Capital Grants and Subsidies	3	4	5	103	103
Borrowings	9,389	11,035	10,559	8,356	5,142
Total Liabilities	25,100	25,076	22,730	19,704	15,139
Earning per share (Rs.)	21.88	28.32	12.26	12.53	17.74
Book Value (Rs.)	167	149	129	120	105
Debt Equity Ratio	0.60	0.79	0.87	0.74	0.51

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of the Company will be held on Thursday, the 25th June, 2009 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune 411005 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended as on that date together with the Auditor's Report and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. C. Jagapati Rao, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. B.G. Deshmukh, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors

Pune
May 8, 2009

A.G. BAUSKAR
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A brief profile of Directors retiring by rotation and being eligible for reappointment is given in the report of Corporate Governance, which forms part of Directors' Report and shareholders are advised to refer to the same.
3. The Register of Members of the Company will remain closed from 16th June, 2009 to 25th June, 2009 (both days inclusive).
4. The dividend as recommended by the Board of Directors, if declared at the meeting, be paid to those shareholders or their mandate(s), whose names appear on the Register of Members of the Company as on 25th June, 2009 and in respect of shares held in electronic mode, as beneficial owners in the record of the Depositories as on 25th June, 2009.
5. In case of dematerialisation of shares, the dividend payment shall be made through ECS, wherever relevant bank account details are made available by NSDL and CDSL.
6. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their bank account number, name and address of the bank / branch to M/s. Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company, in respect of shares held in physical mode and to their respective Depository Participants for demat mode to enable them to incorporate the same in the dividend warrant.
7. Shareholders may avail Electronic Clearing Service (ECS) for receiving direct credit of dividend to their respective accounts with Banks. This will enable expeditious credit of dividend amount and protect from loss, theft and postal delay of dividend warrants.
8. Members are requested to notify immediately change in their address to M/s. Bigshare Services Private Limited, Registrar and Transfer

Agent of the Company. Members holding shares in demat form should inform this to their respective Depository Participants.

9. Members holding shares in identical order or names in more than one folio are requested to write to the Company for consolidation and send relevant share certificates for consolidation.
10. Members desiring any information on Accounts are requested to write to the Company so as to reach atleast ten days before the meeting to enable the Company to keep the information ready at the meeting.
11. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled-in for attending the meeting.
12. Pursuant to Section 205A & 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unclaimed for seven years from the date of such transfer shall be transferred by the Company to a Fund called "Investor Education and Protection Fund" set up by the Central Government. Accordingly, the unclaimed dividend in respect of dividend declared on 24.9.2001 for the financial year 2000-01 has been transferred to the "Investor Education and Protection Fund". The unclaimed dividend for the financial year 2001-02 onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend account of the Company to the said Investor Education and Protection Fund and no claims shall lie against the Fund or the Company in respect of individual amounts thereafter. Shareholders are, therefore, requested to check and send their claims, if any, for the relevant financial years from 2001-02 onwards before the respective amounts become due for transfer to the above fund.

By order of the Board of Directors

Pune
May 8, 2009

A.G. BAUSKAR
Company Secretary

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DIRECTORS' REPORT

The Shareholders,

Your Directors have pleasure in presenting the Thirty Third Annual Report and Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. in crores)

Description	2008-09	2007-08
Profit Before Tax	31.04	41.82
Provision for taxation		
- Current	(10.40)	(14.00)
- Deferred	0.50	(0.66)
- Fringe Benefit Tax	(0.58)	(0.55)
Profit After Tax	20.56	26.61
Add : Excess/(short) provision for tax in previous periods	—	0.16
Balance of Profit & Loss Account brought forward	54.89	34.64
Profit available for Appropriation	75.45	61.41
Appropriations :		
Transfer to General Reserve	2.06	2.68
Dividend	3.29	3.29
Corporate Dividend Tax	0.56	0.56
Balance profit carried forward	69.54	54.88
	75.45	61.41

OPERATIONS

The Company's sales turnover registered a growth of 9% for the year at Rs.570.26 crores as compared to Rs.524.89 crores in the previous year. Profit before tax declined by 30% at Rs.31.04 crores as compared to Rs.41.82 crores.

The profitability of the Company was affected due to steep increase in price of soya and maize (the key ingredients of poultry feed) and the Company could not pass on the increase to its customers especially during the period July, 2008 to September, 2008.

DIVIDEND

Your Directors recommend a dividend of Rs.3.50 per equity share (35%). The dividend, if approved at the ensuing annual general meeting, will absorb Rs. 3.29 crores (previous year Rs.3.29 crores).

SEGMENT-WISE PERFORMANCE

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

CORPORATE GOVERNANCE

As per the requirements of Clause 49 of the Listing Agreement a separate report on Corporate Governance along with the certificate issued by Company Secretary in Whole-Time Practice thereupon is given in Annexure-B which forms part of this Report.

DIRECTORS

Mr. V. N. Dubey has resigned as Director of the Company w.e.f. 4th May, 2009 for personal reasons. The Board wishes to place on record its gratitude and appreciation for the co-operation and guidance rendered by him during his tenure as Director of the Company.

As per the provisions of Articles of Association of the Company, Mr. C. Jagapati Rao and Mr. B. G. Deshmukh are due for retirement by rotation at the ensuing Annual General Meeting and, being eligible, they offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors declare that :

1. the Accounts for the year ended 31st March, 2009 have been prepared by following applicable accounting standards;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2009 and of the profit of the Company for that year;
3. proper care has been taken for the maintenance of adequate records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
4. the Accounts for the year ended 31st March, 2009 have been prepared on a going concern basis.

FIXED DEPOSITS

The Company has discontinued the fixed deposit schemes. However, deposits amounting to Rs.50,000/- from 4 depositors which were due for repayment have remained unclaimed as on 31st March, 2009.

ACCOUNTS

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

INSURANCE

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

PERSONNEL AND HUMAN RESOURCES

Employee relations continued to be cordial throughout the year. The Company did not have any employee during the year under review whose remuneration is required to be disclosed in terms of the provisions of Section 217(2A) of the Companies

Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

AUDITORS

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

INFORMATION UNDER SECTION 217(1)(e)

A. Conservation of Energy

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

B. Technology Absorption

1. Research and Development (R & D)
 - a) Specific areas : R & D activities of the Company are concentrated in the areas of developing wider application of Specific Pathogen Free (SPF) eggs and application of various breeder management techniques to improve productivity and increase feed efficiency.
 - b) Benefits derived : Wider acceptance of SPF eggs in the manufacture of human and livestock vaccines in India and higher production and increased feed efficiency of breeders.
 - c) Plan of action : Further promotion of SPF eggs applications in the biological industry.
 - d) Expenditure on R & D : The expenditure incurred by the Company during the year on Research and Development was Rs.0.23 crores.
2. Technology Absorption, Adaptation and Innovation
 - a) Efforts made : The Company maintains

continuous interaction with its collaborators, SPAFAS Inc., U.S.A. for absorption of technology.

b) Benefits :

- i. Development of new application
- ii. Savings in foreign exchange through import substitution.

c) Technology Imported : SPF technology was imported in 1983. The benefit of the ongoing research by the Collaborators in SPF technology is being derived by the Company on a continuous basis.

C. Foreign Exchange Earnings and Outgo

1. Efforts have been made to increase exports of hatching eggs and SPF eggs.
2. Earnings and outgo:
 - a. Foreign exchange earnings (FOB) Rs.1.28 crores
 - b. Foreign exchange outgo Rs. 1.47 crores

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Pune

May 8, 2009

ANURADHA J. DESAI

CHAIRPERSON

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development :

The global economic slowdown witnessed from the first quarter of 2008 had adversely impacted all the major economies of the world including that of India. However, Indian economy has not been as badly affected by global economic slowdown as other countries. The Indian Government's revised projection of the GDP growth at 7% for 2009-10 vis-a-vis the earlier projected growth of 9% is a fair indicator that India is not insulated against the global economic meltdown. During the financial year 2008-09, industrial production growth came down as compared to the previous year. While most of the industries showed a decline, the poultry industry has managed to withstand the impact of global meltdown as the industry in India is primarily domestic demand driven. Forward trading in soya and maize have reached record high level as also export of these commodities significantly. Representations have been made to the Government Authorities for ban on forward trading of these commodities and for regulating the exports through organized and designated channels and it is hoped that same will be considered favorably by the Government of India.

The Indian poultry industry is a Rs.45,000 crore industry as on date, providing direct and indirect employment to over 3 million persons. 20 million agricultural farmers are also dependent for their livelihood on poultry industry, especially the maize and soya growers. 75% to 80% of the cost of production in the poultry industry consists of feed ingredients, like maize and soya. With an annual production of over 53,000 million eggs, India ranks second in the world in egg production. The broiler production is estimated at 3.1 million tons of chicken meat and India ranks 3rd in the world. On the export front also, there was a significant growth in export of egg powder. However, there is a temporary suspension of export of hatching eggs and table

eggs due to ban on imports from India by some of the importing countries, following the incidence of bird flu in north-east region in January & March, 2008 and export of the same is expected to be resumed once India is declared free of bird flu. Most of the countries like U.S.A., China, Malaysia, Zambia have a system by which zones affected by any flu or disease are isolated so that other zones free from bird flu etc. are eligible to export or cater to the domestic market. In India such a system is not in place so that if a zone is declared affected by any disease such as bird flu, the entire country is banned from exports. Your Company, alongwith the NECC has taken up the issue with the Government of India and it is hoped that it will receive the attention that it deserves.

Farm gate prices of eggs and broilers are generally stable. However, the industry is facing deep crisis because of the steep increase in the prices of maize and soya meal after the introduction of forward trading in these commodities.

The poultry industry has the inherent strength and resilience to absorb such shocks. VH Group has a strong production infrastructure, world class technologies, one of the best disease monitoring and surveillance systems and the farming community is well informed about good management practices and bio-security measures. It has made great advancements in the world of poultry and this a universally accepted fact. The Poultry Diagnostic

Research Centre of VH Group has a network of 100 satellite laboratories, 4 regional laboratories and 300 veterinarians working under its umbrella and over the years, this network has supported the poultry farmers by constantly giving them technical service in all aspects of poultry. Thanks to Late Dr. B.V. Rao's vision and foresighted planning, our industry has a strong production

infrastructure base and a world class health care system. Based on these strengths, VH Group is confident of a steady and continuous growth of the industry.

2. Opportunities, Threats, Risks and Concerns :

The vast gap between our present per capita consumption (52 eggs and 3.1 kg of poultry meat) and National Institute of Nutrition (NIN) recommended level (180 eggs and 11 kg of poultry meat) offers a tremendous opportunity for the growth of poultry industry for several years to come.

The allocation for Mid-Day Meal program has been stepped up significantly by Central and State Governments. The Tamil Nadu Government has increased it from 2 eggs to 3 eggs per week. NECC and your company are constantly following up with various State Governments for inclusion of eggs in the Mid-Day Meal Programme. The over all environment is favourable for continued growth of the industry at 10% in egg production and 18% to 20% in broiler production.

Only 2% of poultry production is being processed in India due to lack of cold chain and retail infrastructure and this continues to be a major challenge and also a potential growth area.

3. Segmentwise Performance :

a. Poultry and Poultry Products

The Company's major business segment is poultry and poultry products which consists of production and sale of day old broiler and layer chicks, specific pathogen free eggs, processed chicken products and poultry feed. In 2008-09 this segment's turnover was Rs.380.05 crores as compared to Rs.320.82 crores in the last year. The profit before tax and interest of this segment was Rs.19.04 crores as compared to Rs.23.22 crores in the previous year.

b. Animal Health Products

The Company has its animal health products manufacturing facility at Pune. This segment's

sales turnover was Rs.55.12 crores as compared to Rs.68.01 crores. Profit before tax and interest was Rs.9.88 crores as against Rs.12.60 crores in the last year.

c. Oilseed

This segment registered a sales turnover of Rs.202.35 crores as compared to Rs.186.29 crores last year. Profit before tax and interest was Rs.19.37 crores as against Rs.21.97 crores in the previous year.

4. Outlook :

The steep increase in feed prices witnessed in the year 2008-09 has been a major challenge for poultry industry. This is the main reason why the industry is suffering unprecedented losses and going through very difficult time. This is the main reason though the turnover is going up but the profits are coming down and many farmers are out of the business. It is expected that the feed price will hover around the present high level in the forthcoming year also. Though the demand for poultry products is expected to grow further, the industry is facing the threat of a further increase in maize and soya – the key ingredients of poultry feed. The poultry industry has pleaded with the Government to ban forward trading in maize and soya and channelise the export of maize and soya meal through a designated government agency and to put a ceiling on the volume of export and ban on export by private parties and the industry is hopeful of getting a favourable response from the Government. Barring unforeseen circumstances, the company expects to post improved performance in the year 2009-10.

5. Internal Control Systems and their adequacy :

The internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that

transactions are authorised, recorded and reported correctly.

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

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

The turnover of the Company registered growth of 9% over the last year from Rs.524.89 crores to Rs.570.26 crores. The profit before tax from operations declined by 30% from Rs.41.82 crores to Rs.31.04 crores.

The borrowings of the Company during the year were decreased by about 15% from Rs.110.35 crores to Rs.93.89 crores. Interest cost of the Company has fallen by 9.63% from Rs.8.72 crores to Rs.7.88 crores.

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

In line with VH Group's corporate philosophy, the Human Resource is considered as the most valuable resource in the Company. The focus is on developing a performance culture with high standards of efficiency and innovation. Employee relations at all levels continue to remain cordial. The Company had 3,335 employees as on 31st March, 2009.

REPORT ON CORPORATE GOVERNANCE

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

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors:

Composition and Size of the Board

As on 8th May, 2009 the Board consists of 8 Directors out of which 4 Directors (50%) are Independent Directors and 4 Directors (50%) are Non-Independent Directors.

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

No. of Board Meetings held during the year along with the dates of the Meetings

During the year 2008-09, four meetings were held. The dates on which the said meetings were held are as follows:

1) 26th June, 2008 2) 31st July, 2008 3) 27th October, 2008 4) 30th January, 2009

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

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 18 th Sept., 2008	No. of Directorships in other Public Companies	No. of Committee Positions [other than Venky's (India) Limited] in which Chairman/ Member	
					Chairman	Member
Mrs. Anuradha J. Desai	Chairperson	4	Yes	3	—	1
Mr. B. Venkatesh Rao	Vice-Chairman	3	Yes	1	—	—
Mr. S. B. Thorat*	Director	4	Yes	—	—	—
Mr. C. Jagapati Rao*	Director	—	Yes	4	1	—
Mr. V. N. Dubey @	Director	—	No	1	—	—
Mr. Jitendra M. Desai #	Director	4	Yes	1	—	—
Mr. B. G. Deshmukh*	Director	4	Yes	2	—	—
Mr. B. Balaji Rao	Managing Director	3	No	—	—	—
Lt. Col. (Retd.) Ashok Mahajan *	Director	4	Yes	1	—	—

* Independent Directors

In addition, he is an Alternate Director in one private company.

@ Resigned w.e.f. 4th May, 2009.

No. of Equity Shares held by Non-Executive Directors as of 31st March, 2009:

Name of the Director	No. of Equity Shares as of 31/3/2009
Mrs. Anuradha J. Desai	4,11,951
Mr. B. Venkatesh Rao	43,554
Mr. Jitendra M. Desai	20,053
Mr. S. B. Thorat	39,010
Mr. C. Jagapati Rao	95,342
Mr. V. N. Dubey	813
Mr. B. G. Deshmukh	Nil
Lt. Col. (Retd.) Ashok Mahajan	Nil

Details of Directors being appointed and re-appointed

As per provisions of the Companies Act, 1956 and Article 141 to 143 of the Articles of Association of the Company, Mr. C. Jagapati Rao and Mr. B. G. Deshmukh, Directors retire by rotation at the ensuing annual general meeting and being eligible have offered themselves for re-appointment.

The brief profile of the Directors proposed for appointment/re-appointment

Mr. C. Jagapati Rao, age 76 years is Director of Venky's (India) Limited for last 21 years. He is a Whole Time Director in Venkateshwara Hatcheries Private Limited and Director in Srinivasa Hatcheries Limited, Srinivasa Aqua Feeds Private Limited, Jaagruthi Foundations Private Limited, Agro Corpex India Limited, Santir Aquatics Private Limited, Pallavi Perfumes and Cosmetics Private Limited, Jagapati Finance Private Limited, Sri Chitturi Agencies Private Limited, Harsha Hospitalities Private Limited, Srinivasa Solutech Private Limited, Srinivasa Foods and Feeds Private Limited, Corporate Leasing Private Limited, Sri Krishna Devaraya Hatcheries Private Limited, Chitturi Enterprises Private Limited, Varuna Hatcheries Private Limited, Srinivasa Agri High Tech Private Limited, Kansas Feeds Private Limited, Monisha Sri Durga Farms Private Limited, Jagapati Investments Private Limited, Poultry Development Council and All India Poultry Development and Services Private Limited.

Mr. B.G. Deshmukh, age 80 years is Director of Venky's (India) Limited for last 15 years and is also on the Board of Venkateshwara Hatcheries Private Limited. He is also a Director of Finolex Cables Limited, Siporex India Limited, Principal Trustee Co. Private Limited. He held various key posts in Central and State Governments like Chief Secretary to Government of Maharashtra; Municipal Commissioner of Bombay; Cabinet Secretary to Government of India and Principal Secretary to Prime Minister of India. Mr. B.G. Deshmukh is the Chairman of the Audit Committee of Venky's (India) Limited and Remuneration Committee of Finolex Cables Limited.

3. Audit Committee :

Terms of Reference, Composition

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

The Audit Committee comprises of all the Non-Executive Directors. Mr. B.G. Deshmukh, an Independent Director, is the Chairman of the Committee. Mr. S. B. Thorat, Lt. Col. (retd.) Ashok Mahajan and Mr. Jitendra M. Desai are the other members of the Committee. The Statutory Auditors and Internal Auditors

are permanent invitees to the Audit Committee Meetings. The Company Secretary is the Secretary of the Audit Committee.

Meetings and the attendance during the year :

There were four meetings of the Audit Committee held during the year. The attendance of each Member of the Committee is given below :

Name of Member	No. of meetings attended
Mr. B. G. Deshmukh	4
Mr. S. B. Thorat	4
Lt. Col. (retd.) Ashok Mahajan	4
Mr. Jitendra M. Desai	4

4. Remuneration to Directors :

The remuneration of Directors is decided at the Board level and approval of the shareholders is obtained at a general meeting. The Company has not set-up remuneration committee as it is not mandatory. The details of remuneration paid to the Directors (including sitting fees paid for attending Board Meetings and Committee Meetings) during the financial year 2008-2009 are given below:

Directors	Salary Rs.	Perquisites # Rs.	Commission Rs.	Sitting Fees Rs.	Total Rs.
Mrs. Anuradha J. Desai	—	—	2,50,000	65,000	3,15,000
Mr. B. Venkatesh Rao	—	—	2,50,000	15,000	2,65,000
Mr. S. B. Thorat	—	—	2,50,000	40,000	2,90,000
Mr. C. Jagapati Rao	—	—	2,50,000	—	2,50,000
Mr. V. N. Dubey	—	—	2,50,000	—	2,50,000
Mr. J. M. Desai	—	—	2,50,000	85,000	3,35,000
Mr. B. G. Deshmukh	—	—	2,50,000	40,000	2,90,000
Lt. Col. (retd.) Ashok Mahajan	—	—	2,50,000	40,000	2,90,000
Mr. B. Balaji Rao	6,00,000	5,60,139	1,00,000	—	12,60,139
Total	6,00,000	5,60,139	21,00,000	2,85,000	35,45,139

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

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

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

5. Investors' / Shareholders' Grievance Committee :

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

Officer and Company Secretary.

During the period under review, 51 complaints were received from the shareholders and others in respect of share transfer and dividend related queries and all of them have been resolved to date.

6. Code of Conduct :

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March, 2009.

7. CEO / CFO Certification :

The Managing Director & Chief Executive Officer and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49 (V) of the Listing Agreement, for the year ended 31st March, 2009.

8. General Body Meetings :

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

Meeting	Date, Time and Place
AGM for the year 2007-08	18 th September, 2008 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune 411 005
AGM for the year 2006-07	26 th July, 2007 at 10.30 a.m. at Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune 411 005
AGM for the year 2005-06	28 th July, 2006 at 10.30 a.m. at Hotel President, Lane No. 8, Prabhat Road, Pune 411 004

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

9. Disclosures:

There are no related party transactions made by the Company with its Promoters, Directors or Management or their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. The transactions with the related parties are disclosed in Note No. 24 of Schedule No. 13 to the Accounts in the Annual Report.

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

10. Means of Communication:

The financial results of the Company are published in widely circulating national dailies such as Business Line and Business Standard (in English) and Loksatta (in Marathi). The Company's results and official news releases are displayed on Company's web-site www.venkys.com.

The Management Discussion and Analysis Report attached separately to the Directors' Report forms a part of this Annual Report.

11. General Shareholder information :

Annual General Meeting Date	25 th June, 2009
Time	10.30 a.m.
Venue	Best Western The Pride Hotel, 5, University Road, Shivaji Nagar, Pune-411005
Financial Calendar 2009-10	i First Quarter Results – end of July, 2009 ii Second Quarter Results – end of October, 2009 iii Third Quarter Results - end of January, 2010 iv Audited Results for the year ending 31 st March, 2010 – end of May, 2010
Date of Book Closure	16 th June, 2009 to 25 th June, 2009
Dividend Payment date(s)	Within 30 days after AGM
Listing on Stock Exchanges and Stock Code	The Stock Exchange, Mumbai 523261 National Stock Exchange of India Ltd. VENKEYS The listing fees to all the stock exchanges have been paid in time.
Demat ISIN Number for NSDL & CDSL	INE 398A01010

High/Low of market price of the Company's shares traded on The Stock Exchange, Mumbai during the period from April, 2008 to March, 2009 is furnished below :

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2008	162.75	125.35	October, 2008	106.00	68.15
May, 2008	169.50	143.30	November, 2008	94.00	65.05
June, 2008	174.00	126.00	December, 2008	75.00	65.50
July, 2008	134.00	105.75	January, 2009	76.00	66.30
August, 2008	132.00	119.00	February, 2009	74.00	67.00
September, 2008	128.65	97.05	March, 2009	78.20	66.50

Source : Official website of The Stock Exchange, Mumbai (www.bseindia.com).

Registrar & Transfer Agents	The share transfer work of the Company is handled by the Registrars and Share Transfer Agents viz. Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai 400 072 Telephone: 022-28473747, 28470652-53 Fax : 022-28475207
Share Transfer System	All the transfers received are processed at the office of the Registrar and Transfer agents and are approved by the "Share Transfer and Investors' Grievances Committee" which meets twice in a month or more depending on the volume of transfers. Share transfers are registered and returned within 30 days from the date of lodgement, if documents are complete in all respects.

Distribution of shareholding and shareholding pattern as on 31st March, 2009:

Distribution of Shareholding

No. of equity shares held	Folios	%	Shares	%
1 - 500	18,899	96.03	14,14,788	15.06
501 - 1000	372	1.89	2,79,433	2.98
1001- 2000	177	0.90	2,57,879	2.75
2001-5000	122	0.62	4,02,064	4.28
5001-10000	58	0.29	4,11,587	4.38
10001-50000	43	0.22	9,15,484	9.75
50001 & above	10	0.05	57,10,322	60.80
Total	19,681	100.00	93,91,557	100.00

Shareholding Pattern

Category	No. of Shares	%
Promoters	52,74,921	56.17
Mutual Funds / Unit Trust of India	1,342	0.01
Banks	221	0.00
Foreign Institutional Investors	1,809	0.02
Private Bodies Corporate	5,49,629	5.85
Non-resident Indians	60,956	0.65
Public	35,02,679	37.30
Total	93,91,557	100.00

Dematerialisation of shares and liquidity :

About 83.95% of the paid-up capital of the Company was dematerialised as on 31st March, 2009. The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

Location of Units : The Units of the Company are located as under:

- Pune (Maharashtra) - Broiler Breeder Farms, Specific Pathogen Free Egg, Poultry Feed, Animal Health Products, Chicken Processing, Broiler Commercial Farms and Health Care Products.
- Solapur (Maharashtra) – Solvent Extraction and Refinery and Poultry Feed.
- Anand (Gujarat) – Broiler Breeder Farm, Broiler Commercial Farm and Layer Breeder Farm.
- Samalkha and Sonapat (Haryana) - Broiler Breeder Farm and Layer Breeder Farm.
- Ambala (Haryana) - Broiler Breeder Farm, Poultry Feed and Commercial Layer Farm.
- Dehradun (Uttaranchal) - Broiler Breeder Farm & Hatchery, Layer Breeder Farm & Hatchery and Poultry Feed.
- Ludhiana (Punjab) - Broiler Breeder Farm and Layer Breeder Farm.
- Khanna (Punjab) – Poultry Feed.
- Rewa (Madhya Pradesh) – Broiler Breeder Farm and Hatchery.
- Sunderpur (U.P.) – Broiler Breeder Farm.
- Basti & Allahabad – Satellite Hatchery.
- Gurudaspur & Sangrur (Punjab) – Broiler Commercial Farm.
- Panipat – Broiler Breeder Farm, Layer Breeder Farm & Hatchery.
- Hazaribagh (Jharkhand) – Satellite Hatchery.
- Dasuya (Punjab) – Satellite Hatchery, Broiler Breeder Farm & Hatchery.
- Pathankot (Punjab) – Satellite Hatchery.
- Hoshiapur (Punjab) – Commercial Layer Farm.

Address for Correspondence :

Shareholders' correspondence should be addressed to Registrar and Transfer Agents, M/s Bigshare Services Private Limited. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants. For dividend related queries shareholders may contact Mr. S. Kannan, Manager-Secretarial or Mr. Pranav Asnikar, Asst. Company Secretary at the registered office, Tel. Nos. : 020 – 24251530 to 41. Email : corp.shares@venkys.com.

B. NON - MANDATORY REQUIREMENTS**a) Chairman of the Board :**

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

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

c) Shareholders' Rights :

The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders.	The Company's half yearly results are published in English and Marathi newspapers having wide circulation and uploaded on the Company's website i.e. www.venkys.com. Hence they are not sent to the shareholders.
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CERTIFICATE ON CORPORATE GOVERNANCE

The Members of

VENKY'S (INDIA) LIMITED

I have examined the compliance of conditions of Corporate Governance by Venky's (India) Limited for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

I state that in respect of investor grievances during the year ended March 31, 2009 no investor grievances are remaining unattended / pending for more than 30 days as per the records maintained by the Company and presented to the Investors / Shareholders Grievance Committee.

Place : Pune
Date : May 8, 2009

P. L. Shettigar
Practicing Company Secretary
A-10, Aditya Nagar, 4A/4B,
Hadapsar (Gadital), Pune 411 012.
Membership Number: 2917

CEO/CFO CERTIFICATE

To :

The Board of Directors
Venky's (India) Limited

Dear Sirs,

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

- (a) We have reviewed the financial statements and the cash flow statements for the year ended on 31st March, 2009 and based on our knowledge and belief, we state that :
- (i) these statements do not contain any material untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

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

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

B. BALAJI RAO
MANAGING DIRECTOR & CEO

A.G. BAUSKAR
CHIEF FINANCIAL OFFICER

Pune
May 8, 2009

AUDITORS' REPORT

To The Members of

Venky's (India) Limited

- 1) We have audited the attached balance sheet of **Venky's (India) Limited**, as at 31 March 2009 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as at 31 March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31 March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March, 2009;
 - ii) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **Sudit K Parekh & Co**
Chartered Accountants

Srikant V. Jilla

Partner

Mumbai
May 8, 2009

Membership Number: 39461

ANNEXURE

Re: Venky's (India) Limited

Referred to in paragraph 3 of our report of even date

i In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified during the year by the management under a regular programme of verification by rotation over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

ii In respect of its inventories:

- a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the record of inventories, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of account.

iii According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

iv In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course

of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

v In respect of transactions entered in the register maintained pursuant to section 301 of the Companies Act, 1956:

- a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees in respect of each party during the financial year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time except that no comparison was possible in the case of purchase of items of highly specialised nature where we are informed that there are no alternative sources of supply.

vi According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

vii In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii We have broadly reviewed the cost accounting records maintained by the Company, pursuant to the order made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Animal Health Products of the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the other products of the Company.

ix In respect of statutory dues:

- a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including

Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Wealth Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth Tax, Sales-tax, Service Tax, Customs Duty and Excise Duty were in arrears, as at 31 March 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, following are the details of disputed statutory dues of Sales-tax, Income-tax, Customs Duty, Service Tax, Wealth Tax, Excise Duty, cess which have not been deposited:

Nature of Dues	Amount Involved (Rs in lakh)	Forum where Dispute is pending
Sales Tax	29.29	High Court
	35.94	Sales Tax Appellate Tribunal
	46.88	Joint Commissioner of Sales Tax
Income Tax	4.21	High Court
	6.63	Income Tax Appellate Tribunal

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

For **Sudit K Parekh & Co**
Chartered Accountants

Srikant V. Jilla
Partner

Mumbai
May 8, 2009

Membership Number: 39461

33rd
Annual
Report
2008-09

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share capital	1	939.16		939.16
Reserves and surplus	2	14,768.22		13,096.76
Government grants	3	3.49		4.10
			15,710.87	14,040.02
LOAN FUNDS				
Secured loans	4	5,157.93		6,570.51
Unsecured loans	5	4,230.81		4,464.98
			9,388.74	11,035.49
DEFERRED TAX LIABILITY (NET)			1,341.27	1,391.84
Total			26,440.88	26,467.35
APPLICATION OF FUNDS				
FIXED ASSETS	6			
Gross block		19,723.13		18,907.69
Less: depreciation/amortisation		7,973.77		7,273.01
		11,749.36		11,634.68
Capital work-in-progress		867.21		635.53
			12,616.57	12,270.21
INVESTMENTS	7		5,211.33	5,262.75
CURRENT ASSETS, LOANS AND ADVANCES	8			
Inventories		7,098.14		8,064.01
Sundry debtors		5,227.00		4,665.10
Cash and bank balances		1,083.99		906.70
Other current assets		705.39		572.93
Loans and advances		593.04		475.65
		14,707.56		14,684.39
LESS: CURRENT LIABILITIES AND PROVISIONS	9			
Liabilities		4,869.66		4,658.22
Provisions		1,224.92		1,091.78
		6,094.57		5,750.00
NET CURRENT ASSETS			8,612.98	8,934.39
Total			26,440.88	26,467.35
NOTES TO THE ACCOUNTS	13			

As per our attached report of even date

For SUDIT K PAREKH & CO
Chartered Accountants

SRIKANT V. JILLA
Partner
Membership Number : 39461

Mumbai
May 8, 2009

For and on behalf of the Board of Directors

ANURADHA J. DESAI
Chairperson

B. BALAJI RAO
Managing Director &
Chief Executive Officer

Pune
May 8, 2009

B. VENKATESH RAO
Vice Chairman

A. G. BAUSKAR
Chief Financial Officer &
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the year ended 31st March, 2009 Rs. in Lakhs	For the year ended 31st March, 2008 Rs. in Lakhs
INCOME			
Sales		57,026.00	52,489.19
Less : Excise duty		99.65	173.10
Sales net of excise duty		56,926.35	52,316.09
Other income	10	599.52	522.03
	Total	57,525.87	52,838.12
EXPENDITURE			
Manufacturing, farm and other expenses	11	50,224.07	44,166.67
Goods purchased for resale		2,397.34	3,436.12
Depreciation/amortisation		862.01	826.73
Interest		788.17	871.58
Decrease/(Increase) in stocks	12	140.41	(665.27)
	Total	54,412.00	48,635.83
PROFIT FOR THE YEAR		3,113.87	4,202.29
Prior period items (Net) (Refer Schedule 13 Note No. 6)		(10.41)	(20.21)
PROFIT BEFORE TAX		3,103.46	4,182.08
Provision For Taxation			
- Current tax		(1,040.00)	(1400.00)
- Deferred tax		50.57	(66.18)
- Fringe benefit tax		(58.00)	(55.00)
Tax Expense		(1047.43)	(1521.18)
PROFIT AFTER TAX		2,056.03	2,660.90
Excess / (Short) provision for tax in prior periods		—	16.13
Balance of profit brought forward		5,488.88	3,464.12
PROFIT AVAILABLE FOR APPROPRIATION		7,544.91	6,141.15
APPROPRIATIONS			
General reserve		205.60	267.70
Proposed dividend		328.71	328.71
Dividend distribution tax		55.86	55.86
Balance carried to balance sheet		6,954.74	5,488.88
	Total	7,544.91	6,141.15
Earnings per share of face value of Rs.10 each (Basic & Diluted)		Rs. 21.88	Rs. 28.32
NOTES TO THE ACCOUNTS	13		

As per our attached report of even date

For SUDIT K PAREKH & CO
Chartered Accountants

SRIKANT V. JILLA
Partner
Membership Number : 39461

Mumbai
May 8, 2009

For and on behalf of the Board of Directors

ANURADHA J. DESAI
Chairperson

B. BALAJI RAO
Managing Director &
Chief Executive Officer

Pune
May 8, 2009

B. VENKATESH RAO
Vice Chairman

A. G. BAUSKAR
Chief Financial Officer &
Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SCHEDULE 1: SHARE CAPITAL			
AUTHORISED			
11,000,000 equity shares of Rs.10 each		1,100.00	1,100.00
1,000,000 preference shares of Rs.100 each		1,000.00	1,000.00
		<u>2,100.00</u>	<u>2,100.00</u>
ISSUED, SUBSCRIBED AND PAID-UP			
9,397,272 equity shares of Rs.10 each fully paid-up	939.73		939.73
Less: forfeited shares pending reissue			
5,715 shares of Rs.10 each	<u>0.57</u>		<u>0.57</u>
		939.16	939.16
Total		<u>939.16</u>	<u>939.16</u>

NOTES:

Of the above issued, subscribed and paid-up capital

	No. of Shares	No. of Shares
1. Shares issued as fully paid up bonus shares by capitalisation of		
- general reserve	500,000	500,000
- securities premium account	2,566,637	2,566,637
2. Shares issued pursuant to a scheme of amalgamation without payment being received in cash.	4,674,377	4,674,377

SCHEDULE 2: RESERVES AND SURPLUS

CAPITAL RESERVES

Capital Grants	97.78	97.78
Profit on reissue of forfeited shares and debentures	1.64	1.64
Amalgamation Reserve	<u>2.42</u>	<u>2.42</u>

	101.84	101.84
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CAPITAL REDEMPTION RESERVE	87.50	87.50
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SECURITIES PREMIUM ACCOUNT	223.19	223.19
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GENERAL RESERVE

Balance as per last balance sheet	7,195.35	7,350.33
Add : Transferred from profit and loss account	205.60	267.70
Less : Adjustment as per transitional provisions of AS 15 (Revised 2005) (Refer Schedule 13 Note No. 27)	—	(422.68)

	7,400.95	7,195.35
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PROFIT AND LOSS ACCOUNT

Balance as per Profit & Loss Account	6,954.74	5,488.88
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Total	<u>14,768.22</u>	<u>13,096.76</u>
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SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SCHEDULE 3: GOVERNMENT GRANTS			
CAPITAL SUBSIDY			
Balance as per last balance sheet	4.10		4.62
Less: Transferred to profit and loss account	0.61		0.52
		<u>3.49</u>	<u>4.10</u>
Total		<u><u>3.49</u></u>	<u><u>4.10</u></u>
SCHEDULE 4: SECURED LOANS			
FROM BANKS			
Term loans		2,442.78	2,099.98
Working capital facilities			
Rupee		2,715.15	4,470.53
Total		<u><u>5,157.93</u></u>	<u><u>6,570.51</u></u>
Security:			
a. Term loans from banks are secured by equitable mortgage of certain land and buildings and other structures / fixtures thereon and hypothecation of plant and machinery and other movable assets, both present and future.			
b. Working Capital facilities are secured by hypothecation of stocks of raw materials, stocks in process, semi-finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts and all other movables, both present and future. These are further secured by a second charge on certain fixed assets of the Company by way of collateral security.			
SCHEDULE 5: UNSECURED LOANS			
SHORT-TERM LOANS			
From banks		4,175.00	4,400.00
OTHER LOANS			
From others			
Sales Tax Deferral		55.81	64.98
Total		<u><u>4,230.81</u></u>	<u><u>4,464.98</u></u>

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6: FIXED ASSETS

(Rs. in Lakhs)

Description	Gross Block			Depreciation / Amortisation			Net Block		
	As at 01/04/2008	Additions	Deductions	As at 31/03/2009	As at 01/04/2008	On deductions during the year	For the year	As at 31/03/2009	As at 31/03/2008
TANGIBLE ASSETS									
Freehold Land	602.14	14.72	—	616.86	—	—	—	616.86	602.14
Leasehold Land	82.53	—	—	82.53	—	—	—	82.53	82.53
Buildings	6,518.09	348.27	—	6,866.36	1,753.67	—	194.25	4,918.44	4,764.42
Plant, Machinery & Equipments	8,498.35	538.39	152.55	8,884.19	4,001.02	108.35	422.97	4,568.55	4,497.33
Electrical Installations	1,558.89	32.12	19.19	1,571.82	590.03	13.25	72.19	922.85	968.86
Furniture, Fixtures & Office Equipments	665.44	77.57	5.09	737.92	430.47	3.19	48.34	262.30	234.97
Vehicles	771.98	27.43	49.72	749.69	415.79	36.91	64.74	306.07	356.19
INTANGIBLE ASSETS									
Trade Mark	12.88	—	—	12.88	12.88	—	—	—	—
Technical Know - how	49.24	—	—	49.24	14.27	—	10.99	23.98	34.97
Software	148.15	3.49	—	151.64	54.88	—	48.98	47.78	93.27
TOTAL	18,907.69	1,041.99	226.55	19,723.13	7,273.01	161.70	862.46	11,749.36	11,634.68
Previous Year	17,817.59	1,131.34	41.24	18,907.69	6,475.92	30.16	827.25	11,634.68	

Note :-

1. Depreciation for the year includes Rs. 0.45 lakhs (Previous year Rs. 0.52 lakhs) debited to Capital Subsidy.

SCHEDULES FORMING PART OF BALANCE SHEET

		As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SCHEDULE 7: INVESTMENTS			
(Non Trade, Unquoted)			
CURRENT			
Mutual Funds-Debt			
[Units of face value Rs. 10 each, unless otherwise stated]			
3,000,000	HSBC Mutual Fund Units (Previous year 3,000,000) of HSBC Fixed Term Series - Growth Plan	300.00	300.00
2,000,000	DWS Mutual Fund Units (Previous year 2,000,000) of DWS Fixed Term Fund Series 47- Institutional Growth Plan	200.00	200.00
9,986,518	Birla Sunlife Mutual Fund Units (Previous year 1,500,000) of BSL Floating Rate Fund - Long Term - Institutional - Growth	1,000.00	150.00
41,996	DSP Black Rock Mutual Fund Units (Previous year 10,000) of Rs.1000/- each of DSP Black Rock Strategic Bond Fund - Growth	431.33	100.00
6,200,000	DSP Black Rock Mutual Fund Units (Previous year 9,200,000) of DSP Black Rock FMP 121/2M Series 1 - Institutional Growth	620.00	920.00
4,800,000	Religare Mutual Fund Units (Previous year 4,800,000) of Religare FMP 375 Days Series VII - Institutional Growth Plan	480.00	480.00
5,800,000	Sundaram BNP Paribas Mutual Fund Units (Previous year 2,800,000) of Sundaram BNP Paribas FTP 367 days Series 8 Super Institutional - Growth	580.00	280.00
3,000,000	Sundaram BNP Paribas Mutual Fund Units (Previous year 3,000,000) of Sundaram BNP Paribas Fixed Term Plan E - Institutional Growth	300.00	300.00

SCHEDULES FORMING PART OF BALANCE SHEET

		As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SCHEDULE 7: INVESTMENTS - Contd.			
6,782,098	HDFC Mutual Fund Units (Previous year Nil) of HDFC Floating Rate Income Fund - Long Term Plan - Growth	1,000.00	—
3,300,000	IDFC Mutual Fund Units (Previous year Nil) of IDFC - FMP - Thirteen Months Series 1 - Plan B - Growth	300.00	—
Nil	DWS Mutual Fund Units (Previous year 9,827,500) of DWS Fixed Term Fund Series 26 - Growth	—	982.75
Nil	Reliance Mutual Fund Units (Previous year 2,000,000) of Reliance Fixed Maturity Plan	—	200.00
Nil	Reliance Mutual Fund Units (Previous year 3,000,000) of Reliance Fixed Horizon Fund II - Annual Plan Series VI	—	300.00
Nil	Reliance Mutual Fund Units (Previous year 1,000,000) of Reliance Annual Interval Fund Series I	—	100.00
Nil	Standard Chartered Mutual Fund Units (Previous year 3,000,000) of Standard Chartered Fixed Maturity Plan - Yearly Series 2 - Growth	—	300.00
Nil	ICICI Prudential Mutual Fund Units (Previous year 5,000,000) of 170 RG ICICI Prudential FMP - Series 35 - Thirteen Months Plan A - Retail Growth	—	500.00
Nil	Kotak Mutual Fund Units (Previous year 1,500,000) of Kotak FMP 14A Series II - Kotak Flexi Debts Scheme	—	150.00
	Total	5,211.33	5,262.75
	Repurchase price	5,401.03	5,537.24

SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES			
INVENTORIES			
(As taken, valued and certified by the management)			
Poultry for livestock breeding	1,971.01		2,335.13
Finished goods	1,009.69		778.83
Raw materials and packing materials	2,040.83		2,893.93
Work-in-Process	1,833.30		1,840.45
Stores and spares	243.31		215.67
		7,098.14	8,064.01
SUNDRY DEBTORS			
(Unsecured)			
Debts outstanding for a period exceeding six months			
Considered good	249.03		254.40
Considered doubtful	287.79		185.79
	536.82		440.19
Other debts - considered good	4,977.97		4,410.70
	5,514.79		4,850.89
Less: Provision for doubtful debts	287.79		185.79
		5,227.00	4,665.10
CASH AND BANK BALANCES			
Cash and cheques on hand	447.48		298.24
Balances with scheduled banks in:			
- current accounts	160.02		441.54
- margin money accounts	72.92		66.31
- fixed deposit accounts	403.57		100.61
		1,083.99	906.70
OTHER CURRENT ASSETS			
Deposits	543.75		427.08
Interest accrued	10.43		20.38
Other receivables	151.21		125.47
		705.39	572.93
LOANS AND ADVANCES			
(Unsecured, considered good except as stated otherwise)			
Advances recoverable in cash or in kind or for value to be received			
Considered good	368.80		316.38
Considered doubtful	0.85		3.21
	369.65		319.59

SCHEDULES FORMING PART OF BALANCE SHEET

	Rs. in Lakhs	As at 31st March, 2009 Rs. in Lakhs	As at 31st March, 2008 Rs. in Lakhs
SCHEDULE 8: CURRENT ASSETS, LOANS AND ADVANCES-Contd.			
Less : provision for doubtful advances	0.85		3.21
	<u>368.80</u>		316.38
Tax payments	5,658.66		4,495.79
Less :- Provision for tax	5,434.86		4,336.86
	<u>223.80</u>		158.93
Balances with Customs, Port Trust, Excise, etc.	0.44		0.34
		<u>593.04</u>	475.65
Total		<u><u>14,707.56</u></u>	<u><u>14,684.39</u></u>
SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry creditors			
- Dues to Micro and Small Enterprises (Refer Schedule 13 Note No. 28)	—		—
- Others	4,085.50		4,043.93
Credit balance in customers' accounts	352.59		285.55
Unclaimed dividend (Refer Schedule 13 Note No. 29)	43.52		41.79
Unclaimed fixed deposits (Refer Schedule 13 Note No.29)	0.50		1.11
Other liabilities	353.42		240.34
Interest accrued but not due on loans	34.13		45.50
		<u>4,869.66</u>	4,658.22
PROVISIONS			
Earned leave	280.94		231.93
Gratuity	559.41		475.28
Proposed dividend	328.71		328.71
Corporate dividend tax	55.86		55.86
		<u>1,224.92</u>	1,091.78
Total		<u><u>6,094.58</u></u>	<u><u>5,750.00</u></u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

SCHEDULE 10: OTHER INCOME

	For the year ended 31st March, 2009 Rs. in Lakhs	For the year ended 31st March, 2008 Rs. in Lakhs
Interest		
- On deposits	10.75	28.09
(Tax deducted at source Rs.3.84 lakhs; previous year Rs. 1.51 lakhs)		
Dividend		
- From current non-trade investments	76.90	60.04
Rent	73.14	63.67
(Tax deducted at source Rs. 14.11 lakhs; previous year Rs. 11.89 lakhs)		
Claims and compensation	21.38	65.80
Customs, sales tax & octroi refunds	—	11.16
Profit on sale of investments (net)	309.41	186.66
Miscellaneous income	107.94	106.61
Total	599.52	522.03

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	Rs. in Lakhs	For the year ended 31st March, 2009 Rs. in Lakhs	For the year ended 31st March, 2008 Rs. in Lakhs
SCHEDULE 11: MANUFACTURING, FARM AND OTHER EXPENSES			
Chicks purchased		905.83	1,126.40
Raw materials and packing materials consumed		36,800.91	31,331.71
Stores, spares and other supplies consumed		516.82	482.21
Bird rearing and custom hatching charges		887.78	701.47
Payments to and provision for employees :			
Salaries, wages, bonus and gratuity	3,335.12		3,014.58
Contribution to provident and other funds	374.76		402.26
Staff welfare expenses	388.84		359.34
		4,098.72	3,776.18
Heat, light and power		2,168.81	1,995.79
Repairs to:			
Buildings	158.75		163.94
Plant and machinery	371.50		370.76
Other assets	167.32		135.82
		697.57	670.52
Rent		309.83	281.45
Rates and taxes		139.12	146.55
Insurance		54.50	56.97
Carriage outward		1,039.72	1,104.52
Travelling and conveyance		518.29	508.52
Security expenses		227.23	207.49
Advertisement & Publicity		121.71	217.67
Loss on fixed assets sold / discarded		33.69	4.76
Contribution to trade associations		139.93	139.97
Commission on sale		59.50	86.78
Bad debts written off and provision for doubtful debts		107.76	59.99
Advances written off and provision for doubtful advances		1.27	7.47
Miscellaneous expenses		1,395.08	1,260.25
Total		50,224.07	44,166.67
SCHEDULE 12: DECREASE / (INCREASE) IN STOCKS			
Opening Stock :			
Poultry for livestock breeding	2,335.13		2,186.04
Finished goods	778.83		838.01
Work - in - process	1,840.45		1,265.09
		4,954.41	4,289.14
Closing Stock :			
Poultry for livestock breeding	1,971.01		2,335.13
Finished goods	1,009.69		778.83
Work - in - process	1,833.30		1,840.45
		4,814.00	4,954.41
Decrease / (Increase) in Stock		140.41	(665.27)

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13:

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

- The financial statements are prepared by following the going concern concept on historical cost convention on an accrual basis and are in conformity with the statutory provisions and standard accounting practices, except wherever otherwise stated.
- Estimates and assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

b. Inventories

Inventories are valued as under:

- Poultry for livestock breeding : At cost
- Raw materials and packing materials : At cost or net realizable value, whichever is lower
- Work-in-process : At cost or net realizable value, whichever is lower
- Finished goods : At cost or net realizable value, whichever is lower
- Stores and spares : At cost
- By products : At estimated selling price
- i. Cost of raw materials (except oilseeds), packing material and stores & spares inventories is determined on first in first out (FIFO) basis.
- ii. Cost of oilseeds inventories is determined on periodic weighted average basis.
- iii. Cost of finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

c. Fixed Assets and Depreciation

- Fixed assets are stated at historical cost less accumulated depreciation.
- Historical cost is arrived at after deducting tax / duty credits, if any.
- Depreciation is provided on straight line method except in respect of assets of Narmada Hatcheries Division of the Company which are depreciated by the written down value method.
- Depreciation is charged at the rates specified in Schedule XIV to the Companies Act, 1956.
- Depreciation on additions during the year is charged on pro-rata basis.
- Pre-operative expenses up to the date the asset is put to use, are capitalised as part of the cost of asset.
- The asset given under operating lease are shown in fixed assets. Lease income is recognized in the statement of Profit and Loss on a straight line basis over the lease term. Depreciation incurred in earning the lease income are recognized as an expense.

d. Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – *Contd.*

e. Research and Development

Revenue expenditure on research and development is charged to profit and loss account.

f. Revenue Recognition

- Sales are recognized when goods are invoiced on dispatch to customers and are recorded inclusive of excise duty and net of trade discounts and sales tax / VAT.
- Dividend income is accounted for in the year in which it is declared.

g. Foreign currency transactions

- Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. All the foreign currency assets and liabilities are translated at the year end exchange rate and the related exchange gain / loss is recognized in profit and loss account.
- In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of contract.

h. Government Grants & Subsidies

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

i. Investments

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

j. Employee benefits

- Short term employee benefits

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

- Post-employment benefits

i. Defined Contribution Plans:

The Company contributes to the following defined contribution plans:

- o Superannuation Scheme.
- o Provident Fund scheme
- o State Insurance Scheme

The Company's contribution paid / payable under the schemes are recognized as an expense in the profit and loss account during the period in which the employee renders the related service.

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

ii. Defined Benefit Plans:

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under the plan is determined based on actuarial valuation. Long term accumulated compensated absences are provided for based on actuarial valuation.

Actuarial valuation is based on the Projected Unit Credit Method. The liability is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

k. Borrowing Costs

- Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset.
- Other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Earnings Per Share

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

m. Taxes on Income

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

n. Intangible Assets

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

- | | | |
|------------------------|---|---------|
| i. Trademark | - | 5 years |
| ii. Technical Know How | - | 5 years |
| iii. Software | - | 3 years |

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

	As at 31 March, 2009 Rs. in Lakhs	As at 31 March, 2008 Rs in Lakhs
2 Contingent Liabilities		
a) Income-tax matters in dispute	10.84	10.84
b) Non Agriculture Tax in dispute Net of tax	4.24 2.80	4.24 2.80
c) Sales tax demands in dispute Net of tax	222.54 147.21	173.35 114.43
d) Labour wages in dispute Net of tax	53.64 35.41	— —
e) Water charges in dispute Net of tax	23.54 15.54	23.54 15.54
f) Bank Guarantee in respect of Export Commitment to be fulfilled as required in the EPCG licence scheme	95.16	102.37
g) Others	17.86	17.86
3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	709.15	659.72
4 Sundry debtors include :		
Debts due by private companies in which some of the directors of the company are directors/members		
Eastern Hatcheries Private Limited	5.14	8.68
Uttara Foods & Feeds Private Limited	123.14	149.61
Debts due by companies under the same management		
Venkateshwara Hatcheries Private Limited	2,644.39	1,944.02
Venkateshwara Research & Breeding Farm	5.31	—
Debts due by firm in which some of the directors of the Company are partners		
Venkateshwara Foods and Feeds	148.51	—
5 Loans and Advances include:	Maximum amount outstanding at any time during the year	
Advances to firm in which some of the directors of the company are partners	2008-09 2007-08	
Venkateshwara Foods and Feeds	59.84 325.67	35.37 59.84
Advances to private companies in which some of the directors of the company are directors/members		
Bala Entertainment International Private Limited	0.15	—
All India Poultry Development and Services Pvt. Ltd.	0.95	—
6 Prior Period Items include :		
Travelling & Conveyance	0.41	0.34
Carraige Outward	2.41	—
Advertisement Expenses	0.70	1.36
Professional Charges	0.17	2.16
Electricity Charges	0.29	—
Superannuation, ex gratia, bonus	(0.99)	—
Connectivity Expenses	0.66	—
Miscellaneous Expenses	6.76	12.34
Bank Charges	—	3.10
Staff Welfare	—	0.91
	10.41	20.21

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

	2008-09 Rs. in Lakhs	2007-08 Rs in Lakhs
7 Auditors' remuneration :		
Audit	11.70	11.70
Audit under the Income-tax Act, 1961.	5.20	5.20
Taxation matters	0.40	1.66
Other services	5.34	3.53
Reimbursement of expenses (Auditors' remuneration is exclusive of service tax)	2.95	2.93
	25.59	25.02
8 Interest expenses:		
On fixed loans	371.93	377.66
Less : Capitalised during the year	1.24	6.86
	370.69	370.80
On other loans	417.48	500.78
	788.17	871.58
9 Managerial Remuneration :		
A. Salary	6.00	6.00
Commission	21.00	21.00
Contribution to Provident and other funds	1.86	1.86
Perquisites	5.60	5.54
Sitting fees	2.85	2.85
	37.31	37.25
B. Computation of Commission to Managing Directors / Non Whole-time Directors		
Profit before Tax as per Profit & Loss A/c	3,103.46	4,182.08
Add: Managerial remuneration	37.31	37.25
Depreciation charged to accounts	862.01	826.73
Provision for doubtful debts and advance	102.85	60.00
Loss on sale of fixed assets	33.69	4.76
	4,139.32	5,110.82
Less: Depreciation under section 350 of Companies Act, 1956	862.01	826.73
Loss on sale of fixed assets under section 350	33.69	4.76
Excess provision for doubtful debts & advances written back	—	0.01
Bad debts & advances written off out of provision	3.21	124.35
Profit on sale of investments	309.41	186.66
	1,208.32	1,142.51
Net Profit as per Section 349 of Companies Act, 1956	2,931.00	3,968.31
Commission to Managing Director:		
At 5% of the net profits to Managing Directors as computed above :	146.55	198.42
Restricted as per terms of appointment of Managing Director	1.00	1.00
At 1% of net profit to non whole-time Directors	29.31	39.68
Restricted as per Board Resolution	20.00	20.00
Total	21.00	21.00

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

	Unit	2008-2009		2007-2008	
		Quantity	Rs. in Lakhs	Quantity	Rs. in Lakhs
10 Break-up of turnover					
Class of goods					
Chicks	NOS.	66,786,616	9,555.47	73,677,006	9,942.23
S.P.F.eggs	NOS.	5,096,057	2,320.83	5,309,195	2,342.11
Grownup broiler parents	NOS.	124,913	419.73	180,387	716.71
Grownup commercial broilers	KGS.	21,474,199	9,328.00	16,795,020	6,150.40
Grownup commercial layers	NOS.	893,029	1,005.81	862,615	880.63
Animal Health Products					
Powder	M.T.	2,257	3,369.61	3,792	4,535.64
Liquid	K.L.	1,386	1,833.22	1,545	1,955.05
Poultry feed	M.T.	36,344	5,126.29	28,860	3,468.11
Processed chicken	KGS.	7,046,464	7,988.58	6,227,654	6,057.21
Refined oil	M.T.	12,863	6,602.67	14,223	7,178.53
De-oiled cake for poultry feed	M.T.	38,546	7,036.25	47,165	6,444.25
Service charges	—	Not Applicable	11.74	Not Applicable	34.10
Miscellaneous	—	Numerous	2,427.80	Numerous	2,784.22
			57,026.00		52,489.19
11 Raw materials and packing materials consumed					
Feed and feed ingredients	M.T.	120,639	12,647.38	104,670	9,371.52
Breeder S.P.F. eggs	NOS.	7,000	166.02	7,000	145.36
Commercial broiler chicks	NOS.	636,053	77.85	308,407	35.80
Commercial layer chicks	NOS.	482,195	92.73	442,949	77.99
Grown up commercial broilers	KGS.	656,918	149.41	692,125	117.03
Grown up layer Parents	NOS.	55,641	236.99	—	—
Oilseeds and oil cakes	M.T.	81,566	17,042.60	91,478	15,666.00
Other raw materials	—	Numerous	3,289.80	Numerous	3,554.34
Packing materials	—	Numerous	1,140.18	Numerous	989.85
A.H.P. ingredients	—	Numerous	1,957.95	Numerous	1,373.82
			36,800.91		31,331.71
12 Opening stock of finished goods					
S.P.F.eggs	NOS.	87,878	14.90	80,561	11.05
Animal Health Products					
Powder	M.T.	180	208.83	471	360.41
Liquid	K.L.	141	181.02	120	182.16
Processed chicken	KGS.	195,835	243.03	177,316	194.24
Refined oil	M.T.	43	19.94	61	23.58
De-oiled cake for poultry feed	M.T.	289	38.29	94	9.01
Poultry feed	M.T.	499	63.25	90	10.64
Miscellaneous	—	Numerous	9.57	Numerous	46.92
			778.83		838.01
13 Closing stock of finished goods					
S.P.F.eggs	NOS.	80,008	13.32	87,878	14.90
Animal Health Products					
Powder	M.T.	308	314.65	180	208.83
Liquid	K.L.	125	155.08	141	181.02
Processed chicken	KGS.	233,058	322.31	195,835	243.03
Refined oil	M.T.	125	47.46	43	19.94
De-oiled cake for poultry feed	M.T.	365	68.17	289	38.29
Poultry feed	M.T.	529	78.47	499	63.25
Miscellaneous	—	Numerous	10.23	Numerous	9.57
			1,009.69		778.83

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

		2008-2009	2007-2008
	Unit	Quantity	Quantity
14 Particulars in respect of licensed capacity, installed capacity and actual production			
A. Licensed capacity		Not Applicable	Not Applicable
B. Installed capacity			
Chicks	NOS.	80,375,986	108,387,414
S.P.F. eggs	NOS.	5,400,000	5,400,000
Refined oil	M.T.	15,000	15,000
De Oiled cake for poultry feed	M.T.	98,400	98,400
Animal Health Products			
Powder	M.T.	540	540
Liquid	K.L.	600	600
Poultry feed	M.T.	155,400	132,200
Nutritional Health Products	M.T.	90	36
C. Actual production			
- at own facilities			
Chicks **	NOS.	56,521,644	62,774,922
(Includes for captive consumption)	NOS.	19,124,726	18,104,542
S.P.F. eggs	NOS.	5,272,027	5,350,144
Refined oil	M.T.	14,597	15,992
(Includes for captive consumption)	M.T.	1,652	1,787
De Oiled cake for poultry feed	M.T.	67,346	75,488
(Includes for captive consumption)	M.T.	28,724	28,127
Animal Health Products			
Powder	M.T.	1,210	999
(Includes for captive consumption)	M.T.	33	18
Liquid	K.L.	1,190	1,166
(Includes for captive consumption)	K.L.	38	52
Poultry feed	M.T.	141,927	106,827
(Includes for captive consumption)	M.T.	105,553	81,855
Nutritional Health Products **	M.T.	—	57
- at External leased facilities			
AHP Powder	M.T.	33	—
Chicks	NOS.	25,258,691	23,596,550
(Includes for captive consumption)	NOS.	2,850,194	112,030
Grown up Commercial Broilers	KGS.	35,821,123	29,469,572
(Includes for captive consumption)	KGS.	14,354,735	12,623,137
Grown up Commercial Layers	NOS.	893,029	1,000,319
Poultry feed	M.T.	—	18,800
(Includes for captive consumption)	M.T.	—	14,503
Processed Chicken	KGS.	7,110,780	6,265,391

Installed capacity is as certified by the management and accepted by the auditors, being a technical matter.

The installed capacities have been stated on triple shift basis except for the Animal Health Products and Health Care Division which have been stated on a single shift basis.

Unless otherwise stated, actual production does not include production meant for captive consumption.

* * Excluding chicks hatched / Nutritional health products processed for others

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

	Unit	2008-2009		2007-2008	
		Quantity	Rs. in Lakhs	Quantity	Rs. in Lakhs
15 Particulars in respect of goods purchased for trading					
Chicks	NOS.	7,188,628	835.95	5,839,617	641.99
Grownup Commercial Broilers	KGS.	221,160	95.03	186,021	62.07
Animal health products					
Powder	M.T.	1,239	921.69	2,556	1,745.45
Liquid	K.L.	257	499.29	493	885.19
Others	—	Numerous	45.38	Numerous	101.42
			2,397.34		3,436.12
16 CIF value of imports					
Raw Materials / Trading Goods			956.72		608.92
Capital Goods			50.83		33.41
Stores & spares			51.77		69.81
Packing			7.68		7.70
			1,067.00		719.84
17 Expenditure in foreign currency (on cash basis)					
Travelling expenses (Net of recovery)			74.19		59.73
Professional fees			33.00		—
Security expenses			40.13		39.84
Consumable Stores and Spares			—		0.08
Sales Promotion			—		0.37
Commssion and Brokerage			—		0.81
			147.32		100.83
18 Value of imported and indigenous goods consumed					
		Rs. in Lakhs	% of total consumption	Rs. in Lakhs	% of total consumption
Raw materials & packing materials					
Imported		602.04	2	376.98	1
Indigenous		36,198.87	98	30,954.73	99
		36,800.91	100	31,331.71	100
Stores and spare parts					
Imported		50.72	10	28.80	6
Indigenous		466.10	90	453.41	94
		516.82	100	482.21	100

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – *Contd.*

	2008-09 Rs in Lakhs	2007-08 Rs in Lakhs
19 Expenditure in respect of Research & Development debited to P & L A/c (As Certified by the management & accepted by the Auditors being a technical matter)	23.38	23.67
20 Earnings in Foreign Exchange F.O.B. value of exports	128.31	356.44
21 Foreign Exchange Fluctuation Gain/(Loss)	(22.76)	8.58
22 Disclosure in respect of Leases covered under Accounting Standard 19 as notified by Companies (Accounting Standard) Rules 2006. Operating Leases :-		
A Lease Income :		
(i) In the current year total lease rental recognised as an income is for Rs.73.14 lakhs(Previous year Rs.63.67 lakhs). Total of future minimum lease rental receivable under operating lease for each of the following period		
Receivable within one year	74.20	35.44
Receivable within 1-5 years	172.84	113.05
Receivable beyond 5 years	—	—
Details of assets given on lease		
Gross carrying amount as on 31st March, 2009	640.40	764.73
Accumulated depreciation as on 31st March, 2009	320.22	432.32
Depreciation provided during the year 2008-09	18.66	28.10
B Lease Expenses :		
(i) The total of future minimum lease payments under non cancelable operating leases :		
Payment within one year	180.01	230.78
Payment within 1-5 years	242.39	469.64
Payment beyond 5 years	56.19	154.14
Lease payment recognised in the Profit & Loss Account	309.83	281.20

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

23. Details of Segment Reporting

A. Primary Segment Information

Business segment	Period	Poultry & Poultry Products Rs. in Lakhs	Animal Health Products Rs. in Lakhs	Oilseed Rs. in Lakhs	Elimination	Total Rs. in Lakhs
Segment Revenue						
External Sale to Customer	Current Year	38,005.14	5,253.46	13,667.75		56,926.35
	Previous Year	32,081.65	6,564.93	13,669.51		52,316.09
Inter Segment Sales	Current Year		258.70	6,567.26	6,825.96	
	Previous Year		236.44	4,959.33	5,195.77	
Total Revenue	Current Year	38,005.14	5,512.16	20,235.01	6,825.96	56,926.35
	Previous Year	32,081.65	6,801.37	18,628.84	5,195.77	52,316.09
Segment Result	Current Year	1,903.59	987.45	1,936.88		4,825.94
	Previous Year	2,321.49	1,260.31	2,196.62		5,778.42
Unallocable Corporate (expenses)/Income	Current Year					(934.31)
	Previous Year					(724.76)
Operating Profits	Current Year					3,891.63
	Previous Year					5,053.66
Interest expenses	Current Year					788.17
	Previous Year					871.58
Income Tax	Current Year					1,040.00
	Previous Year					1,400.00
Fringe Benefit Tax	Current Year					58.00
	Previous Year					55.00
Deferred Tax	Current Year					(50.57)
	Previous Year					66.18
Net Profit	Current Year					2,056.03
	Previous Year					2,660.90

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

Other Information

Business segment	Period	Poultry & Poultry Products Rs.in Lakhs	Animal Health Products Rs.in Lakhs	Oilseed Rs.in Lakhs	Elimination	Total Rs.in Lakhs
Segment Assets	Current Year	19,625.91	3,234.09	3,556.76		26,416.76
	Previous Year	18,772.43	3,511.28	4,234.39		26,518.10
Unallocable Corporate assets	Current Year					6,118.71
	Previous Year					5,699.25
Total Assets	Current Year					32,535.47
	Previous Year					32,217.35
Segment Liability	Current Year	3,466.26	1,584.51	853.58		5,904.35
	Previous Year	2,578.51	1,586.09	269.51		4,434.11
Unallocable Corporate liabilities	Current Year					9,578.97
	Previous Year					12,531.38
Total Liabilities	Current Year					15,483.32
	Previous Year					16,785.49
Capital Expenditure	Current Year					983.50
	Previous Year					1,234.64
Unallocable Capital Expenditure	Current Year					63.62
	Previous Year					236.42
Depreciation	Current Year					832.80
	Previous Year					798.23
Unallocable Depreciation	Current Year					29.21
	Previous Year					28.50

B. Secondary Segment Information :

There are no reportable geographical segments.

C. Other Disclosures

- Inter Segment Sales are measured on the basis of price charged for inter segment transfers.

- Allocation of corporate expenses to other segments is at cost.

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

24 Related Parties Disclosure :

I Names of related parties and description of relationship

A Key Management Persons and relatives

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

B Enterprises over which key Management Person have significant influence and enterprises having a Key Management Person in common

- 1 Bala Entertainment International Private Limited.
- 2 Uttara Dairy & Foods Products Private Limited.
- 3 Uttara Foods & Feeds Private Limited.
- 4 Venkateshwara Hatcheries Private Limited.
- 5 Venco Research & Breeding Farm Private Limited.
- 6 Venkateshwara Research & Breeding Farm Private Limited.
- 7 V R Equipments Limited.
- 8 V J Equipments Limited.
- 9 B.V. Bio-Corp Limited.
- 10 All India Poultry Development & Services Private Limited.
- 11 Venkateshwara Foods & Feeds (Firm)

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

II. TRANSACTIONS WITH RELATED PARTIES

Sr. No.	Particulars	Enterprises over which Key Management Person(s) have significant influence and enterprises having a Key management Person(s) in common	
		2008-09 Rs. in Lacs	2007-08 Rs. in Lacs
1	Purchase of materials / finished goods	6,051.31	7,610.71
2	Sale of materials / Finished Goods	15,411.46	14,579.50
3	Purchase of Fixed Assets	49.93	70.20
4	Sale of Fixed Assets	26.57	—
5	Service Charges / Expenses recharged to other companies (Income)	59.86	34.41
6	Service Charges / Expenses recharged by other companies (Expense)	165.20	98.41
7	Outstanding (Payable)/Receivable, net of receivable/(payable)	2,273.67	876.27
8	Custom Hatching Charges / Testing Charges / Processing Charges (Income)	19.12	41.56
9	Custom Hatching Charges / Testing Charges / Processing Charges (Expense)	0.21	—
10	Rent Income	73.14	63.67
11	Rent Expense	50.81	46.53
	Total	24,181.28	23,421.26

III Details regarding payment made to key Managerial Persons

Particulars	2008-09 Rs. in Lakhs	2007-08 Rs. in Lakhs
Managerial Remuneration		
Salary	6.00	6.00
Commission	8.50	8.50
Contribution to Provident and other funds	1.86	1.86
Perquisites	5.60	5.54
Sitting Fees	1.65	1.80
	23.61	23.70
Others		
Rent	3.60	—
Total	27.21	23.70

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – *Contd.*

25 The major components of deferred tax assets and liabilities are as under :

Item	As at 31st March, 2008	Tax effect for the year	(Rs. In Lakhs) As at 31st March, 2009
Deferred Tax Liability			
Depreciation	(1,764.49)	3.44	(1,761.05)
Total	(1,764.49)	3.44	(1,761.05)
Deferred Tax Asset			
Employee Benefits	270.97	28.94	299.91
Section 43B Items	8.95	(0.57)	8.38
Provision for doubtful debts	65.05	33.06	98.11
Amount inadmissible u/s 40 (a) (ia) as per Income Tax Act 1961.	15.30	(14.30)	1.00
Long Term Capital Loss	12.38	—	12.38
Total	372.65	47.13	419.78
Net Deferred Tax Asset/(Liability)	(1,391.84)	50.57	(1,341.27)

26 Earnings Per Share (EPS)

- a. There is no potential equity shares and hence the basic and diluted EPS are the same
- b. The calculation of the Basic and Diluted EPS is based on the following data:

	2008-09	2007-08
Net Profit for the year (Rs. In Lakhs)	2,056.03	2,660.90
Weighted average number of equity shares outstanding during the year	9,397,272	9,397,272
Basic and Diluted EPS (Face value of Rs.10/- each)	21.88	28.32

27 Employee Benefits

- (a) Effective 1 April, 2007, the Company has adopted Accounting Standard 15 (revised 2005) on "Employee Benefits". Pursuant to the adoption, the transitional obligations as adjusted by tax expense related thereto as required by the standard of Rs. 640.33 Lakhs (net of tax effect Rs 422.68 Lakhs), has been recorded with the transfer of the said amount from the opening balance of general reserve.
- (b) Disclosure in respect of defined contribution plans.
Payments to and provisions for employees includes Rs. 271.85 lakhs (Previous year Rs. 288.91 lakhs) recognized as an expense in respect of defined contribution plans.

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

(c) Plan Description

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

(d) Defined benefit plans / compensated absences – As per actuarial valuation on 31st March, 2009

(Rs. In Lakhs)					
	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
I	Change in defined benefit obligation				
	Liability at the beginning of the year	948.97	848.37	231.93	199.67
	Interest cost	73.48	67.02	15.98	15.77
	Current service cost	100.25	77.80	36.69	28.38
	Benefit Paid	(37.82)	(2.83)	(59.21)	(57.19)
	Actuarial (gain)/loss on obligation	122.45	(41.39)	55.55	45.30
	Liability at the end of the year	1,207.33	948.97	280.94	231.93
II	Change in Plan Assets				
	Fair value of plan assets at the beginning of the year	473.69	340.81	—	—
	Expected return on Plan Assets	45.84	34.43	—	—
	Contributions by employers	74.14	83.46	—	—
	Acquisitions Adjustments	37.81	—	—	—
	Benefit Paid	(2.93)	(2.83)	—	—
	Actuarial gains/(loss) on Plan Assets	19.37	17.82	—	—
	Fair value of plan assets at the end of the year	647.92	473.69	—	—
	Total actuarial Loss/(Gain) to be recognized	103.08	(59.21)	55.55	45.30
III	Actual Return on Plan Assets				
	Expected return on plan assets	45.84	34.43	—	—
	Actuarial gain/(loss) on Plan Assets	19.37	17.82	—	—
	Actual Return on Plan Assets	65.21	52.25	—	—
IV	Amount Recognized in the Balance Sheet				
	Liability at the end of the year	1,207.33	948.97	280.94	231.93
	Fair Value of Plan Assets at the end of the year	647.92	473.69	—	—
	Amount Recognized in the Balance Sheet	559.41	475.28	280.94	231.93

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

(Rs. In Lakhs)

	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
V	Expenses Recognized in the Statement of profit and loss				
	Current Service cost	100.25	77.80	36.69	28.38
	Interest cost	73.48	67.02	15.98	15.77
	Expected return on plan assets	(45.84)	(34.43)	—	—
	Acquisition adjustments	(37.81)	—	—	—
	Net Actuarial Gain/(Loss) to be recognized	103.08	(59.21)	55.55	45.30
	Other*	—	36.39	—	—
	Expenses Recognized in P & L	193.16	87.57	108.22	89.45
	*Rs. 36.39 Lakhs is on account of payment of gratuity to employees directly by the Company, which has in effect reduced the contribution required to be made to the insurance companies.				
VI	Amount Recognized in the Balance Sheet				
	Opening net Liability	475.28	507.56	231.93	199.67
	Expenses as above	193.16	87.57	108.22	89.45
	Contributions by employers/Benefits paid	(109.02)	(83.46)	(59.21)	(57.19)
	Other*	—	(36.39)	—	—
	Amount Recognized in the Balance Sheet	559.41	475.28	280.94	231.93
	*Rs. 36.39 Lakhs is on account of payment of gratuity to employees directly by the Company, which has in effect reduced the contribution required to be made to the insurance companies.				
VII	Actuarial Assumptions for the year				
	Discount Factor	7.00%	7.90%	7.00%	7.90%
	Rate of Return on Plan Assets	9.00%	9.00%	NA	NA
	Interest Rate	7.00%	7.90%	NA	NA
	Attrition Rate				
	i) Staff below age 35	5.00%	5.00%	5.00%	5.00%
	ii) Others	1.00%	1.00%	1.00%	1.00%
	Rate of Escalation in Salary	8.00%	8.00%	8.00%	8.00%

NOTES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE 13 : NOTES TO THE ACCOUNTS – Contd.

- (e) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors
- (f) The major categories of plan assets as a percentage of total plan assets.

Particulars	% Invested 31-Mar-09	% Invested 31-Mar-08
Debentures / Bonds	67.14	62.19
Government Securities	12.90	2.43
Deposit with Banks	6.91	14.29
Others	13.05	21.09
Total	100.00	100.00

- 28** Under Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Accordingly, information relating to disclosure under the said Act has been given only to the extent such information is readily available with the Company. This information has been relied upon by the auditors.
- 29** There are no amounts due and outstanding to be credited to Investors Education and Protection Fund.
- 30** Previous year's figures have been regrouped / recast / rearranged wherever necessary in order to confirm to current year's presentation.

As per our attached report of even date

For **SUDIT K. PAREKH & CO**
Chartered Accountants

SRIKANT V. JILLA
Partner
Membership Number: 39461

Mumbai
May 8, 2009

For and on behalf of the Board of Directors

ANURADHA J. DESAI
Chairperson

B. BALAJI RAO
Managing Director &
Chief Executive Officer

Pune
May 8, 2009

B. VENKATESH RAO
Vice Chairman

A. G. BAUSKAR
Chief Financial Officer
& Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the year ended 31st March, 2009 Rs. in Lakhs	For the year ended 31st March, 2008 Rs. in Lakhs
A. Cash flows from operating activities		
Net profit before tax and extraordinary item	3,103.46	4,182.08
Adjustments for:		
Depreciation	862.46	827.25
Dividend income	(76.90)	(60.04)
Interest expense	788.17	871.58
Loss/(profit) on sale of fixed assets	33.69	4.76
Loss/(profit) on sale of investment	(309.41)	(186.66)
Transfer from grants	(0.61)	(0.52)
Bad debts written off & provision for doubtful debts	107.76	(63.80)
Bad debts written off & Provision for doubtful advances	1.27	(2.36)
Operating profit before working capital changes	4,509.89	5,572.29
Changes in Working Capital		
(Increase)/Decrease in Trade & other Receivables	(855.90)	113.49
(Increase)/Decrease in Inventory	965.86	(1,675.22)
Increase/(Decrease) in Trade Payables	354.84	4.02
Cash generated from operations	4,974.69	4,014.58
Direct taxes paid	(1,162.87)	(1,192.69)
Net cash from operating activities	3,811.82	2,821.89
B. Cash flows from investing activities		
Sale of fixed assets	31.16	6.32
Purchase of fixed assets (including work-in-progress)	(1,273.67)	(1,512.29)
Purchase of investments	(30,673.37)	(10,486.97)
Sale of investments	31,034.18	9,666.42
Dividend received	76.90	60.04
Net cash from investing activities	(804.80)	(2,266.48)

	For the year ended 31st March, 2009 Rs. in Lakhs	For the year ended 31st March, 2008 Rs. in Lakhs
C. Cash flows from financing activities		
Proceeds from long term borrowings (Net of repayments)	342.80	(223.51)
Proceeds from Working Capital & Short term Loans (Net of repayments)	(1,990.15)	699.70
Dividend paid (including dividend distribution tax)	(382.84)	(329.14)
Interest paid	(799.54)	(865.90)
Net cash flow from financing activities	(2,829.73)	(718.85)
Net increase in cash and cash equivalents (A+B+C)	177.29	(163.44)
Cash and cash equivalents as at 31.03.2008 (Opening Balance)	906.70	1070.14
Cash and cash equivalents as at 31.03.2009 (Closing Balance)	1,083.99	906.70

Previous year figures are regrouped to conform to the current year's presentation

As per our attached report of even date

For **SUDIT K. PAREKH & CO**
Chartered Accountants

SRIKANT V. JILLA
Partner
Membership Number: 39461

Mumbai
May 8, 2009

For and on behalf of the Board of Directors

ANURADHA J. DESAI
Chairperson

B. BALAJI RAO
Managing Director &
Chief Executive Officer

Pune
May 8, 2009

B. VENKATESH RAO
Vice Chairman

A. G. BAUSKAR
Chief Financial Officer
& Company Secretary

AUDITORS' CERTIFICATE

The Board of Directors
VENKY'S (INDIA) LIMITED

We have examined the attached cash flow statement of **Venky's (India) Limited** for the year ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Stock Exchanges and is based on and is in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date to the members of the Company.

For **SUDIT K. PAREKH & CO.**
Chartered Accountants

Mumbai
May 8, 2009

Srikant V. Jilla
Partner
Membership Number: 39461

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

C	I	N	L	0	1	2	2	2	P	N	1	9	7	6
P	L	C	0	1	7	4	2	2						

 State Code

1	1
---	---

Balance Sheet

3	1		0	3		2	0	0	9
---	---	--	---	---	--	---	---	---	---

Date Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

 Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

 Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		2	6	4	4	0	8	8
--	--	---	---	---	---	---	---	---

 Total Assets

		2	6	4	4	0	8	8
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			9	3	9	1	6
--	--	--	---	---	---	---	---

 *Reserves & Surplus

		1	4	7	7	1	7	2
--	--	---	---	---	---	---	---	---

Secured Loans

		5	1	5	7	9	3
--	--	---	---	---	---	---	---

 Unsecured Loans

		4	2	3	0	8	1
--	--	---	---	---	---	---	---

Deferred Tax Liability

		1	3	4	1	2	7
--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

		1	2	6	1	6	5	7
--	--	---	---	---	---	---	---	---

 Investment

		5	2	1	1	3	3
--	--	---	---	---	---	---	---

Net Current Assets

		8	6	1	2	9	8
--	--	---	---	---	---	---	---

 Misc. Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

*including government grants Rs. 349

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover

		5	7	0	2	6	0	0
--	--	---	---	---	---	---	---	---

 Total Expenditure

		5	4	4	1	2	0	0
--	--	---	---	---	---	---	---	---

Profit Before Tax

+	-	✓			3	1	0	3	4	6
---	---	---	--	--	---	---	---	---	---	---

 Profit After Tax

+	-	✓			2	0	5	6	0	3
---	---	---	--	--	---	---	---	---	---	---

(Please Tick appropriate box + for Profit - for Loss)

Earning Per Share in Rs.

					2	2
--	--	--	--	--	---	---

 Dividend Rate %

					3	5
--	--	--	--	--	---	---

V. Generic Names of Three Principal Products of Company

Item Code No. (ITC Code) :

0	1	0	5		1	1	0	0
---	---	---	---	--	---	---	---	---

Product Description ONE DAY OLD COMMERCIAL CHICKS

Item Code No. (ITC Code) :

1	5	0	7		9	0	1	0
---	---	---	---	--	---	---	---	---

Product Description REFIND SOYABEAN OIL

Item Code No. (ITC Code) :

2	3	0	4		0	0	1	0
---	---	---	---	--	---	---	---	---

Product Description DE-OILED CAKE FOR POULTRY FEED

For and on behalf of the Board of Directors

ANURADHA J. DESAI
Chairperson

B. VENKATESH RAO
Vice Chairman

B. BALAJI RAO
Managing Director &
Chief Executive Officer

A. G. BAUSKAR
Chief Financial Officer &
Company Secretary

Pune
May 8, 2009