



**44TH  
ANNUAL REPORT 2019-20**



**VENKY'S (INDIA) LIMITED**



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

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

*"My group is passionately committed in bringing quality and technology to the Indian Poultry Industry."*

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

*"The poultry industry must become self-supporting and self-reliant through better productivity, scientific management and an organised marketing effort."*

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

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

*Padmashree Dr. B. V. Rao*



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## *A Message From The Chairperson*

Dear Shareholders,

I present to you all, the Company's performance for the financial year 2019-20. As you all are aware, the outbreak of Covid-19 pandemic has resulted in severe disruption of economic activities throughout the world, including India. In India the poultry industry faced a setback from the last week of January 2020, due to the false propaganda and rumours that consumption of chicken and eggs would result in corona virus infection. This has adversely affected the sales turnover and realizations as also the profitability. Subsequently, the frequent lockdown measures announced by the Central and State Governments have also affected the operations of the Company. As a result of these negative developments, Venky's has reported unprecedented losses.

Since Venky's business activities are part of essential services, its poultry production facilities were not fully closed during the lockdown periods but the production volume at various units has come down significantly. In an atmosphere of restricted activities, the Company continues to operate its business units in a phased manner, in line with the directives of the statutory authorities.

On a positive note, I am happy to inform that two new projects viz. (1) expansion in oilseed segment by setting up a new solvent extraction plant and vegetable oil refinery; and (2) expansion of SPF eggs capacity by setting up a new production unit are almost complete and we expect that these two projects will start contributing to the revenue of the Company from the second half of the current financial year.

Though the Covid-19 related developments have negatively impacted the financial performance of Venky's, as we move forward, we hope that business will pick-up as hospitality industry comes to normalcy. Chicken and eggs, being essential food articles, and a rich source of animal protein at affordable prices, they will never go out of demand. Once the pandemic is brought under control and normal economic activities are restored, we expect that the demand for poultry products will improve steadily. Based on this optimism, and backed by the high quality infrastructure and the very high standards of customer service, we foresee a better year for Venky's as far as its financial performance is concerned.

I wish you and your family all the best and good health.

**Anuradha J. Desai**  
Chairperson



## BOARD OF DIRECTORS

Mrs. Anuradha J. Desai	(DIN : 00012212)	—	Chairperson
Mr. B. Venkatesh Rao	(DIN : 00013614)	—	Vice Chairman
Mr. B. Balaji Rao	(DIN : 00013551)	—	Managing Director
Mr. Jitendra M. Desai	(DIN : 00013533)	—	Director
Ms. Uttara J. Desai	(DIN : 07521417)	—	Director
Lt. Col. Ashok Mahajan (Retd.)	(DIN : 00017150)	—	Independent Director
Col. Surinder Kumar (Retd.)	(DIN : 05202620)	—	Independent Director
Brig. Rajeshwar Singh Rathore (Retd.)	(DIN : 00992251)	—	Independent Director
Brig. Amrit Kapur (Retd.)	(DIN : 06778401)	—	Independent Director
Mrs. Neeraja Polavarapu	(DIN : 01753573)	—	Additional Director (Independent)

## AUDIT COMMITTEE

Lt. Col. Ashok Mahajan (Retd.)	—	Chairman
Mr. Jitendra M. Desai	—	Member
Col. Surinder Kumar (Retd.)	—	Member
Brig. Rajeshwar Singh Rathore (Retd.)	—	Member
Brig. Amrit Kapur (Retd.)	—	Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Anuradha J. Desai	—	Chairperson
Mr. B. Venkatesh Rao	—	Member
Mr. Jitendra M. Desai	—	Member
Col. Surinder Kumar (Retd.)	—	Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. B. Venkatesh Rao	—	Chairman
Mr. Jitendra M. Desai	—	Member
Col. Surinder Kumar (Retd.)	—	Member

## NOMINATION AND REMUNERATION COMMITTEE

Lt. Col. Ashok Mahajan (Retd.)	—	Chairman
Mrs. Anuradha J. Desai	—	Member
Col. Surinder Kumar (Retd.)	—	Member

## RISK MANAGEMENT COMMITTEE

Col. Surinder Kumar (Retd.)	—	Chairman
Mr. J. K. Handa	—	Member

## CHIEF FINANCIAL OFFICER

Mr. J. K. Handa

## COMPANY SECRETARY

Mr. Rohan Bhagwat

## BANKERS

State Bank of India  
IDBI Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
AXIS Bank Limited  
IFCI Limited

## SECRETARIAL AUDITOR

Mr. P. L. Shettigar  
Practicing Company Secretary  
A-10, Aditya Nagar,  
Near Lokseva Hanuman Mandir,  
Hadapsar Gadital,  
Pune 411028.

## STATUTORY AUDITOR

M/s. B. D. Jokhakar & Co.  
Chartered Accountants  
8 Ambalal Doshi Marg, Fort  
Mumbai – 400 001.  
Tel. : 022-22654882 / 22657093

## COST AUDITOR

M/s Joshi Apte & Associates,  
Cost Accountants,  
“CMA PRIDE”, Erandawana Housing  
Society, Erandawana, Pune – 411 004  
Tel. No. 020-25436408

## REGISTRAR AND SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai 400059  
Tel: 022-62638200.

## REGISTERED AND CORPORATE OFFICE

“Venkateshwara House”  
S.No. 114/A/2, Pune-Sinhagad Road,  
Pune - 411 030.  
Tel. : 020-71251530 to 41

**CIN** - L01222PN1976PLC017422



# *Sizzling Gravies*



**BUTTER CHICKEN  
DHABA STYLE**



**CHICKEN TIKKA  
MASALA**





Fry & Serve

### Chicken Spicy Fingers

Heat sufficient oil in a pan to 180 degrees centigrade and deep fry Venky's Frozen Chicken Spicy Fingers for 2 to 3 minutes & achieve a minimum product temperature of 75 degrees centigrade. Serve hot with tomato ketchup or a spicy dip.



### Chicken and Cheese Nuggets

1. Heat oil in a pan to 180 degrees centigrade and gently drop Venky's Frozen Chicken and Cheese Nuggets into it. 2. Deep fry for 3 to 4 minutes until it turns to light golden brown colour, rise to the top & achieves a minimum product temperature of 75 degrees centigrade. 3. Serve hot with tomato ketchup or mayonnaise. 4. Do not overfry otherwise cheese may ooze out.



## Chicken Nuggets



### Chicken Samosa

Cook Frozen. Deep fry for 6 to 7 minutes at 180 degrees centigrade to achieve a minimum product temperature of 75 degrees centigrade. Serve hot with tamarind or mint chutney.



### Chicken Pops

Heat sufficient oil in a pan to 180 degrees centigrade and gently drop Venky's Frozen Chicken Pops into it. Deep fry for 2 to 3 minutes until Pops turns golden brown & achieves a minimum product temperature of 75 degrees centigrade. Serve hot with tomato ketchup.



Heat sufficient oil in a pan to 180 degrees centigrade and gently drop Venky's Frozen Chicken Nuggets into it. Deep fry for 3 to 4 minutes until Nuggets turns golden brown, rise to the top & achieves a minimum product temperature of 75 degrees centigrade. Serve hot with tomato ketchup.





### Chicken Burger Patty

Heat sufficient oil in a pan to reach 180 degrees centigrade, deep fry the Venky's Frozen Chicken Burger Patty for 3 to 4 minutes, till the patty turns golden brown and achieves a minimum product temperature of 75 degrees centigrade. Sandwich in between buttered burger bun lined with lettuce / onion / tomato or as required. Serve hot with mustard sauce / tomato ketchup.



### Crispy Chicken Burger Patty

Heat sufficient oil in a pan to reach 180 degrees centigrade, deep fry the Venky's Frozen Crispy Chicken Burger Patty for 6 to 7 minutes, till the patty turns golden brown and achieves a minimum product temperature of 75 degrees centigrade. Sandwich in between buttered burger bun lined with lettuce / onion / tomato or as required. Serve hot with mustard sauce / tomato ketchup.



### Chicken Jumbo Burger Patty

Heat sufficient oil in a pan to reach 180 degrees centigrade, deep fry the Venky's Frozen Chicken Jumbo Burger Patty for 6 to 7 minutes, till the patty turns golden brown and achieves a minimum temperature of 75 degrees centigrade. Sandwich in between buttered burger bun lined with lettuce / onion / tomato or as required. Serve hot with mustard sauce / tomato ketchup.



### Chicken Fingers

Heat sufficient oil in a pan to 180 degrees centigrade and deep fry Venky's Frozen Chicken Fingers for 2 to 3 minutes until they turn golden brown & achieves a minimum product temperature of 75 degrees centigrade. Serve hot with tomato ketchup or a spicy dip.



### Chicken Cutlets

Heat sufficient oil in a pan to 180 degrees centigrade and gently drop Venky's Frozen Chicken Cutlets into it. Deep fry for 5 to 6 minutes until Cutlets turns brown & achieves a minimum product temperature of 75 degrees centigrade. Serve hot with spicy chutney, tomato ketchup and buttered bread.



### Chicken Cordon Bleu Nuggets

1. Heat oil in a pan to 180 degrees centigrade and gently drop Venky's Frozen Chicken Cordon Bleu Nuggets into it. 2. Deep fry for 3 to 4 minutes, rise to the top & achieves a minimum product temperature of 75 degrees centigrade. 3. Serve hot with tomato ketchup or mayonnaise. 4. Do not overfry otherwise cheese may ooze out.





### MURG MASALA



Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. Remove the cover and heat in microwave for 2 to 3 minutes or in a frying pan without oil for 8 to 9 minutes to achieve a minimum temperature of 75 degrees centigrade. Ready to eat with Chapati / roti / bread or rice.

### CHICKEN SHEEK KABAB



Heat a little oil in the frying pan and place the thawed Chicken Sheek Kababs in it. Cook the Kababs by intermittent turning for 8 to 9 minutes, till surface colour is slightly brown and achieves a minimum temperature of 75 degrees centigrade. The product can also be cooked in an oven or a grill. Serve hot with spicy mint chutney / tomato ketchup.

### CHICKEN KHEEMA



Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. Remove the cover and heat in microwave for 2 to 3 minutes or in a frying pan without oil for 5 to 6 minutes to achieve a minimum temperature of 75 degrees centigrade. Ready to eat with Chapati / roti / bread or rice.

### CHICKEN HARIYALI KABAB



Heat a little oil in the frying pan and place the Frozen Chicken Hariyali Kababs in it. Cook the Kababs by intermittent turning for 8 to 9 minutes, till surface colour is golden brown and achieves a minimum temperature of 75 degrees centigrade. The product can also be cooked in an oven or a grill. Serve hot with spicy mint chutney / tomato ketchup / onion and lemon slice.

### MUGHLAI CHICKEN MASALA



Cut open the pouch and microwave the sealed tray for 7 to 8 minutes OR place the sealed tray into a cooker & steam it for 16 to 18 minutes OR thaw the tray for 120 minutes at 5 degrees centigrade or less in a refrigerator, open the tray and place the Mughlai Chicken Masala on a non stick pan & heat it on medium flame for 6 to 7 minutes. Product should achieve a minimum temperature of 75 degrees centigrade. Serve hot ready to eat Mughlai Chicken Masala with Chapati / roti / bread or rice.



Heat & Serve

### MOM'S CHICKEN BIRYANI



Cut open the pouch and microwave the sealed tray for 8 to 9 minutes OR place the sealed tray into a cooker & steam it for 16 to 18 minutes OR thaw the tray for 120 minutes at 5 degrees centigrade or less in a refrigerator, open the tray and place the Mom's Chicken Biryani on a non stick pan & heat it on medium flame for 6 to 7 minutes. Product should achieve a minimum temperature of 75 degrees centigrade. Serve hot ready to eat Mom's Biryani with Raita or Salan.

### CHICKEN TIKKA MASALA



Instructions for use: Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. Remove the cover and heat in microwave for 2 to 3 minutes or in a frying pan without oil for 8 to 9 minutes to achieve a minimum product temperature of 75 degrees centigrade. Ready to eat with Chapati / roti / bread or rice.



### MUGHLAI CHICKEN BIRYANI



Cut open the pouch and microwave the sealed tray for 8 to 9 minutes OR place the sealed tray into a cooker & steam it for 16 to 18 minutes OR thaw the tray for 120 minutes at 5 degrees centigrade or less in a refrigerator, open the tray and place the Mughlai Chicken Biryani on a non stick pan & heat it on medium flame for 6 to 7 minutes. Product should achieve a minimum temperature of 75 degrees centigrade. Serve hot ready to eat Mughlai Biryani with Raita or Salan.

### BUTTER CHICKEN



Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. Remove the cover and heat in microwave for 2 to 3 minutes or in a frying pan without oil for 8 to 9 minutes to achieve a minimum product temperature of 75 degrees centigrade. Ready to eat with Chapati / roti / bread or rice.

### BUTTER CHICKEN DHABA STYLE



Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. Remove the cover and heat in microwave for 2 to 3 minutes or in a frying pan without oil for 8 to 9 minutes to achieve a minimum product temperature of 75 degrees centigrade. Ready to eat with Chapati / roti / bread or rice.



## Chicken Hariyali Kabab

Heat a little oil in the frying pan and place the Frozen Chicken Hariyali Kababs in it. Cook the Kababs by intermittent turning for 8 to 9 minutes, till surface colour is golden brown and achieves a minimum product temperature of 75 degrees centigrade. The product can also be cooked in an oven or a griller. Serve hot with spicy mint chutney / tomato ketchup / onion and lemon slice



## Chicken Sheek Kabab

Heat a little oil in the frying pan and place the thawed Chicken Sheek Kababs in it. Cook the Kababs by intermittent turning for 8 to 9 minutes, till surface colour is slightly brown and achieves a minimum product temperature of 75 degrees centigrade. The product can also be cooked in an oven or a griller. Serve hot with spicy mint chutney / tomato ketchup.



## Mughlai Chicken Masala

Cut open the pouch and microwave the sealed tray for 7 to 8 minutes OR place the sealed tray into a cooker & steam it for 16 to 18 minutes OR thaw the tray for 120 minutes at 5 degrees centigrade or less in a refrigerator, open the tray and place the Mughlai Chicken Masala on a non stick pan & heat it on medium flame for 6 to 7 minutes. Product should achieve a minimum temperature of 75 degrees centigrade. Serve hot ready to eat Mughlai Chicken Masala with Chapati / roti / bread or rice.



## Chicken Kheema

Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. Remove the cover and heat in microwave for 2 to 3 minutes or in a frying pan without oil for 5 to 6 minutes to achieve a minimum product temperature of 75 degrees centigrade. Ready to eat with Chapati / roti / bread or rice.



## Chicken Meat Balls

Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.

**Kofta Curry:** The thawed meat balls can be put into curry, cooked to achieve a minimum temperature of 75 degrees centigrade and served as Chicken Kofta curry garnished with fresh cream. Serve hot with Chappati / roti / rice.

**Fried Meat Balls:** Fry Chicken Meat Balls in a non stick pan with very little oil to achieve a minimum temperature of 75 degrees centigrade and it is ready to eat as a snacks.



## Mom's Chicken Biryani

Cut open the pouch and microwave the sealed tray for 6-7 minutes OR place the sealed tray into a cooker & steam it for 8-10 minutes OR thaw the tray for 120 minutes at 4-6 degrees centigrade in a refrigerator, open the tray and place the Mom's Chicken Biryani on a pan & heat it on medium flame for 6-7 minutes with closed lid. Serve hot ready to eat Mom's Biryani with Raita or Salan.



## Mughlai Chicken Biryani

Cut open the Pouch and microwave the sealed tray for 7 to 8 minutes OR place the sealed tray into a cooker & steam it for 8-10 minutes OR thaw the tray for 120 minutes at 5 degrees centigrade or less in a refrigerator, open the tray and place the Mughlai Chicken Biryani on a pan and heat it on medium flame for 6-7 minutes with closed lid. Serve hot ready to eat Mughlai Chicken Biryani with Raita or Salan.



## Mexican Chicken Salami

1. Thaw the packet containing Venky's Mexican Chicken Salami in a refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. 2. Cut into slices as per your need and it is ready to use as a cold cuts in salads and sandwiches.



## Spicy Chicken Salami

1. Thaw the packet containing Venky's Spicy Chicken Salami in a refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. 2. Cut into slices as per your need and it is ready to use as a cold cuts in salads and sandwiches.



## Chicken Franks

1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. 2. Shallow fry Venky's Chicken Franks in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum temperature of 75 degrees centigrade. 3. Serve warm.



## Chicken Masala Hit Sausages

1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave. 2. Shallow fry Venky's Chicken Masala Hit Sausages in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum product temperature of 75 degrees centigrade. 3. Serve warm.



## Chicken Ham



1. Thaw the packet containing Venky's Chicken Ham in a refrigerator at 6 to 8 degrees centigrade for 4-6 hours or thaw in a microwave. 2. It is ready to use as cold cut, in salads and sandwiches OR It can be shallow fried in a non stick pan with very little oil to achieve a minimum product temperature of 75 degrees centigrade.





### VIENNA SAUSAGES



1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.
2. Shallow fry Venky's Vienna Sausages in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum temperature of 75 degrees centigrade.
3. Serve warm.

### CHICKEN BREAKFAST SAUSAGES



1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.
2. Shallow fry Venky's Chicken Breakfast Sausages in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum temperature of 75 degrees centigrade.
3. Serve warm.

### CHICKEN CHEESE & ONION SAUSAGES



1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.
2. Shallow fry Venky's Chicken Cheese and Onion Sausages in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum temperature of 75 degrees centigrade.
3. Serve warm.

### CHICKEN HOT DOG



1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.
2. Shallow fry Venky's Chicken Hot Dog in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum temperature of 75 degrees centigrade.
3. Serve warm.
4. Venky's Chicken Hot Dog can be put in a Hot Dog bun with Mustard/Barbeque sauce and served.

### CHICKEN SAUSAGES



1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.
2. Shallow fry Venky's Chicken Sausages in a non stick pan with very little oil or put in a steamer for 4 to 5 minutes to achieve a minimum product temperature of 75 degrees centigrade.
3. Serve warm.

### CHICKEN COCKTAIL SAUSAGES



1. Thaw the packet in refrigerator at 5 degrees centigrade or less for 8 hours or thaw in a microwave.
2. Shallow fry Venky's Chicken Cocktail Sausages in a non stick pan with very little oil or put in a steamer for 3 to 4 minutes to achieve a minimum temperature of 75 degrees centigrade.
3. Serve warm.





### Fry & Serve

Chicken Cutlets  
 Chicken Pops  
 Chicken Samosa  
 Chicken Burger Patty  
 Chicken Fingers  
 Chicken Nuggets  
 Chicken and Cheese Nuggets  
 Crispy Chicken Burger Patty  
 Chicken Cordon Bleu Nuggets  
 Chicken Spicy Fingers

### Heat & Serve

Murg Masala  
 Butter Chicken  
 Chicken Kheema  
 Chicken Sheek Kabab  
 Chicken Hariyali Kabab  
 Chicken Meat balls  
 Garlic Pepper Grilled Chicken  
 Tandoori Grilled Chicken  
 Chicken Schezwan Meat Balls  
 Mughlai Chicken Masala

### Cold Cuts

Chicken Salami Slices  
 Chicken Pepper Salami  
 Chicken Sausages  
 Chicken Franks  
 Vienna Sausages  
 Chicken Cocktail Sausages  
 Chicken Cheese and Onion Sausages  
 Chicken Hot Dog  
 Mexican Chicken Salami  
 Spicy Chicken Salami  
 Chicken Breakfast Sausages  
 Chicken Masala Hit Sausages  
 Chicken Ham,  
 Chicken Bacon

### Raw Frozen

Chicken Precut  
 Chicken Legs  
 Chicken Breast  
 Chicken Drumsticks  
 Chicken Wings  
 Chicken Plain Kheema  
 Chicken Boneless

### Fresh Chilled

Chicken Whole  
 Chicken Precut

### Venky's (India) Limited

**Corporate Office:** 'Venkateshwara House', S. No. 114/A/2, Pune Sinhadgad Road, Pune 411030. Ph.: 020-24251530-41,

**Pune :** 1206/18/B, Dealing Corner, 2nd Floor, J. M. Rd., Opp. Sambhaji Park, Pune-411 030. Ph: 020-25531582/25531661.

**Mumbai :** 153-C, Mittal Tower, Nariman Point, Mumbai-400021 Ph: 022-22872417/18.

**Hyderabad :** 3-5-808, Hyderguda, N. Bashir Baug, Hyderabad - 500029 Ph: 040-23237255/23237254.

**Bangalore :** "Hem's Place", No-233, Kyalasanahalli, Off. Hennur Main Road, Byrathi, K. R. Puram Hobli, Bangalore East-560077.  
 Ph: 080-28465087 / 28465089. Cell: 98804-75533 / 98805-75533.

**Chennai :** 403, 4th Floor, Challammal Building, 11, Sir Thyagarayar Street, 'T' Nagar, Chennai - 600 017.  
 Ph: 044-24349806, 24328195.

**Kochi :** Venkateshwara Hatcheries Pvt. Ltd. Door No. 33/177/A2, Priya buildings, alinchuvadu Padivattom,  
 Edappally PO, Kochi - 682024 Ph.: 0484-2306727.

**Delhi :** 426-428, 4th Floor, World Trade Centre, Babar Road, Connaught Place, New Delhi-110001. Ph: 011-23413986/87.

**Chandigarh :** Sco No. 17, Sector 16, Panchkula-134109 (Haryana) Ph: 0172-6611100

**Kolkata :** C/P, 7/3, Sector 5, Salt Lake City, Kolkata-700091. Ph: 033-23671294/23675358.

**Guwahati :** Plot No. 2, Ward No. 13 B. R. Phookan Road Machkhowa, Guwahati 781009

For any queries, suggestions or consumer complaints please contact Consumer Care Officer on telephone  
 nos +91-20-24250853 to 55 or email at [consumercare@venkys.com](mailto:consumercare@venkys.com)

[www.venkys.com](http://www.venkys.com)



## FINANCIAL HIGHLIGHTS

(Rupees In Lakhs)

PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16
<b>OPERATING RESULTS</b>					
Turnover & Other Income	329,643	307,215	271,503	250,967	215,959
Material Cost	271,556	214,029	174,741	169,519	157,087
Personnel Cost	21,987	19,449	17,074	14,587	12,844
Interest	2,951	3,155	4,987	7,707	8,545
Other Expenses	34,695	39,737	38,192	35,715	29,089
Depreciation	3,425	2,935	2813	2,850	2,988
Exceptional items - Income	—	—	—	—	—
Impairment of Goodwill	—	258	—	—	—
Profit Before Tax	(4,971)	27,652	33,696	20,590	5,405
Profit After Tax	(2,716)	17,414	19,971	12,474	3,823
Dividend (Rs. per Equity Share)	0	8.00	8.00	6.00	5.00
<b>FINANCIAL SUMMARY</b>					
<b>Assets Employed</b>					
Current Assets	85,472	89,035	79,383	72,148	85,549
Current Liabilities	70,548	58,768	58,997	62,024	79,697
Net Current Assets	14,925	30,267	20,385	10,125	5,851
Net Fixed Assets	62,381	56,747	48,928	47,626	48,065
Investments	—	—	—	200	169
Other Non Current Assets	11,877.1	9,951	14,809	16,069	16,628
Total Assets	89,183	96,965	84,122	74,021	70,712
<b>Financed By</b>					
Share Capital	1,409	1,409	1,409	1,409	1,409
Reserves & Surplus	82,217	86,740	70,707	51,695	40,488
Capital Grants and Subsidies	24	27	30	33	10
Other non current liabilities	3,474	4,795	4,590	3,977	3,428
Borrowings	2,058	3,993	7,386	16,907	25,376
Total Liabilities	89,183	96,965	84,122	74,021	70,712
Earning Per Share (Rs.)	(19.28)	123.61	141.77	88.55	27.14
Book Value per share (Rs.)	593.63	625.73	511.92	376.96	297.41
Debt Equity Ratio	0.36	0.30	0.49	0.32	0.61
Share Price **					
High	2,330.00	4,711.25	4,560.00	1073.60	625.00
Low	580.00	1,788.50	1,019.85	344.95	219.90
No. of Employees	5,776	5,512	5,366	5,173	5,064

Note: Previous year's figures have been regrouped wherever necessary and accordingly changed here.

\*\* Source : www.bseindia.com



## FINANCIAL HIGHLIGHTS

(Rupees In Lakhs)

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11
<b>OPERATING RESULTS</b>					
Turnover & Other Income	176,144	176,601	1,44,393	100,644	86,074
Material Cost	124,479	133,410	1,05,708	65,062	51,558
Personnel Cost	11,955	9,518	8,601	6,860	5,658
Interest	7,106	4,171	2,237	1,311	455
Other Expenses	26,773	24,113	22,373	20,503	16,661
Depreciation	3,215	1,924	1,554	1,177	964
Exceptional items - Income	155	1,053	—	—	—
Impairment of Goodwill	—	—	—	—	—
Profit Before Tax	2,771	4,517	3,920	5,719	10,775
Profit After Tax	1,870	3,404	2,478	4,105	7,303
Dividend (Rs. per Equity Share)	5.00	5.00	5.00	5.00	5.00
<b>FINANCIAL SUMMARY</b>					
<b>Assets Employed</b>					
Current Assets	72,249	62,521	45,970	33,178	21,077
Current Liabilities	76,772	59,410	35,119	20,423	7,554
Net Current Assets	(4,522)	3,111	10,851	12,754	13,522
Net Fixed Assets	48,530	46,885	31,320	24,346	17,599
Investments	6,157	5,208	3,308	3,733	9,278
Other Non Current Assets	16,179	7,826	5,613	2,851	—
Total Assets	66,344	63,030	51,092	43,684	40,399
<b>Financed By</b>					
Share Capital	939	939	939	939	939
Reserves & Surplus	37,664	35,841	32,802	30,639	26,478
Capital Grants and Subsidies	—	—	—	—	—
Other non current liabilities	3,193	2,364	2,072	1,723	1,530
Borrowings	25,502	23,886	15,278	10,383	11,452
Total Liabilities	66,344	63,030	51,092	43,684	40,399
Earning Per Share (Rs.)	19.91	36.25	26.39	43.72	77.76
Book Value per share (Rs.)	395.48	391.62	359	336	291
Debt Equity Ratio	0.69	0.65	0.45	0.33	0.42
Share Price ** High	640.00	594.95	621.50	757.00	1012.40
Low	322.00	390.00	322.05	363.00	336.05
No. of Employees	5,288	4,418	4,090	4,343	3,728

\*\* Source : [www.bseindia.com](http://www.bseindia.com)

## Grilled Chicken Burger

The best bet for a quick hunger buster, these burgers have perfectly spiced pure wholesome tender chicken piece. It is perfectly grilled without any oil and served with a delicious mayonnaise spread and ketchup. So tempting that you wouldn't stop with one.



## Grilled Chicken Wrap Combo

A juicy roll with a blend of delectable flavour pure thigh meat marinated with a combination of Indian and Italian herbs. Grilled to deliver a typical Indian flavour. This juicy chicken preparation mixed with fresh salad, sprinkled with chaat masala is rolled in a soft paratha made from corn flour. A uniform coating of egg on the paratha further enriches the flavour and nutritional value of the roll with 1 piece of juicy Chicken Tangadi and 2 pieces of Chicken Nuggets served with mint dip and tomato ketchup.



## VEG MENU



Aloo Tikki



Veg Burger



## Tandoori Roast Chicken

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



## Garlic And Pepper Roast Chicken

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



## Tandoori Wings Tandoori/Barbeque

**Tandoori Wings:** Most popular version of the Indian Tandoor lineage, these chicken wings are an all time favourite of one and all and are specially marinated with traditional Indian Spices. Can be had as a Ubiquitous finger snack coupled up with fresh mix salad and in-house mint dip.

**Barbeque Wings:** All time favourite smoke barbeque flavoured chicken wings made using chefs secret spice, cooked to perfection and served with mix salad and in-house Dip.





## Roast Chicken Platter

There is one for all. A family packed meal with 2 pieces of tandoori roast chicken, 2 pieces of garlic and pepper roast chicken served along with a 2 pieces of Jeera naan. This delicious meal also includes 2 succulent pieces of chicken lollipops and 2 pieces of tender grilled chicken. It is served with schezwan sauce, garlic dip and mint dip.

## Chicken Lollipop

The lollipops are prepared with the best chicken wings bringing out the fresh taste of chicken in every bite. The blend of Indian and Chinese cuisine gives a unique flavor to crunchy lollipops. The tangy and spicy schezwan sauce served with it, enhances the taste of this preparation. There is no compromise on taste.



## Tender Grilled Chicken

This barbeque style grilled chicken is prepared from boneless and tender breast pieces. Each fillet is grilled by expert hands to ensure that you are served with the juiciest and tastiest piece of meat. The yummy dish is accompanied with a crunchy jeera naan and a smooth in-house garlic dip, striking the right balance. The fillets contain zero fat keeping your health in mind.



## Chicken Tangadi

Tender chicken drumsticks marinated with fresh yoghurt and pure Indian spices are sourced from the best plantation across the country. The juicy and soft chicken tangadi treats your taste buds to the rich Indian traditional flavour, the moment you take your first bite. Served with fresh mint dip and fresh salad.





### Chicken Aachari Tikka

Succulent chicken boneless leg meat cubes marinated with age-old traditional spices used to flavour pickles in the North Indian kitchen. The piping hot Murg Achari Tikkas work as best accompaniment for all celebrations and taste even better with raw crunchy onions and 'in-house' mint dip.



### Chicken Hariyali Tikka

Tender juicy chicken boneless leg meat pieces marinated with a generous seasoning of fresh green chillies, coriander, mint leaves and a secret blend of delectable spices, churned in farm fresh mustard oil. Recommended to be served hot with raw crunchy onions and 'in-house' mint dip.



### Murg Malai Tikka

Generous chunks of luscious boneless chicken leg meat marinated overnight in a secret recipe of yogurt, fresh cream, cheddar cheese and 'Chef's choice' of chosen ingredients. Best served hot with raw crunchy onions ringlets and 'in-house' black pepper dip.



### Chicken Tandoori Tikka

Most popular version of the Indian tandoor lineage, these tikkas are an all time favourite of one and all and are specially marinated wholesome chicken boneless leg meat cubes with carefully chosen traditional Indian spices. Can be had as a ubiquitous finger snack coupled up with fresh onion rings and 'in-house' mint dip.



**Introducing**

# 'Chicken Smacker'



**Satiate with the delicious Chicken Smacker Burger!**

The newly launched Chicken Smacker Burger is a unique combination of western-style burger with traditional Indian spices. The patty for Chicken Smacker Burger is very Indian and you realize this as soon as you take the first bite. A blend of Indian masalas makes the burger incredibly juicy, crispy and a treat to the taste buds.



*Available @*



# Locations of Units of - Venky's (India) Limited

## Maharashtra

- **Pune** : Breeder Farms  
Specific Pathogen Free Egg  
Poultry Feed,  
Animal Health Products  
Chicken Processing  
Commercial Farms
- **Solapur** : Solvent Extraction  
Refinery & Poultry Feed
- **Nanded** : Solvent Extraction & Refinery

## Gujrat

- **Anand** : Breeder Farms & Hatchery

## Uttarakhand

- **Dehradun** : Breeder Farms  
Hatchery & Poultry Feed
- **Selakui** : Hatchery & Feedmill
- **Manduwala** : Breeder Farm & Hatchery
- **Rampur** : Breeder Farm

## Uttar Pradesh

- **Allahabad** : Breeder Farm, Hatchery,  
Poultry Feed &  
Commercial Farms
- **Sunderpur** : Breeder Farm
- **Jasmour** : Breeder Farm
- **Basti** : Hatchery
- **Shamli** : Breeder Farm
- **Shivarnjpur** : Breeder Farm, Feedmill
- **Naini** : Hatchery
- **Bulandshahr** : Commercial Farms
- **Agra** : Commercial Farms
- **Gangon** : Commercial Farms

## Haryana

- **Karnal** : Hatchery, Breeder Farms
- **Panipat** : Breeder Farms & Hatchery
- **Patvi** : Feedmill
- **Ambala** : Breeder Farms  
Hatchery, Poultry Feed  
Commercial Farms
- **Hissar** : Commercial Farms
- **Hansi** : Commercial Farms
- **Dehra** : Breeding Farms
- **Kurukshetra** : Commercial Farms
- **Kaithal** : Breeder Farm  
Hatchery & Commercial Farms
- **Yamuna Nagar** : Commercial Farms
- **Tohana** : Commercial Farms
- **Samalkha** : Breeder Farm & Hatchery

## Haryana

- **Sountli** : Breeder Farm  
Hatchery & Feed Mill
- **Larsauli** : Breeder Farm & Hatchery
- **Dhamouli** : Breeder Farm & Feedmill

## Punjab

- **Ludhiana** : Breeder Farms  
Hatchery & Commercial Farms
- **Hoshiarpur** : Breeder Farms  
Hatchery & Commercial Farms
- **Gurdaspur** : Commercial Farms
- **Pathankot** : Commercial Farms
- **Batala** : Commercial Farms
- **Sangrur** : Commercial Farms
- **Barnala** : Commercial Farms
- **Patiala** : Commercial Farms
- **Mansa** : Commercial Farms
- **Samrala** : Commercial Farms
- **Dasuya** : Commercial Farms
- **Moga** : Commercial Farms
- **Aone** : Breeder Farms & Hatchery
- **Mahilpur** : Commercial Farms
- **Khanna** : Feedmill

## Madhya Pradesh

- **Rewa** : Breeder Farms & Hatchery

## Himachal Pradesh

- **Nalagarh** : Breeder Farms, Hatchery
- **Una** : Commercial Farms
- **Bangana** : Commercial Farms
- **Sansarpur** : Hatchery
- **Nurpur** : Commercial Farms

## Jammu and Kashmir

- **Kathua** : Hatchery

## Bihar

- **Mujjafarpur** : Hatchery
- **Arrah** : Hatchery

## Rajasthan

- **Chirawa** : Commercial Farms
- **Sikar** : Commercial Farms
- **Navalgarh** : Commercial Farms
- **Neem ka Thana** : Commercial Farms
- **Bagru** : Commercial Farms
- **Guda** : Commercial Farms
- **Bassi** : Commercial Farms
- **Behrod** : Commercial Farms

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## IMPORTANT COMMUNICATION TO SHAREHOLDERS

Following are the Company's recommendations to its shareholders:

### **Green Initiative**

We seek the support of our shareholders in helping us saving our environment by registering their email id with the company for receiving all the communication i.e. Annual Report, various notices etc. through email as permitted by the law. Investors willing to avail the electronic mode of communication shall register their email id by filling and sending the form appearing on page no. 148 of this annual report.

### **Open demat account and dematerialise your shares**

Members are requested to convert their physical shares into demat form. Holding shares in demat form helps investors to get immediate transfer of shares. No stamp duty is payable on transfer of shares held in demat form and risk associated with physical certificates such as forged transfer, loss of share certificate or torn certificates are avoided. Also w.e.f. 1<sup>st</sup> April, 2019 transfer of shares of a listed company are prohibited in physical form. Hence, it is advised to dematerialise your shares.

### **Consolidate multiple folios**

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

### **Appoint a Nominee**

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

(Form on Page No. 149)



Venky's (India) Limited

### Venky's (India) Limited

Registered office: Venkateshwara House, S. No. 114/A/2, Pune-Sinhagad Road, Pune - 411 030.

CIN: L01222PN1976PLC017422

Telephone: (020) 71251530 to 41

Website: www.venkys.com, Email: corp.shares@venkys.com

### NOTICE OF THE 44<sup>TH</sup> ANNUAL GENERAL MEETING

To,

The Members of Venky's (India) Limited

**Notice** is hereby given that the 44<sup>th</sup> Annual General Meeting (AGM) of the members of Venky's (India) Limited will be held on Tuesday, 29<sup>th</sup> September, 2020 at 10.30 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) deemed to be held at the registered office of the Company at "Venkateshwara House", S.No.114/A/2, Pune – Sinhagad Road, Pune 411030 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at 31<sup>st</sup> March, 2020 together with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Jitendra M. Desai, who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

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

"RESOLVED THAT, Mrs. Neeraja Polavarapu (holding DIN 01753573), who was appointed as an Additional Director by the Board of Directors of the Company on 12<sup>th</sup> November, 2019, and who holds office up to the date of this Annual General Meeting and pursuant to the applicable provisions of Companies Act, 2013 and Rules thereof and pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mrs. Neeraja Polavarapu, be and is hereby appointed as a Non Executive and Independent Director of the Company for a term of five (5) years ending on the date of fifth consecutive AGM hereof."

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

"RESOLVED THAT, pursuant to the provisions of section 148 of the Companies Act, 2013 (as amended or re-enacted from time to time) and the Rules made thereunder, remuneration not exceeding Rs.3,60,000/- (Rupees Three Lacs Sixty Thousand Only) (exclusive of taxes and incidental expenses) be and is hereby approved to be payable to M/s. Joshi Apte & Associates, Cost Accountants, in respect of cost audit of the Company for the financial year 2020-21, on such terms and conditions as may be agreed upon between the cost auditor and the Board of Directors."

By order of the Board of Directors

Pune  
June 29, 2020

**Rohan Bhagwat**  
Company Secretary  
Membership No: A26954

**NOTES :**

- a. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto. The information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of item no. 3 is given in the Report of Corporate Governance, which forms part of Directors' Report and members are advised to refer to the same.
- b. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through Video Conferencing / Other Audio Visual Means (VC / OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA circulars, the AGM of the Company is being held through VC /OAVM. The members intending to attend the meeting will be allowed to participate through VC / OAVM details of which are set out hereinafter.
- c. As per provisions of the Act a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate Members intending to authorize their representatives for attending the AGM are requested to send a scanned certified copy of the board resolution authorizing their representative to attend through VC/OAVM and vote on their behalf in the AGM on [corp.shares@venkys.com](mailto:corp.shares@venkys.com) and/or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com).
- d. PURSUANT TO THE PROVISIONS OF SECTION 108 OF THE COMPANIES ACT, 2013 AND RULE 20 & RULE 21 OF COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, THE COMPANY IS PLEASED TO PROVIDE ITS MEMBERS THE ELECTRONIC FACILITY TO EXERCISE THEIR RIGHT TO VOTE IN RESPECT OF BUSINESS MENTIONED IN THE NOTICE. THE BUSINESS AT THE AGM MAY BE TRANSACTED THROUGH E-VOTING SERVICES PROVIDED BY CENTRAL DEPOSITORY SERVICES LIMITED (CDSL). THE INSTRUCTIONS AS REGARD TO AVAILING E-VOTING FACILITY IS ANNEXED.
- e. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.venkys.com](http://www.venkys.com) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
- f. Since the AGM will be conducted through VC/OAVM means, to conduct the AGM in a smooth and seamless manner only those shareholders will be allowed to speak at the AGM who have pre-registered themselves for the same with the Company. The Company hence requests members to opt any one of the following methods for obtaining answers to their queries / making suggestions:
- Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 05.00 p.m. on 24<sup>th</sup> September, 2020 through email on [corp.shares@venkys.com](mailto:corp.shares@venkys.com) or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com) and such email shall mandatorily mention the name of the shareholder, demat account number / folio number, email id and contact number of the shareholder. The same will be replied by the Company suitably.





## Venky's (India) Limited

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- Members who intend to speak at the AGM shall register with the Company by sending an email on or before 05.00 p.m. on 24<sup>th</sup> September, 2020 through email on [corp.shares@venkys.com](mailto:corp.shares@venkys.com) or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com).

The Company will allow only the pre-registered members to speak at the AGM.

Members are requested to discuss or ask queries only on the Accounts or business of the Company or any other agenda of the 44th AGM so that effective question answer session can take place and queries posed by majority shareholders are addressed. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

- g. The Company has appointed its Secretarial Auditor Mr. P. L. Shettigar as the Scrutinizer for scrutiny of votes casted through evoting mechanism for the ensuing AGM. The scrutinizer will submit his report and voting results within the statutory time limit.
- h. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Rohan Bhagwat, Company Secretary or Mr. Nikhil Borlikar, Investor Grievance Cell at the Company's registered office. Members are requested to note that, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Companies Act, 2013, to the extent applicable, be transferred to the Investor Education and Protection Fund (IEPF). Also, shares of members who do not claim dividend for a period of 7 consecutive years will be transferred to IEPF and hence members are requested to claim their dividends in time.
- i. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Transfer Agent.
- j. The documents referred to in the Notice, if any, will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
- k. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1 April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
- l. Since the AGM is conducted through VC/OAVM, Route map for the venue of AGM is not required and hence not enclosed with this notice.

## Statement pursuant to Section 102 (1) of the Companies Act, 2013

### Item No. 3

The Board, at its meeting held on 12<sup>th</sup> November, 2019 appointed Mrs. Neeraja Polavarapu as an Additional Director under Independent Category, pursuant to Section 161 of the Companies Act, 2013, read with Article 128 of Articles of Association of the Company, who will hold office up to the date of the ensuing AGM. Pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to have 50% of its Board Capacity as Independent and shall have atleast 1 Woman Independent Director. In compliance with these provisions Mrs. Neeraja Polavarapu was appointed by the Board. The Board, on the recommendation of Nomination and Remuneration Committee, has proposed her appointment as Independent Director for tenure of 5 years in the ensuing AGM. A brief profile of Mrs. Neeraja Polavarapu is provided in the 44<sup>th</sup> Director's Report appearing in the Annual Report. Her qualification and experience is suitable for the Company and the Board would derive immense value from her expertise and work experience.

Mrs. Neeraja Polavarapu has declared that she is eligible to be appointed as Independent Director of the Company and have also provided her consent for the same and she does not hold any shares in the Company. In the opinion of the Board of Directors Mrs. Neeraja Polavarapu fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and is independent of the management.

Except Mrs. Neeraja Polavarapu herself, none of the other Directors or Key Managerial Personnel and their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

Your Directors commend for your approval, the resolution set out in Item No. 3 of the Notice as an Ordinary Resolution.

### Item No. 4

Section 148 of the Companies Act, 2013 read with Rules made thereunder requires certain class of Companies to get its cost accounts audited by qualified cost accountant who is member of Institute of Cost Accountants of India and engaged in Wholetime practice. Appointment of such cost auditor has to be made by the Board of Directors at the recommendation of Audit Committee and remuneration payable to him is subject to ratification by the members of the Company. Accordingly, the Board of Directors has appointed M/s. Joshi Apte & Associates, Cost Accountants and remuneration payable to them is put up for members ratification.

M/s. Joshi Apte & Associates, Cost Accountants, does not hold any shares in the Company and is not related with any of the Directors of the Company.

The Shareholders' approval is solicited for the resolution at Item No. 4 of the accompanying Notice as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

By order of the Board of Directors

Place: Pune  
Date: June 29, 2020

**Rohan Bhagwat**  
Company Secretary  
Membership No: A26954



## Shareholders Instructions for e-voting

### The instructions for shareholders voting electronically are as under:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.venkys.com](http://www.venkys.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

### THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Saturday, 26<sup>th</sup> September, 2020 at 10.00 a.m. IST and ends on Monday, 28<sup>th</sup> September, 2020 at 5.00 pm IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 22<sup>nd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Venky’s (India) Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will



## Venky's (India) Limited

be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [corp.shares@venkys.com](mailto:corp.shares@venkys.com) and / or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com) and/or [investor@bigshare.com](mailto:investor@bigshare.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [corp.shares@venkys.com](mailto:corp.shares@venkys.com) and / or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com) and/or [investor@bigshare.com](mailto:investor@bigshare.com).

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to use Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [corp.shares@venkys.com](mailto:corp.shares@venkys.com) or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [corp.shares@venkys.com](mailto:corp.shares@venkys.com) or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [corp.shares@venkys.com](mailto:corp.shares@venkys.com) and/or [rohan.bhagwat@venkys.com](mailto:rohan.bhagwat@venkys.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**DIRECTORS' REPORT**

The Shareholders,

Your Directors have pleasure in presenting the Forty Fourth Annual Report and audited financial statements for the financial year ended 31<sup>st</sup> March 2020.

**FINANCIAL RESULTS**

(Rs. in Crores)

Description	2019-20	2018-19
Revenue from Operations (Net)	<b>3261.02</b>	3043.14
Operating Expenditure	<b>3282.38</b>	2734.73
Depreciation	<b>34.25</b>	29.35
Operating Profit / (Loss)	<b>(55.61)</b>	279.06
Finance Costs	<b>29.51</b>	31.55
Other Income	<b>35.41</b>	29.01
Profit / (Loss) Before Tax	<b>(49.71)</b>	276.52
Provision for Tax	<b>(21.77)</b>	99.60
Tax adjustment in respect of earlier years	<b>(0.77)</b>	2.78
Profit / (Loss) for the year	<b>(27.16)</b>	174.14
Amount available for appropriation	<b>386.76</b>	481.92

**OPERATIONS**

The sales turnover of the Company for the year ended 31<sup>st</sup> March, 2020 was at Rs.3,296.43 Crores as compared to Rs.3,072.15 Crores in the previous year – registering a growth of 7.30%. The Company registered a loss of Rs.27.16 Crores for the year ended 31<sup>st</sup> March, 2020 against a profit of Rs.174.14 Crores in the previous year.

The outbreak of Covid-19 pandemic has severely affected the financial performance of the Company. The negative impact was seen from the last week of January, 2020 when false propaganda and rumours about corona virus infection by consuming chicken and eggs have started adversely affecting the sales turnover and realizations. Thereafter, the lockdown measures announced by the Central and State Governments have also affected the operations of the Company.

**DIVIDEND**

In view of the losses, the Board of Directors has not recommended any dividend for the financial year

ended 31<sup>st</sup> March, 2020. The Company's dividend distribution policy is available at Page no.136 of this report.

**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 REPORT**

As per the requirements of Regulation 34(3) read with Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

**EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92 of the Companies Act, 2013 extract of the Annual Return in Form MGT-9 is available on the website of the Company [www.venkys.com](http://www.venkys.com)

**MEETINGS OF BOARD**

During the year 2019-2020, 4 (Four) meetings of the Board of Directors were held on the following dates:

- 1) 10<sup>th</sup> May, 2019, 2) 5<sup>th</sup> August, 2019, 3) 12<sup>th</sup> November, 2019, 4) 7<sup>th</sup> February, 2020.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors declare that :

1. the accounts for the year ended 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 and of the loss 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;

4. the accounts for the year ended 31<sup>st</sup> March, 2020 have been prepared on a going concern basis;
5. internal financial controls to be followed by the company are laid down and that such internal financial controls are adequate and are operating effectively; and
6. proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **BOARD OF DIRECTORS AND THEIR COMMITTEES**

- a. Changes in the Composition of Board of Directors.

As per the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Jitendra M. Desai, Director is due for retirement by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

The Board of Directors in their meeting held on 12<sup>th</sup> November, 2019 appointed Mrs. Neeraja Polavarapu as Additional Director under Independent Category and as per the Articles of Association she holds office upto the date of the ensuing Annual General Meeting and being eligible offer herself for appointment as Non Executive Independent Director. Further, in the opinion of the Board, Mrs. Neeraja Polavarapu possesses the required integrity, expertise and experience for being appointed as an Independent Director on the Board of the Company.

A brief profile of the above Directors is given in the Corporate Governance Report annexed to this report.

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

- b. Declaration from Independent Directors:

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

- c. Policy relating to the remuneration for directors, key management personnel & other employees.

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in sub section 3 of Section 178 of Companies Act, 2013 is available on the website of the Company at [http://www.venkys.com/Policy\\_on\\_Remuneration\\_of\\_Director\\_KMP\\_etc.pdf](http://www.venkys.com/Policy_on_Remuneration_of_Director_KMP_etc.pdf)

- d. Annual evaluation by the Board of its own performance and that of its Committees.

The Board annually performs the evaluation of its own performance, the Committees of the Board and that of individual Directors. While carrying out such evaluation various aspects relating to the Board functioning such as adequacy of composition, level of diversity of the Board, execution of specific duties, governance etc. are considered. The same mechanism is applied while evaluating the performance of the Committees of the Board and additionally the fulfillment of duties and scope as stipulated by the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is considered.

The performance evaluation of individual directors is carried considering factors like execution of specific assignments, effective contribution to the Board discussions and decisions, independence of judgment and steps taken towards proper governance of business and safeguarding interest of stakeholders.

- e. Familiarisation Programme of Independent Directors

The Company at selected intervals takes steps to familiarise its independent directors about their roles, rights and responsibilities. The details of such programme is available on the website of the Company at [http://www.venkys.com/Familiarisation\\_Programme\\_for\\_ID.pdf](http://www.venkys.com/Familiarisation_Programme_for_ID.pdf)

- f. Audit Committee

The Company has already formed Audit Committee as per as Section 177 of the Companies Act, 2013. Details of such committee is given in the Corporate Governance Report which is annexed and forms part of this Report.





g. Managing Director's Remuneration:

Pursuant to provisions of Companies Act, 2013, the Managing Director of the Company also draws remuneration from its Holding Company Venkateshwara Hatcheries Private Limited.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review the Company has not given any loans, guarantees or made investments which fall under the purview of Section 186 of the Companies Act, 2013.

**RISK MANAGEMENT**

The Company has in place a risk management plan devised by the Board and focuses on three key elements i.e. Risk Assessment, Risk Management and Risk Monitoring. The Board therefore identifies elements of risk, focus on mitigating the risk as per the plan and monitor the same post execution. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formed a Risk Management Committee to monitor and review the Risk Management Plan of the Company. The Risk Management Committee comprises of two members, Col. (Retd). Surinder Kumar-Chairman and Mr. J. K. Handa, member.

**CORPORATE SOCIAL RESPONSIBILITY**

VH Group and in particular Venky's (India) Limited has been historically conducting CSR activities concentrated on educational and medical services for the upliftment of the society. Your company has, pursuant to Section 135 of the Companies Act, 2013, formed a CSR Committee. The Annual Report on CSR for the F.Y. 2019-2020 is appended as Annexure C to this report. The policy on CSR is available on the website of the company at [http://www.venkys.com/CSR\\_Policy.pdf](http://www.venkys.com/CSR_Policy.pdf).

The Company has a practice of doing CSR activities and in the previous years have spent more than what was required as per provisions of Companies Act, 2013 except for the financial year 2018-19. For the year 2019-2020, the Company was required to spend an amount of Rs.5.40 Crores on such activities which are considered as CSR in terms of provisions of Companies Act, 2013. However, the actual spending on such activities was Rs. 1.97 Crores. The Company has also made certain other donations which do not fall under the criteria of CSR expenses as per the provisions of Companies Act, 2013. The Company and its CSR Committee were in the

process of finding and re-aligning the avenues in which the additional donations / CSR expenditure is to be done so as to avoid such shortfall in considering CSR expenditure. However considering the financial performance of the Company in the previous year the Company was not in a position to meet the required additional CSR expenditure however has continued to expend on earlier committed activities.

**INTERNAL FINANCIAL CONTROLS**

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.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your company has established a Vigil Mechanism as per the provisions of the Companies Act, 2013 for the Directors and employees to report genuine concerns. The Audit Committee is in-charge of this function. The details of vigil mechanism are available on the website of the Company at [http://www.venkys.com/VIGIL\\_MECHANISM.pdf](http://www.venkys.com/VIGIL_MECHANISM.pdf).

**DEPOSITS**

During the year under review the Company has neither accepted any deposits under Chapter V of the Companies Act, 2013 nor did any such deposits remain unpaid or unclaimed.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC - 2. Related Party disclosures as per IND AS 24 have been provided in Note no. 13 to the Financial Statements.

**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 relevant information and the details of employees whose remuneration is required to be disclosed in terms of the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 appended to this Report as Annexure D.

## AUDITORS

M/s. B D Jokhakar & Co., Chartered Accountants were appointed as Statutory Auditors of the Company in 41<sup>st</sup> Annual General Meeting of the Company continue to be the auditors of the Company. Further, the Auditors have not reported any Fraud under Section 143 (12) of the Companies Act, 2013 for the year ended 31.03.2020.

## SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and allied rules thereof, the Board of Directors has re-appointed Mr. P. L. Shettigar, Practicing Company Secretary as Secretarial Auditor for conducting the audit for the financial year 2019-2020. The Secretarial Audit report for financial year ended 2019-2020 issued by Mr. Shettigar is appended as Annexure E and forms part of this report. The report is self explanatory.

## COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014 the Company has appointed M/s. Joshi Apte & Associates, Pune as Cost Auditors of the Company for conducting cost audit for the financial year 2020-21. Further, as per sub section (3) of Section 148 of the Companies Act, 2013 the remuneration decided between the Board of Directors and Cost Auditor is put before the members for their ratification in the ensuing Annual General Meeting. The Cost Audit for the financial year ended 31<sup>st</sup> March, 2020 is under process and the Company will submit the Cost Auditors' Report to the Central Government in time.

## BUSINESS RESPONSIBILITY REPORT

Based on the market capitalization as on 31<sup>st</sup> March, 2020, your Company continues to be in the Top 500 Listed Companies in India. Hence, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 the Business Responsibility Report describing the initiatives taken by the Company forms part of the Annual Report.

## INTERNAL COMPLAINTS COMMITTEE

The Company has in place an Internal Complaints Committees which are constituted in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In the year 2019-2020 there were no complaints received by these committees.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As per the provisions of Companies Act, 2013, in the year 2019-2020 the Company has transferred unclaimed dividend pertaining to financial year 2011-12 amounting to Rs.13,08,790/- to the IEPF. The details of dividend to be transferred to IEPF in this year and subsequent years are provided in the Corporate Governance Report which is annexed to this report.

Further, in the year 2019-2020, 24281 shares of such shareholders whose dividend remained unclaimed for past seven consecutive years were transferred to IEPF. The details of shares proposed to be transferred to IEPF in the current year are available on the website of the Company [www.venkys.com](http://www.venkys.com).

## SECRETARIAL STANDARDS

The Company has complied with all the applicable and effective Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

## INFORMATION UNDER SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

### A. Conservation of Energy

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

### B. Technology Absorption

#### 1. Research and Development (R & D)

- a) Specific areas: R & D activities of the Company are concentrated in the areas of developing wider application of Specific Pathogen Free (SPF) eggs and application of various breeder management techniques to improve productivity and increase feed efficiency.



- b) Benefits derived: Wider acceptance of SPF eggs in the manufacture of human and livestock vaccines in India and higher production and increased feed efficiency of breeders.
- c) Plan of action: Further promotion of SPF eggs applications in the biological industry.
- d) Expenditure on R & D: The expenditure incurred by the Company during the year on Research and Development was Rs. 395.79 Lakhs.

**2. Technology Absorption, Adaptation and Innovation**

- a) Efforts made : The Company maintains continuous interaction with Charles River Laboratories Inc. (formerly SPAFAS Inc.), U.S.A. for absorption of technology.
- b) Benefits :
  - i. Development of new application
  - ii. Savings in foreign exchange through import substitution.
- c) Technology Imported : SPF egg production and Reagent production technologies were imported from Charles River Laboratories Inc. The benefit of the ongoing research by them in the

said technologies is being derived by the Company through continued association with them.

**C. Foreign Exchange Earnings and Outgo**

- 1. Efforts have been made to increase exports of hatching eggs and SPF eggs.
- 2. Earnings and outgo:
  - a. Foreign exchange earnings (FOB): Rs. 1,786.28 Lakhs
  - b. Foreign exchange outgo: Rs. 8,580.65 Lakhs

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

Pune  
June 29, 2020

**Anuradha J. Desai**  
Chairperson

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Development :

The global economic growth slowed down significantly in the year 2019 with continued weakness in global trade and investment. Rising trade barriers, growing uncertainty regarding trade and geopolitics, low productivity growth were the key factors for the subdued growth.

As far as India is concerned, the country remained one of the growing economy in the world, although India's GDP was lower in the year 2019-20 as compared to the previous year. Slowdown in key sectors like construction, hotels, agriculture, transport and communication were largely responsible for this.

The poultry industry continued to grow at satisfactory rates for most part of the financial year 2019-20. However, the outbreak of Covid-19 in March, 2020 resulted in lockdown in many States and this has severely disrupted the poultry industry operations and the industry had to face unprecedented losses. Though the overall scenario is showing some kind of improvement, it is not clear at this stage as to when normalcy would return.

### 2. Opportunities, Threats, Risks and Concerns :

The vast gap between our present per capita consumption (65 eggs and 3.9 kgs of meat – prior to outbreak of Covid-19 pandemic) and National Institute of Nutrition (NIN) recommended level (180 eggs and 11 kg of meat) offers very good scope for the growth of poultry industry at least for the next 20 years. The industry is expected to regain its growth rate once normalcy returns after outbreak of Covid-19 pandemic. This is possible due to several factors like higher disposable income and expected revival in government and private sector investments, as such the growth in demand for poultry products will resume soon and the industry has good future. However, lack of adequate cold storage facilities at key locations and retail infrastructure are the main reasons which are impacting the industry's growth. Further, sudden and steep price behaviour of feed ingredients like maize and soya remain a major concern affecting the financials of the poultry industry.

### 3. Segmentwise Performance:

#### a. Poultry and Poultry Products

The Company's major business segment is poultry and poultry products which consist of production and sales of day old broiler and layer chicks, specific pathogen free eggs, processed chicken products and poultry feed. In F.Y. 2019-20 this segment's turnover was Rs.1,56,700 lacs as compared to Rs. 1,47,600 lacs in the last year. The segment registered a loss of Rs.11,633 lacs as compared to profit of Rs. 21,987 lacs in the previous year.

#### b. Animal Health Products

The Company has its animal health products manufacturing facility at Pune. This segment's sales turnover was Rs.23,222 lacs as compared to Rs. 24,096 lacs. Profit before tax and interest was Rs.3,981 lacs as against Rs. 4,277 lacs in the last year.

#### c. Oilseed

This segment registered a sales turnover of Rs.1,58,946 lacs as compared to Rs. 1,43,104 lacs last year. Profit before tax and interest was Rs.6,818 lacs as against Rs. 6,174 lacs in the previous year.

### 4. Outlook

With the overall economic situation continuing to remain uncertain in the financial year 2020-21 after the outbreak of Covid-19 pandemic, it is expected that the demand for poultry products would pick-up steadily, especially from the third quarter of the current financial year. Based on this expectation and with higher capacity utilisation, we estimate that the Company's performance is likely to improve in the current year as compared to the previous year. Therefore, the outlook for the current year appears to be reasonably better, barring unforeseen circumstances.

### 5. Internal Control Systems and their adequacy

The internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets. The



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

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

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

The turnover of the Company increased by 7.30% over the last year from Rs.3,07,214.68 Lacs to Rs.3,29,643.41 Lacs. The Company registered a loss of Rs.27.16 Crores as compared to profit of Rs.174.14 Crores in the previous year.

**8. Details of Financial Ratios**

Details of significant changes (25% or more) in key financial ratios along with detailed explanation for such change as compared to the previous financial year:

Ratio	As at 31 Mar 2020	As at 31 Mar 2019	Change %	Remarks
Interest Coverage Ratio	(0.62)	9.33	-107%	Due to losses
Debt Equity Ratio	0.36	0.30	19%	Due to losses
Operating Profit Margin (%)	-1%	10%	-106%	Due to losses
Net Profit Margin (%)	-1%	6%	-115%	Due to losses

The long term borrowings of the Company during the year decreased by about 48.45% from Rs. 3,993 Lacs to Rs. 2,058 Lacs. The short term borrowings of the Company during the year increased by about 34.40% from Rs. 18,940 Lacs to Rs. 25,456 Lacs. Finance cost of the Company has decreased by 6.46% from Rs. 3,155 Lacs to Rs. 2,951 Lacs.

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

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

In line with VH Group's corporate philosophy, the Human Resource is considered as the most valuable resource in the Company. The focus is on developing a performance culture with high standards of efficiency and innovation. Employee relations at all levels continue to remain cordial. As on 31<sup>st</sup> March, 2020 the Company has 5776 employees.

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) read with Clause C of Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

### A. MANDATORY REQUIREMENTS:

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

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

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

##### a) Composition and size of the Board.

As on 31<sup>st</sup> March, 2020 the Board consists of 10 Directors out of which 5 Directors are Independent Directors and 5 Directors are Non - Independent Directors.

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

During the year 2019-20, 4 (Four) meetings were held. The dates on which the said meetings were held are as follows:

1) 10<sup>th</sup> May, 2019, 2) 5<sup>th</sup> August, 2019, 3) 12<sup>th</sup> November, 2019, and 4) 7<sup>th</sup> February, 2020.

##### c) Attendance of Directors:

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member.

Name of Director of the Company	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 27 <sup>th</sup> September, 2019	No. of Directorships in other Public Companies	No. of Committee Positions [other than Venky's (India) Limited] in which Chairperson/Member	
					Chairperson	Member
Mrs. Anuradha J. Desai	Chairperson	4	No	1	4	3
Mr. B. Venkatesh Rao	Vice-Chairman	4	No	-	2	5
Mr. B. Balaji Rao	Managing Director	4	No	-	-	3
Mr. Jitendra M. Desai	Director	4	No	-	1	5
Ms. Uttara J. Desai	Director	4	No	-	-	-
Lt. Col. Ashok Mahajan (Retd.)*	Director	4	Yes	-	-	-
Col. Surinder Kumar (Retd.)*	Director	4	Yes	-	-	-
Brig. Rajeshwar Singh Rathore (Retd.)*	Director	4	Yes	-	-	-
Brig. Amrit Kapur (Retd.)*	Director	4	Yes	-	-	-
Mrs. Neeraja Polavarapu**	Director	2	N.A.	-	-	-

\* Independent Directors

\*\* Appointed w.e.f. 12<sup>th</sup> November, 2019



d) No. of Equity Shares held by Non-Executive Directors as of 31<sup>st</sup> March, 2020:

S. No.	Name of the Director	No. of Equity Shares as of 31 <sup>st</sup> March, 2020
1.	Mrs. Anuradha J. Desai	4,82,926
2.	Mr. B. Venkatesh Rao	66,051
3.	Mr. Jitendra M. Desai	30,079
4.	Ms. Uttara J. Desai	Nil
5.	Lt. Col. Ashok Mahajan (Retd.)	Nil
6.	Col. Surinder Kumar (Retd.)	Nil
7.	Brig. Rajeshwar Singh Rathore (Retd.)	Nil
8.	Brig. Amrit Kapur (Retd.)	Nil
9.	Mrs. Neeraja Polavarapu	Nil

e) Disclosure of Relationship inter-se:

Mrs. Anuradha J. Desai is sister of Mr. B. Venkatesh Rao and Mr. B. Balaji Rao and is spouse of Mr. Jitendra M. Desai and Mother of Ms. Uttara J. Desai. Other than these directors none of the other Directors are related to each other.

f) Skills / Expertise / Competence of the Board of Directors:

The members of the Board have vast and varied experience and possess various skills and expertise in diverse fields necessary for prospering and sustainable functioning of the business. Following are the brief skills / expertise / competencies identified by the Board of Directors.

- Knowledge of the industry and the business in which the Company operates and opportunities, risks / threats associated with it.
- Leadership, Business Development, Sales & Marketing, Administration and Monitoring.
- Financial, Law and Management skills

In the table below, the specific areas of focus & expertise of individual Board members have been highlighted so as to signify the areas of expertise they possess. However, the absence of tick against a Board member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name of Director	Knowledge of the industry and the business in which the Company operates and opportunities, risks / threats associated	Leadership and Business Development and Management	Sales & Marketing	Administration & Monitoring.	Financial and Legal
Mrs. Anuradha J. Desai	✓	✓	✓	✓	✓
Mr. B. Venkatesh Rao	✓	✓	✓	✓	✓
Mr. B. Balaji Rao	✓	✓	✓	✓	✓
Mr. Jitendra M. Desai	✓	✓	✓	✓	✓
Ms. Uttara J. Desai	✓	✓	✓	✓	-
Lt. Col. Ashok Mahajan (Retd.)	✓	✓	-	✓	-
Col. Surinder Kumar (Retd.)	✓	✓	-	✓	-
Brig. Rajeshwar Singh Rathore (Retd.)	✓	✓	-	✓	-
Brig. Amrit Kapur (Retd.)	✓	✓	-	✓	-
Mrs. Neeraja Polavarapu	✓	✓	-	-	✓

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

As per the provisions of the Companies Act, 2013 and Articles 141 to 143 of the Articles of Association of the Company, Mr. Jitendra M. Desai, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Further, Mrs. Neeraja Polavarapu was appointed as Additional Director under Independent Category on 12<sup>th</sup> November 2019, and is proposed to be appointed as Non-Executive Independent Director in the ensuing Annual General Meeting

#### **Brief profile of the Director proposed for appointment / re-appointment.**

**Mr. Jitendra M. Desai**, aged 58 years, is Director of the Company since 1993. He is a member of Institute of Chartered Accountants of India and has expertise in corporate structuring, financial management and taxation.

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

Mr. Jitendra M. Desai is a member of Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Operations Committee of Venky's (India) Limited.

**Mrs. Neeraja Polavarapu**, aged 52 years, is a Science Graduate and holds a master's degree in Business Administration from Shenendohh University, Virginia, U.S.A. She is the Joint Managing Director of SriBalaji Hatcheries Private Limited and has experience in various aspects of poultry business such as feed formulations, procurement of feed additives and poultry medications.

### 4. Audit Committee

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

There were 4 (Four) meetings of the Audit Committee held during the year. The dates on which the said Audit Committee Meetings were held are as follows:

1) 10<sup>th</sup> May, 2019, 2) 5<sup>th</sup> August, 2019, 3) 12<sup>th</sup> November, 2019, and 4) 7<sup>th</sup> February, 2020.

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

<b>Name of Member</b>	<b>Number of Meetings attended</b>
Mr. Jitendra M. Desai	4
Lt. Col. Ashok Mahajan (Retd.)	4
Col. Surinder Kumar (Retd.)	4
Brig. Rajeshwar Singh Rathore (Retd.)	4
Brig. Amrit Kapur (Retd.)	4

The Terms of Reference of this Committee cover the matters specified for Audit Committee under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (LODR) as well as in Section 177 of the Companies Act, 2013 as applicable.

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





## 5. Nomination and Remuneration Committee

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

The Terms of Reference of this Committee cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirement Regulations) 2015 (LODR) as well as in Section 178 of the Companies Act, 2013 as applicable and allied applicable rules.

The Nomination and Remuneration Committee comprises of all the Non-Executive Directors. Lt. Col. Ashok Mahajan (Retd.) an Independent Director is Chairman of the Committee and Mrs. Anuradha J. Desai and Col. Surinder Kumar (Retd.) are the other members of the Committee.

The Committee met twice on 10<sup>th</sup> May, 2019 and 12<sup>th</sup> November, 2019 and the details of attendance of each member are as follows:

Name of Member	Number of Meetings attended
Mrs. Anuradha J. Desai	2
Lt. Col. Ashok Mahajan (Retd.)	2
Col. Surinder Kumar (Retd.)	2

Performance evaluation criteria for independent Director

While evaluating the performance of the Independent Directors, inter alia, the following parameters are generally considered:

- Attendance at meetings of the Board and Committees thereof,
- Participation in Board Meetings or Committee thereof,
- Contribution to strategic decision making,
- Review of risk assessment and risk mitigation,
- Review of financial statements, business performance.
- Contribution to the enhancement of brand image of the Company.

## 6. 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 details of remuneration paid / payable to the Directors (including sitting fees paid for attending Board Meetings and Committee Meetings) during the financial year 2019-2020 are given below:

Directors	Salary (Rs.)	Perquisites # (Rs.)	Commission Payable (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mrs. Anuradha J. Desai	-	-	-	1,60,000	1,60,000
Mr. B. Venkatesh Rao	-	-	-	1,60,000	1,60,000
Mr. B. Balaji Rao	12,00,000	15,98,973	-	-	27,98,973
Mr. Jitendra M. Desai	-	-	-	2,60,000	2,60,000
Ms. Uttara J. Desai	-	-	-	1,00,000	1,00,000
Lt. Col. Ashok Mahajan (Retd.)	-	-	-	2,00,000	2,00,000
Col. Surinder Kumar (Retd.)	-	-	-	2,00,000	2,00,000
Brig. Rajeshwar Singh Rathore (Retd.)	-	-	-	2,00,000	2,00,000

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<b>Directors</b>	<b>Salary (Rs.)</b>	<b>Perquisites # (Rs.)</b>	<b>Commission Payable (Rs.)</b>	<b>Sitting Fees (Rs.)</b>	<b>Total (Rs.)</b>
Brig. Amrit Kapur (Retd.)	-	-	-	2,00,000	2,00,000
Mrs. Neeraja Polavarapu	-	-	-	50,000	50,000
<b>TOTAL</b>	<b>12,00,000</b>	<b>15,98,973</b>	-	<b>15,30,000</b>	<b>43,28,973</b>

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

Considering the losses occurred in the financial year ended 31<sup>st</sup> March 2020, Company had decided not to pay any Commission to the Directors of the Company.

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.

## **7. Stakeholders Relationship Committee**

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

Mrs. Anuradha J. Desai is the Chairperson of the Committee, Mr. B. Venkatesh Rao, Mr. Jitendra M. Desai and Col. Surinder Kumar (Retd.) are the other members of the Committee. The Company Secretary is the Compliance Officer.

During the period under review, 35 complaints were received from the shareholders and others and all of them have been resolved to date to the satisfaction of shareholders.

There are no investor complaints pending as on 31<sup>st</sup> March, 2020

## **8. Risk Management Committee**

The Company has in place a risk management plan devised by the Board and focuses on three key elements i.e. Risk Assessment, Risk Management and Risk Monitoring. The Board therefore identifies elements of risk, focus on mitigating the risk as per the plan and monitor the same post execution. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formed a Risk Management Committee to monitor and review the Risk Management Plan of the Company. The Risk Management Committee comprises of two members, Col. (Retd). Surinder Kumar-Chairman and Mr. J. K. Handa, member. The Committee met once on 10<sup>th</sup> May 2019 where both the members were present.

## **9. Details of last Three General Meetings**

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

<b>S. No.</b>	<b>Meeting</b>	<b>Date, Time and Place</b>
<b>1.</b>	AGM for the year 2018-19	27 <sup>th</sup> September 2019 at 10.30 a.m. at Hotel Ramee Grand, Plot No. 587/3, Apte Road, Shivaji Nagar, Pune 411004
<b>2.</b>	AGM for the year 2017-18	26 <sup>th</sup> September 2018 at 10.30 a.m. at Sheraton Grand Pune Bundgarden Hotel, Raja Bahadur Mill Road, Near Pune Railway Station, Pune – 411 001
<b>3.</b>	AGM for the year 2016-17	11 <sup>th</sup> September 2017 at 10.30 a.m. at Hotel Le Meridian, Raja Bahadur Mill Road, Near Pune Railway Station, Pune – 411 001



No Extra-ordinary General Meeting was held during the period under consideration. All the resolutions, including special resolutions, set out in the respective notices were passed by the shareholders.

**10. Code of Conduct:**

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management. All the Board Members and the Senior Management Personnel have affirmed compliance with Code of Conduct, as on 31<sup>st</sup> March, 2020.

**11. Managing Director / CFO Certification:**

The Managing Director and Chief Financial Officer have certified to the Board of Directors, inter alia, the accuracy of Financial Statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 (8) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, for the year ended 31<sup>st</sup> March, 2020.

**12. Disclosures**

There are no material 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. 13 of the Accounts in this Annual Report. ([http://venkys.com//Related\\_Party\\_Transactions\\_Policy.pdf](http://venkys.com//Related_Party_Transactions_Policy.pdf))

The track record of the Company in handling shareholders' grievances has been very good. During the year National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) had imposed a fine of Rs. 20,11,900/- each for non-compliance with the requirements of Composition of Board of Director as per Regulation 17 (Composition of Board) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015. The Company has appointed a woman independent director on the Board w.e.f. 12.11.2019 and has complied with the extant regulations and also paid the requisite fine to respective Stock exchanges.

Apart from this, there is no other penalty imposed by any other statutory Authorities relating to the capital markets.

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

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

1. Prabhat (Marathi).
2. Business Line (English)

The Company's results and official news releases are displayed on Company's website [www.venkys.com](http://www.venkys.com).

**14. General Shareholders Information**

Particulars	Details
Annual General Meeting Date	29 <sup>th</sup> September, 2020
Time	10.30 A.M.
Venue	The AGM will be held through VC / OAVM process.
Financial Calendar 2020-21	i. First Quarter Results – upto August 14, 2020. ii. Second Quarter Results – upto November 14, 2020. iii. Third Quarter Results – upto February 14, 2020. iv. Audited Results for the year ending 31 <sup>st</sup> March, 2021 – end of May, 2021

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Particulars	Details
Date of Book Closure	Not Applicable
Dividend Payment Details	Not Applicable
Names & Address of Stock Exchanges in which it is listed and scrip code.	I. Bombay Stock Exchange Limited -- 523261 Address: P.J. Towers, Dalal Street, Mumbai- 400 001 II. National Stock Exchange of India Limited – VENKEYS Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051
Confirmation of payment of annual listing fees	The Company has paid listing fees in the time limit prescribed.
Demat ISIN number for NSDL and CDSL	INE 398A01010
Registrar & Transfer Agent	M/s Bigshare Services Private Limited, 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059.
Share Transfer System	All the transfers received are processed at the office of Registrar and Share Transfer Agent and are approved by the “Stakeholders Relationship Committee” which meets twice in a month or more depending on the volume of transfers. Share transfers are registered and returned within 15 Days from the date of lodgement, if documents are complete in all respects.

**15. Credit Rating**

Following are the details of credit ratings assigned to the Company in the year 2019-20:

Credit Facility	Rating by CARE
Long Term Bank Facilities	CARE A; Stable (Single A; Outlook: Stable)
Short Term Bank Facilities	CARE A1 (A ONE)

**16.** In the financial year 2019-20, the Board of Directors have accepted all the mandatory recommendations made by its Committees.

**17. Details of total fees paid / payable to the statutory auditors**

The details of total fees for all services paid by the company, to the statutory auditor and all entities in the network firm / network entity of which statutory auditor is a part are as follows:

Type of Services	Financial year 2019-20(Amount in Rs. in Crore)
Audit	0.42
Other Services	0.15
Reimbursement of Expenses	0.03

**18. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of Complaints filed during 2019-2020	NIL
Number of Complaints disposed of during 2019-2020	NIL
Number of Complaints pending as on 31.03.2020	NIL



**Venky's (India) Limited**

**Monthly Market High / Low for the year 2019-2020 on National Stock Exchange of India Limited.**

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2019	2330.05	1981.15	October 2019	1889.00	1490.00
May 2019	2149.40	1476.00	November 2019	1942.85	1645.00
June 2019	2008.80	1640.00	December 2019	1840.90	1647.55
July 2019	1690.00	1202.70	January 2020	1854.00	1650.00
August 2019	1524.70	1135.00	February 2020	1740.00	1212.50
September 2019	1870.60	1380.15	March 2020	1295.00	580.10

(Source: www.nseindia.com)

**Monthly Market High / Low for the year 2019-2020 on Bombay Stock Exchange Limited.**

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2019	2330.00	1985.05	October 2019	1889.45	1480.00
May 2019	2149.20	1455.00	November 2019	1943.00	1626.85
June 2019	2008.00	1642.90	December 2019	1856.15	1649.15
July 2019	1689.05	1182.00	January 2020	1855.00	1650.20
August 2019	1524.90	1100.00	February 2020	1742.00	1211.90
September 2019	1868.00	1152.00	March 2020	1294.80	580.00

(Source: www.bseindia.com )

**Comparative Price Charts:**

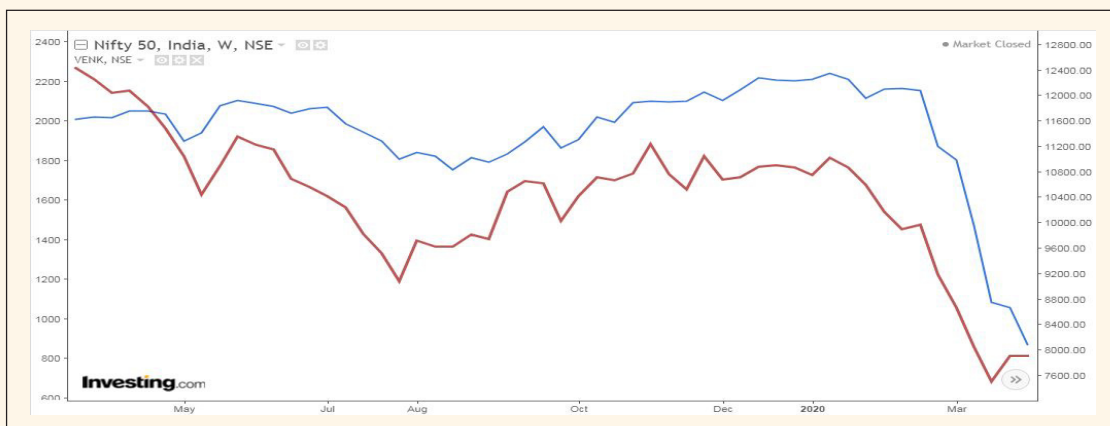
**Bombay Stock Exchange Limited V/s Venky's (India) Limited**



(Source: www.investing.com)

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



(Source: [www.investing.com](http://www.investing.com))

**Distribution of shareholding and its patterns as on 31.03.2020**

**I. Distribution of Shareholding**

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
1 – 500	52,905	98.49	21,70,300	15.41
501 – 1000	445	0.83	3,17,387	2.25
1001 – 2000	186	0.35	2,66,017	1.89
2001 – 5000	99	0.18	3,06,087	2.17
5001 – 10000	32	0.06	2,32,715	1.66
10001 & above	50	0.09	1,07,94,830	76.62
<b>Total</b>	<b>53,717</b>	<b>100</b>	<b>1,40,87,336</b>	<b>100</b>

**II. Shareholding Pattern:**

Category	No. of Shares	%
Promoters	78,01,558	55.38
Mutual Funds / Unit Trust of India	1,345	0.01
Financial Institutions / Banks	29,906	0.21
Foreign Institutional Investors	77,531	0.55
Private Bodies Corporate	8,08,949	5.75
Non-resident Indians	87,030	0.61
Public	52,81,017	37.49
<b>Total</b>	<b>1,40,87,336</b>	<b>100</b>

**Dematerialisation of shares and liquidity:**

About 96.68% of the paid-up capital of the Company was dematerialised as on 31<sup>st</sup> March, 2020. The Company has not issued any GDRs/ ADRs/ warrants or any convertible instruments.



**Unclaimed Dividend:**

Unclaimed dividend up to and for the year 2011-12 has been transferred to the Investor Education and Protection Fund (IEPF) established by Central Government.

According to the provisions of the Companies Act, 2013, if the amount in the Dividend Account remained unclaimed for the period of 7 years from the date of disbursement, then same has to be transferred to IEPF. Following are the details of the unclaimed Dividend, if not claimed within the period of 7 years then same will be transferred to IEPF in accordance with the schedule given below:

Financial Year	Date of declaration of dividend	Total Dividend (Rs.)	Unclaimed Dividend as on 31 <sup>st</sup> March, 2020 (Rs.)	Due date for transfer to IEPF
2012-13	12.08.2013	4,69,57,785	13,41,085	11.09.2020
2013-14	27.08.2014	4,69,57,785	13,78,275	26.09.2021
2014-15	16.09.2015	4,69,57,785	14,75,715	15.10.2022
2015-16	29.09.2016	7,04,36,680	20,75,935	28.10.2023
2016-17	11.09.2017	8,45,24,016	27,56,670	10.10.2024
2017-18	26.09.2018	11,26,98,688	38,30,952	25.10.2025
2018-19	27.09.2019	11,26,98,688	24,95,200	26.10.2026

**Location of Units:**

**A. Maharashtra**

- Pune - Breeder Farms, Specific Pathogen Free Egg, Poultry Feed, Animal Health Products, Chicken Processing, Commercial Farms.
- Solapur - Solvent Extraction, Refinery and Poultry Feed.
- Nanded - Solvent Extraction and Refinery.

**B. Gujrat**

- Anand - Breeder Farms & Hatchery

**C. Uttarakhand**

- Dehradun - Breeder Farms, Hatchery and Poultry Feed.
- Selakui – Hatchery and Feedmill
- Manduwala – Breeder Farm and Hatchery
- Rampur – Breeder Farm

**D. Uttar Pradesh**

- Allahabad - Breeder Farm, Hatchery, Poultry Feed and Commercial Farms.
- Sunderpur - Breeder Farm
- Jasmour - Breeder Farm
- Basti – Hatchery
- Shamli – Breeder Farm
- Shivarjpur – Breeder Farm, Feedmill
- Naini – Hatchery
- Bulandshahr – Commercial Farms
- Agra – Commercial Farms
- Gangon – Commercial Farms

**E. Haryana**

- Karnal – Hatchery, Breeder Farms
- Panipat - Breeder Farms and Hatchery
- Patvi - Feedmill

- Ambala - Breeder Farms, Hatchery, Poultry Feed, Commercial Farms.
- Hissar - Commercial Farms
- Hansi - Commercial Farms
- Dehra – Breeding Farm
- Kurukshetra - Commercial Farms
- Kaithal – Breeder Farm, Hatchery and Commercial Farms
- Yamuna Nagar - Commercial Farms
- Tohana - Commercial Farms
- Samalkha – Breeder Farm and Hatchery
- Sountli – Breeder Farm, Hatchery and Feed Mill
- Larsauli – Breeder Farm and Hatchery
- Dhamouli – Breeder Farm and Feedmill

**F. Punjab**

- Ludhiana - Breeder Farms, Hatchery and Commercial Farms.
- Hoshiarpur - Breeder Farms, Hatchery and Commercial Farms
- Gurdaspur - Commercial Farms
- Pathankot - Commercial Farms
- Batala - Commercial Farms
- Sangrur - Commercial Farms
- Barnala - Commercial Farms
- Patiala - Commercial Farms
- Mansa – Commercial Farms
- Samrala – Commercial Farms
- Dasuya – Commercial Farms
- Moga – Commercial Farms
- Aone – Breeder Farm and Hatchery
- Mahilpur – Commercial Farms
- Khanna – Feedmill.

**G. Madhya Pradesh**

- Rewa - Breeder Farms and Hatchery

**H. Himachal Pradesh**

- Nalagarh - Breeder Farms, Hatchery
- Una - Commercial Farms
- Bangana – Commercial Farms
- Sansarpur - Hatchery
- Nurpur – Commercial Farms

**I. Jammu and Kashmir**

- Kathua - Hatchery.

**J. Bihar**

- Mujjafarpur– Hatchery
- Arrah – Hatchery

**K. Rajasthan**

- Chirawa – Commercial Farms
- Sikar – Commercial Farms
- Navalgarh – Commercial Farms





## Venky's (India) Limited

- Neem ka thana – Commercial Farms
- Bagru – Commercial Farms
- Guda - Commercial Farms
- Bassi – Commercial Farms
- Behrod – Commercial Farms

### Address for correspondence.

Shareholders' correspondence should be addressed to Registrar and Transfer Agent, M/s Bigshare Services Private Limited. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants. For dividend related queries, shareholders may contact Mr. Rohan Bhagwat, Company Secretary (Mob.No.095 45 22 88 22) or Mr. Nikhil Borlikar, Investor Service Cell (Mob. No. 9765201406) at the registered office, Tel Nos. : 020 – 71251530 to 41 or Email: corp.shares@venkys.com.

### B. NON-MANDATORY REQUIREMENTS :

#### a. 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. Shareholder Rights

The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders.	The Company's half yearly results are published in English and Marathi newspapers having wide circulation and uploaded on the Company's website i.e. www.venkys.com.
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#### c. Audit Qualifications

Company may move towards a regime of unqualified financial statements.	The Company's financial statements have been unqualified till date.
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#### d. Separate posts of Chairman and Managing Director / CEO

The Company may appoint separate persons to the post of Chairman and Managing Director / CEO.	The Company already has separate persons for the post of Chairperson and Managing Director.
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#### e. Reporting of Internal Auditor

The internal auditor may report directly to the Audit Committee.	The internal auditor has direct access to the Audit Committee Chairman and members and is also an invitee for audit committee meetings.
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### DECLARATION UNDER REGULATION 34(3) READ WITH CLAUSE D OF SCHEDULE V TO SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015

This is to confirm that, all the Board Members and Senior Management Personnel of Venky's (India) Limited have affirmed compliance with the respective Codes of Conduct for the Financial Year ended 31<sup>st</sup> March, 2020.

Pune  
June 29, 2020

**B. Balaji Rao**  
Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by Venky's (India) Limited for the year ended 31<sup>st</sup> March, 2020 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as referred to in Regulation 15(2) under clause E of Schedule V of the SEBI Listing Regulations during the year ended 31<sup>st</sup> March, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance with 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 Regulations as applicable except for the compliance of Regulation 17(1) of the Listing Regulations relating to the composition of the Board of Directors for part of the audit period. However, with effect from 12<sup>th</sup> November, 2019 the Company is in compliance with Regulation 17(1) of the Listing Regulations.

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

Place : Pune  
Date : June 29, 2020

**P. L. Shettigar**  
Practicing Company Secretary  
A-10, Aditya Nagar,  
Near Lokseva Hanuman Mandir,  
Hadapsar Gadital, Pune 411028  
C.P. Number : 2917  
Membership Number : FCS 3816  
UDIN : F003816B000395977

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### CERTIFICATE FROM PRACTICING COMPANY SECRETARY PURSUANT TO CLAUSE 10 OF PART C OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

In pursuance of Schedule V of The Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Venky's (India) Limited (the Company) and on the basis of information and explanation given to us and based on the verification of relevant records and documents, I hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities And Exchange of India / Ministry of Corporate Affairs or any such statutory authority.

Pune  
June 29, 2020

**P. L. Shettigar**  
Practicing Company Secretary  
FCS 3816/C.P.NO.2917  
UDIN : F003816B000395845



**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company's objective is managing its business processes to produce an overall positive impact on the society at large and create wellness. The Company perceives CSR as a strategic social investment aimed at uplifting the society at large. Over the years your company is striving to achieve a fine balance of economic and social imperative. The Company contributes for this purpose through various registered trusts and is also undertaking direct initiatives. The Company year after year is contributing to the social cause for betterment of society and also monitor its end use. At present the contribution made by the Company to Venkateshwara Charitable Foundation is primarily used for activities like a) Eradicating hunger, malnutrition, promoting preventive health care and sanitation and making available safe drinking water and b) Promoting education, including special education and employment enhancing vocation skills and the Company directly makes contribution to promotion of sports activities and other athletes. The CSR policy adopted by the Company is available on its website at [http://www.venkys.com/CSR\\_Policy.pdf](http://www.venkys.com/CSR_Policy.pdf).

2. CSR Committee: The CSR committee provides oversight of policy execution to ensure that CSR objectives of the Company are met. CSR committee comprises:
  - (a) Mr. B. Venkatesh Rao – Chairman
  - (b) Mr. Jitendra M. Desai - Member
  - (c) Col. Surinder Kumar (Retd.) - Member
3. Average net profit of the company for last three financial years: Rs.27,036.16 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.540.72 Lacs  
The current CSR expenditures are Rs.197.70 Lacs
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year: Rs. 540.72 Lacs;
  - (b) Amount unspent, if any: Rs.343.02 Lacs;
  - (c) Manner in which the amount spent during the financial year is detailed below.

(Amount in Rs. Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
1	Donation to Charitable Trust	Health Care, Education and Eradication of hunger & Poverty etc.	Pune, (Maharashtra)	400.00	160.44	160.44	Through, implementing agency

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Report  
2019-20**

(Amount in Rs. Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
2	Direct donation / direct help	Chief Minister Relief Fund, Rural Development Projects, making available safe drinking water.	Pune and allied areas	20.00	7.50	7.50	Direct donation / activity
3	Donation to Charitable Trust	Animal Welfare	Pune and allied areas	50.00	20.31	20.31	Through, implementing agency
4	Supply of Free Chicken & Eggs to Orphanage	Healthcare, Eradication of hunger & Poverty etc.	Pune and allied areas	20.00	9.45	9.45	Direct supply to Orphanage free of cost.
	<b>TOTAL</b>			<b>490.00</b>	<b>197.70</b>	<b>197.70</b>	

\*Give details of implementing agency.

6. Details of Implementing Agency:

Venkateshwara Charitable Foundation, Smt Uttaradevi Charitable and Research Foundation, Maharshi Karve Stree Shikshan Sanstha, Vasant Rao Banduji Patil, Leela Purolikar Welfare Trust, Pandita Ramabai Mukti Mission are public trusts registered under the Bombay Public Trust Act, 1950 and since inception the trusts are carrying on charitable activities in the field of providing education, medical aid in rural areas, animal welfare and other charitable services to the weaker sections of the society.

7. Responsibility Statement of CSR Committee.

We hereby affirm that the CSR policy has been implemented and the CSR committee monitors the implementation of CSR projects and activities in compliance with CSR objectives.

For the financial year 2019-20 the actual amount spent on CSR was short of Rs. 343.02 Lacs against the amount required to be spent. The Company was in the process of finalizing avenues for the additional spending and hence the temporary shortfall. Also, some amount was donated / spent on avenues are not falling under the definition of CSR expenditure as per statutory provisions, however were used for social activities for benefit of public at large. The Committee has recommended to the Board to re-align the expenditure / donation avenues so as to conform to the statutory requirement.

For Venky's (India) Limited

Pune  
June 29, 2020

**B. Venkatesh Rao**  
Chairman - CSR Committee

**Jitendra M. Desai**  
Member of CSR Committee



**INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH  
RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF  
MANAGERIAL PERSONNEL) RULES, 2014.**

Information as per Rule 5(1)

1. The ratio of remuneration of each director to the median remuneration of the employees;

Managing Director : 13.47

Non Executive Directors : 0.00 (Since no remuneration paid for the F.Y. 2019-20)

(Mrs. Anuradha J. Desai, Mr. B. Venkatesh Rao, Mr. Jitendra M. Desai and Ms. Uttara J. Desai)

Independent Directors : 0.00 (Since no remuneration paid for the F.Y. 2019-20)

[Lt. Col. Ashok Mahajan (Retd.), Col Surinder Kumar (Retd.), Brig. Amrit Kapur (Retd.), Brig. Rajeshwar Singh Rathore (Retd.) and Mrs. P. Neeraja]

2. % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees:

The median remuneration of employees increased by 8.09% as compared to previous year whereas there is no change in the remuneration of Directors. The remuneration payable to CFO increased by 6.19 % and that of Company Secretary increased by 14.00%.

3. The number of permanent employees on the role of Company as of 31<sup>st</sup> March, 2020 is 5776.

Average percentile increase in managerial remuneration with that of increase in remuneration of other employees: There was no change in the remuneration of Directors whereas the average increase in remuneration of other employees was 8.07%. The remuneration of CFO increased by 6.19% and that of Company Secretary increased by 14.00%.

4. Affirmation that remuneration is as per remuneration policy of the Company: It is hereby affirmed that the remuneration paid to all managerial personnel and other directors is as per the remuneration policy of the Company.

For Venky's (India) Limited

Pune  
June 29, 2020

**Anuradha J. Desai**  
Chairperson

**Annexure D (Contd.)**  
Information of employees pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

No.	Name	Designation	Remuneration (In Rs.)	Qualification	Exp (In years)	Date of joining the Company	Age (In Years)	Last employment
1	N. K. Toshniwal	GM-Material & Purchase	1,00,44,000	B.Com	30	10.11.1989	63	M. P. Glychem Industries Limited
2	Benard Thomas	Executive Chef	96,18,213	Degree in Food Production	21	06.04.2016	39	Petit Journal, Paris.
3	Vijay Tijare	GM-Sales & Marketing	44,64,961	M.V.Sc&AH	34	14.12.1985	60	Govt. of Maharashtra
4	Deepak Khosla	GM-Marketing	33,18,085	B.Com	35	13.04.1985	55	N.A.
5	J. K. Handa	GM-Accounts & Finance	34,51,200	M.Com	39	13.05.1981	61	N.A.
6	Dilip G. Kadam	GM-Production	32,98,800	B.Pharm DBM	40	11.11.1990	61	Almet Corporation
7	Mukund Divekar	GM-Purchase	32,08,290	B.Com, Diploma in Material Management	36	15.03.1989	61	Serum Institute of India Ltd.
8	Dr. S. P. Singh	GM – North	32,40,000	B.V.Sc. & A.H. (Batchelor of Veterinary Sciences & Animal Husbandry)	44	05.11.1952	67	CSR Poultry Research & Breeding Farms Pvt. Ltd.
9	Uday Sawant	GM-Plant	29,14,400	M.Sc (Fisheries Management), M.M.S.	32	15.01.1988	56	N.A.
10	Danveer Singh	GM-Operations	31,78,102	B.V.Sc&AH	26	10.12.1993	51	N.A

**Notes:**

- 1.The nature of appointment is contractual for all the above employees.
- 2.None of the above employees are relatives of Directors of the Company.
- 3.None of the above employee holds two percent or more of paid up capital of the Company.



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members,

VENKY'S (INDIA) LIMITED,  
"Venkateshwara House",  
S.No.114/A/2, Pune-Sinhagad Road,  
Pune - 411030.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VENKY'S (INDIA) LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder and the Company is required to file all pending forms and returns by 30/09/2020 as per CFSS-2020.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the audit period)
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the audit period)
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period)
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period) and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the audit period)
- (vi) The following other laws as applicable to the Company:
- Food Safety and Standards Act, 2006 & Rules and Regulations made thereunder.
  - Foods and Drugs Administration Laws.
  - Drug Price Control Order, 2013.
  - Drugs and Cosmetic Act, 1940, Drugs and Cosmetic (Amendment) Act, 2008 and Rules and Regulations made thereunder.
  - Legal Metrology Act, 2009 & Rules and Regulations made thereunder.
  - The Environment (Protection) Act, 1986
  - The Water (Prevention and Control of Pollution) Act, 1974
  - The Air (Prevention and Control of Pollution) Act, 1981
  - Agricultural Produce Marketing (Regulation) Act, Maharashtra 1963
  - Edible Oil Packaging Order, 1990
  - Factories Act, 1948
  - Local Gram Panchayat Laws.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited, read with SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.





## Venky's (India) Limited

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I further report that adequate systems and processes are in place in the Company to monitor and ensure compliance with general laws like labour laws, finance laws and tax laws.

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

I further report that the compliances by the Company of applicable financial laws like direct and indirect tax laws, have not been reviewed in this Audit since the same are subject to review by statutory financial audit.

I further report that the Board of Directors of the Company was not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors under Regulation 17(1) of SEBI (LODR) Regulations, 2015 till 11<sup>th</sup> November, 2019 during the period. However, with effect from 12<sup>th</sup> November, 2019 the Company is compliance with the said Regulation 17(1) of the Listing Regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

I further report that as per the minutes of the meetings recorded and signed by the Chairperson, the decisions of the Board were unanimous and no dissenting views of the Directors have been noticed in the Minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

Pune  
June 29, 2020

**P. L. Shettigar**  
Practicing Company Secretary  
FCS 3816/C.P.NO.2917  
UDIN: F003816B000396054

## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

To  
The Board of Directors  
**VENKY'S (INDIA) LIMITED**

Dear Madam / Sirs,

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

- (a) We have reviewed the financial statements and the cash flow statements for the year ended on 31<sup>st</sup> March, 2020 and based on our knowledge and belief, we state that:
  - (i) these statements do not contain any material untrue statement or omit any material fact or contain any statement that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.  
We hereby declare that all the Members of the Board of Directors and Senior Management have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining internal control and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Pune  
June 29, 2020

**B. Balaji Rao**  
Managing Director

**J. K. Handa**  
Chief Financial Officer



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Venky's (India) Limited** ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss, (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to note 1.2 to the financial statements, which describes the impact of COVID-19 pandemic on the operations of the Company. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- (i) **Valuation of Biological Assets-** (as described in note 1(j), note 3.2 and note 7.2 of the financial statements)

#### Description of Key Audit Matter:

Biological assets include Poultry for live-stock breeding (Broiler and Layer Parents), hatching eggs, Specific Pathogen Free Eggs (S.P.F Eggs), Commercial Eggs and live commercial birds (Broiler and Layer). Biological assets, except breeder flock and commercial layer birds are measured at fair value less cost to sell.

Ind AS 41- Agriculture and Ind AS 113 – Fair Value Measurement deal with recognition and measurement of fair value of biological assets respectively. The fair value measurement requires consideration of market approach, cost approach and income approach.

Considering the distinctiveness of lifecycle of Biological Assets, the market benchmarks for valuation are difficult to ascertain / find. Additionally, the determination of best fit valuation technique using fair value estimates is a complex process involving significant judgments and estimates regarding inputs. The value of the Company's biological assets as at 31<sup>st</sup> March, 2020 amounts to INR 11,463.48 Lakhs, which is a significant component of the Balance Sheet. Therefore, we have considered it to be a key audit matter.

#### Description of Auditor's response:

We have gained adequate understanding of the nature of biological assets lifecycle and applied the prescriptions given in Ind AS 41 and Ind AS 113 in their context. We have undertaken audit procedures in relation to accounting of biological assets, controls exercised and valuation methods adopted by the management over biological assets with a view to evaluate their appropriateness and compliance with the applicable accounting principles.

Identification and classification of biological assets is a key determinant and was examined and evaluated. We analysed the valuation approaches adopted by management for each class of biological assets for their appropriateness based on the principle of highest and best possible use as laid down in Ind AS 41. We also audited the methodology used by the Company and verified reasonableness of inputs / assumptions used by the Company including production life cycle, feed consumption and mortality rates. Further we have analytically reviewed the results of valuation and compared the same with the past trends. Finally, the appropriateness and adequacy of the presentation and disclosure of biological assets in the financial statements was audited.

**(ii) Transactions with related parties -** (as described in note 13 of the financial statements)

**Description of Key Audit Matter:**

The Company operates within a conglomerate of group entities. The parent company and associates, operate in the line of business as the Company. The transactions with related parties are significant that have effect over both profit and loss and balance sheet described in detail in Note 13 of financial statements and include sales, purchases and Advances etc.

These group companies operate in the same sector and have significant transactions amongst themselves during the year. Such transactions with related parties are necessitated to be at arm's length, they involve significant cash flow between parties, intercompany contracts, and common management amongst other things, they are considered to be a key audit matter.

**Description of Auditor's response:**

Audit procedure included identification of related party relationships, classification, examination of transactions from the perspective of arms length criteria adopted by the Board of Directors, risks attached to items such as guarantees, interest rate and recovery of other receivable, ageing and provisioning policies and practices, review of confirmation and reconciliation process, review of controls and analytical review of various account balances and transaction balances amongst other things.

**Other Information**

The Company's Board of Directors is responsible for the other information. The Other information

comprises the Management Discussion and Analysis Report, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance and Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless



management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

In view of the national lockdown due to COVID-19 pandemic, the physical verification procedures for inventory could not be carried out by the management in the manner it is generally carried out at the year end and our attendance was impracticable. Consequently, we have performed alternate procedures as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence regarding the existence of inventory. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representation received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal

financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 7.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
Firm Registration No: 104345W

**Raman Jokhakar**  
Partner

Mumbai  
June 29, 2020

Membership No.103241  
UDIN: 20103241AAAADB1406



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report on financial statements of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, during the current financial year large part of physical verification in accordance with a phased program of verification could not be carried out due to nationwide lockdown imposed by the Government of India. We are informed that the fixed assets of the Company that could not be verified in accordance with the phased program of verification designed to cover all assets over a period of three years, will be included in the following year once the situation becomes normal. In our opinion, the said program is reasonable having regard to the size of the Company and the nature of its assets. In respect of the Fixed Assets that were physically verified, no material discrepancies were noticed
- (c) Based on audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements of the Company and based on records produced to us and according to information and explanations provided by the management, the title deeds of immovable properties forming part of property, plant and equipment, are held in the name of the Company except for the cases mentioned below wherein it is informed to us that registration of said property is in process

(Rupees in Lakhs)

Particulars	Location	Total number of cases	Gross block as at March 31, 2020	Net block as at March 31, 2020
Freehold Land and Building thereon	Nalagarh, Larsouli	2	1,673.03	1,548.70

- ii. As explained to us, the management has conducted physical verification of its inventories during the year. In our opinion, having regards to size of the Company and nature of its business, the frequency of verification is reasonable. Based on records produced to us, 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 any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, sub clause (a), (b) and (c) of the paragraph 3 (iii) are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and securities, the provisions of section 185 and 186 of the Act have been complied with by the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of sections 73 to 76 or any relevant provisions of the Act and the rules framed there under.
- vi. We have broadly reviewed the cost accounting records maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rules, 2013 prescribed by the Central Government under section 148(1) of the Act. However, we have not made a detailed examination of the records with a view to determine its accuracy. Based on our review we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii. 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, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues applicable to it. As per the records of the Company, as at March 31, 2020, the Company does not have any undisputed statutory dues which are outstanding for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, the particulars of

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dues in respect of income tax (including TDS), sales tax, service tax, goods and services tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending as on March 31, 2020 are as given below:

Nature of the Statute	Nature of Dues	Amount Involved (Rupees in Lakhs)	Amount paid / adjusted under protest (Rupees in Lakhs)	Period	Forum where dispute is pending
Central Sales Tax Act, 1956 and sales tax acts of various states	Sales Tax	84.77	63.67	1991 – 1992 1992 - 1993 1993 - 1994 1994 - 1995 1995 – 1996	High Court, Mumbai
		16.60	-	2001 - 2002	Assistant Commissioner, Trade Tax, Dehradun
		0.45	0.45	2002 - 2003	Deputy Commissioner Appeal -II, Trade Tax, Dehradun
		40.15	-	2004 - 2005 2006 – 2007	WBCT appellate and Revisional Board, West Bengal
		29.21	31.92	2008 – 2009	Sales Tax Dep, Telangana
Central Sales Tax Act, 1956 and sales tax acts of various states	Sales Tax	0.36	0.43	2012 - 2013	Kerala Value Added Tax Appellate Tribunal, Palakkad
		7.68	5.57	2012 - 2013 2013 - 2014 2014 – 2015	Deputy Commissioner (Appeals) Sales Tax, Uttar Pradesh
		15.00	15.00	2012 – 2013	Maharashtra Sales Tax Tribunal
Central Excise Act, 1944	Duty of Excise	535.62	535.62	2011 – 2012 2013 - 2014 2014 – 2015 2015 – 2016 2016 – 2017 2017 – 2018	The Commissioner, Central Excise, Pune
		693.65	26.01	2012 – 2017	CESTAT Mumbai
		1.11	0.11	2012 – 2017	The Commissioner, Central Excise, Nagpur
Income Tax Act, 1961	Income Tax	141.19	141.19	2017-2018	Commissioner of Income Tax, Appeals, Pune - 11.

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.

ix. On the basis of overall examination of the balance sheet of the Company and according to the information and explanations provided to us, we report that monies raised by way of term loans were applied for the purposes for which those were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument).





## Venky's (India) Limited

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- x. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year. Therefore, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the provisions of paragraph 3(xvi) of the Order is not applicable.

**For B. D. Jokhakar & Co.**  
Chartered Accountants  
Firm Registration No: 104345W

**Raman Jokhakar**  
Partner  
Membership No.103241  
UDIN: 20103241AAAADB1406

Mumbai  
June 29, 2020

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report on financial statements of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Venky's (India) Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management



## Venky's (India) Limited

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override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. D. Jekhakar & Co.**  
Chartered Accountants  
Firm Registration No: 104345W

Mumbai  
June 29, 2020

**Raman Jekhakar**  
Partner  
Membership No.103241  
UDIN: 20103241AAAADB1406

# Financial Statements



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(Rupees in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	2.1	55,419.08	49,081.63
Capital work-in-progress	2.2	5,275.32	6,643.22
Right of use asset	2.3	654.46	-
Goodwill	2.3	1,009.94	1,009.94
Computer Software	2.3	22.63	12.40
<b>Financial Assets</b>			
- Loans	2.4	5.19	17.77
- Other financial assets	2.5	6,494.07	7,291.60
Income tax assets (net)	2.6	3,482.73	516.21
Other non-current assets	2.7	1,895.11	2,125.25
	<b>(a)</b>	<b>74,258.53</b>	<b>66,698.02</b>
<b>CURRENT ASSETS</b>			
Inventories	3.1	11,130.74	20,883.96
Biological assets	3.2	11,463.48	18,561.55
<b>Financial assets</b>			
- Investments	3.3	703.05	614.72
- Trade receivables	3.4	44,842.86	30,554.92
- Cash and cash equivalents	3.5	516.19	930.25
- Bank balances other than cash and cash equivalents	3.6	14,718.31	14,459.95
- Loans	3.7	109.35	118.20
- Other financial assets	3.8	1,208.64	1,752.16
Other current assets	3.9	779.64	1,159.13
	<b>(b)</b>	<b>85,472.26</b>	<b>89,034.84</b>
<b>Total Assets (a+b)</b>		<b>159,730.79</b>	<b>155,732.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	4.1	1,408.74	1,408.74
Other Equity	4.2	82,217.49	86,740.49
	<b>(a)</b>	<b>83,626.23</b>	<b>88,149.23</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	5.1	2,058.38	3,993.21
- Lease liabilities	5.2	722.01	-
- Other financial liabilities	5.3	96.44	86.10
Provisions	5.4	1,460.84	1,186.20
Deferred tax liabilities (net)	5.5	1,195.20	3,522.86
Other non current liabilities	5.6	23.98	26.96
	<b>(b)</b>	<b>5,556.85</b>	<b>8,815.33</b>

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**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(Rupees in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current Liabilities</b>			
Financial liabilities			
- Borrowings	6.1	25,456.17	18,939.82
- Trade payables			
Dues to micro enterprises and small enterprises	6.2	221.91	197.58
Dues to others	6.2	38,320.23	27,861.27
- Other financial liabilities	6.3	3,574.01	5,264.98
Other current liabilities	6.4	2,075.45	5,657.77
Provisions	6.5	899.94	329.98
Current tax liabilities (net)	2.6	-	516.90
	(c)	70,547.71	58,768.30
<b>Total Equity and Liabilities (a+b+c)</b>		<b>159,730.79</b>	<b>155,732.86</b>

Summary of significant accounting policies 1

The accompanying notes form an integral part of the financial statements

As per our report of even date

For **B.D. JOKHAKAR & CO.**  
*Chartered Accountants*  
Firm Registration Number : 104345W

**RAMAN JOKHAKAR**  
*Partner*  
Membership Number : 103241

Place : Mumbai  
Date : June 29, 2020

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

**ANURADHA J. DESAI**  
*Chairperson*  
DIN : 00012212

**B. BALAJI RAO**  
*Managing Director*  
DIN : 00013551

Place : Pune  
Date : June 29, 2020

**B. VENKATESH RAO**  
*Vice Chairman*  
DIN : 00013614

**J. K. HANDA**  
*Chief Financial Officer*

**ROHAN BHAGWAT**  
*Company Secretary*  
Membership Number : A26954



Venky's (India) Limited

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Rupees in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>INCOME</b>			
Revenue From Operations	8.1	326,102.33	304,313.51
Other Income	8.2	3,541.08	2,901.17
<b>TOTAL INCOME (I)</b>		<b>329,643.41</b>	<b>307,214.68</b>
<b>EXPENSES</b>			
Cost of materials consumed	9.1	245,505.93	206,919.83
Purchases of bearer biological assets	9.2	4,126.66	4,835.41
Purchases of Stock-in-Trade	9.3	14,536.76	12,061.07
Changes in inventories of finished goods, Stock-in -Trade, work-in-progress and Biological assets	9.4	7,386.46	(3,680.48)
Employee benefits expense	9.5	21,987.21	19,448.72
Finance costs	9.6	2,950.63	3,154.86
Depreciation and amortization expense	2.1, 2.3	3,425.30	2,934.96
Impairment of goodwill	2.3	-	257.80
Other expenses	9.7	34,695.08	33,630.14
<b>TOTAL EXPENSES (II)</b>		<b>334,614.03</b>	<b>279,562.31</b>
<b>PROFIT/(LOSS) BEFORE TAX (I-II)</b>		<b>(4,970.62)</b>	<b>27,652.37</b>
Less: Tax expense/(Tax Income):			
Current tax		-	9,950.00
Deferred tax		(2,177.23)	10.60
Tax adjustment in respect of earlier period		(77.13)	277.70
	10	<b>(2,254.36)</b>	<b>10,238.30</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>A</b>	<b>(2,716.26)</b>	<b>17,414.07</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gains / (losses) on defined benefit plans		(540.71)	(123.72)
Less: Income tax effect		(136.08)	(43.23)
		<b>(404.63)</b>	<b>(80.49)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
The effective portion of gains/(loss) on hedging instruments in a cash flow hedge		(8.16)	89.44
Less: Income tax effect		(2.05)	31.06
		<b>(6.11)</b>	<b>58.38</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>B</b>	<b>(410.74)</b>	<b>(22.11)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(A+B)</b>	<b>(3,127.00)</b>	<b>17,391.96</b>
<b>EARNINGS PER SHARE</b>			
[Nominal value of shares: Rs. 10/-per equity share; Previous year: Rs. 10/-]	15		
Basic		(19.28)	123.62
Diluted		(19.28)	123.62
Summary of significant accounting policies 1			
The accompanying notes form an integral part of the financial statements			

As per our report of even date

For **B.D. JOKHAKAR & CO.**  
Chartered Accountants  
Firm Registration Number : 104345W  
**RAMAN JOKHAKAR**  
Partner  
Membership Number : 103241

Place : Mumbai  
Date : June 29, 2020

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

**ANURADHA J. DESAI**  
Chairperson  
DIN : 00012212  
**B. BALAJI RAO**  
Managing Director  
DIN : 00013551

Place : Pune  
Date : June 29, 2020

**B. VENKATESH RAO**  
Vice Chairman  
DIN : 00013614  
**J. K. HANDA**  
Chief Financial Officer

**ROHAN BHAGWAT**  
Company Secretary  
Membership Number : A26954

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(4,970.62)	27,652.37
Adjustments for:		
Depreciation and amortization expense	3,425.30	2,934.96
Impairment of goodwill	-	257.80
Interest income	(1,814.37)	(1,546.36)
Finance cost	2,950.63	3,154.86
Government grant amortized in statement of profit and loss	(2.98)	(2.99)
Fair value changes in biological assets	5,270.12	(1,915.05)
Loss on property, plant & equipment sold/ discarded (net)	31.11	55.62
Fair Value adjustment/Gain on sale of current investments (net)	(92.84)	(4.72)
Provision for credit impaired debts and advances	212.37	70.81
Profit on lease modification	(2.71)	-
Loss/(Gain) on unrealised foreign exchange (net)	59.81	(12.76)
<b>Operating profit before changes in assets and liabilities</b>	<b>5,065.82</b>	<b>30,644.54</b>
<b>Changes in assets and liabilities</b>		
Inventories	9,753.21	(4,663.80)
Biological assets	1,827.94	(3,032.72)
Trade receivables & other financial assets	(14,742.20)	(1,734.61)
Non financial assets	334.35	660.99
Trade payables and other financial liabilities	10,442.92	5,266.66
Non financial liabilities and provisions	(3,278.42)	(208.60)
<b>Cash generated from operations</b>	<b>9,403.62</b>	<b>26,932.46</b>
Direct taxes paid	(3,587.66)	(11,041.74)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>5,815.96</b>	<b>15,890.72</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	51.03	27.03
Payments towards capital expenditure	(8,366.11)	(10,183.80)
Proceeds/(Payments) towards sales/purchases in mutual funds (net)	4.52	(610.00)
Capital advances received back	1,200.00	3,000.00
Intercorporate deposits placed	-	(1,880.00)
Intercorporate deposits received back	-	4,268.75
Interest received	1,806.17	1,551.39
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,304.39)</b>	<b>(3,826.63)</b>





**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	1,474.98	1,385.72
Repayment of long-term borrowings	(4,382.92)	(10,389.79)
Proceeds from short-term borrowings (net of repayments)	6,516.35	1,650.29
Finance cost paid	(3,185.88)	(3,355.97)
Dividend paid (including dividend distribution tax)	(1,348.16)	(1,332.62)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(925.63)</u>	<u>(12,042.37)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(414.06)	21.72
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	930.25	908.53
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>516.19</u>	<u>930.25</u>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Balances with banks in:		
current accounts	205.20	148.05
deposit accounts with original maturity of less than three months	4.21	3.03
unclaimed dividend accounts*	153.54	143.05
unclaimed fractional shares account*	3.80	3.80
Cheques, drafts on hand	15.83	492.85
Cash on hand	133.61	139.47
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>516.19</u>	<u>930.25</u>

\* The Company can utilise these balances only towards settlement of the unclaimed dividends and fractional shares proceeds.

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### Reconciliation of changes in liabilities arising from financing activities

(Rupees in Lakhs)

Particulars	Note No.	Opening Balance	Financing Cash flow changes	Non Cash flow changes		Closing Balance
				Effect of changes in foreign exchange rates	Effect of Effective Interest rate / Impact of IND AS 116	
Non-current liabilities						
- Borrowings	5.1	7,821.78	(2,907.94)	(132.38)	15.79	4,797.25
Current Liabilities						
- Borrowings	6.1	18,939.82	6,516.35	-	-	25,456.17
- Lease liabilities	6.2	-	(268.68)	-	990.69	722.01
- Other financial liabilities	6.3					
Interest accrued		179.48	11.02	-	-	190.50
Unpaid dividends		143.05	10.49	-	-	153.54
<b>Total</b>		<b>27,084.13</b>	<b>3,361.24</b>	<b>(132.38)</b>	<b>1,006.48</b>	<b>31,319.47</b>

### Cash and cash equivalents

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

### Cash flow statement

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

As per our report of even date

For **B.D. JOKHAKAR & CO.**  
Chartered Accountants  
Firm Registration Number : 104345W

**RAMAN JOKHAKAR**  
Partner  
Membership Number : 103241

Place : Mumbai  
Date : June 29, 2020

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

**ANURADHA J. DESAI**  
Chairperson  
DIN : 00012212

**B. BALAJI RAO**  
Managing Director  
DIN : 00013551

Place : Pune  
Date : June 29, 2020

**B. VENKATESH RAO**  
Vice Chairman  
DIN : 00013614

**J. K. HANDA**  
Chief Financial Officer

**ROHAN BHAGWAT**  
Company Secretary  
Membership Number : A26954



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

		(Rupees in Lakhs)				
		Balance at the beginning of the year	Changes in equity share capital during the year	Retained Earnings	Cash Flow Hedge Reserve	Balance at the end of the year
<b>A.</b>	<b>Equity Share Capital</b>					
	Equity shares of Rupees 10/- each Fully paid up	1,408.74	-	-	-	1,408.74
	2019-20	1,408.74	-	-	-	1,408.74
	2018-19	1,408.74	-	-	-	1,408.74
<b>B.</b>	<b>Other Equity</b>	<b>Reserves and Surplus</b>				
		Profit on Reissue of forfeited shares and debentures	Amalgamation Reserve	General Reserve		<b>Total</b>
<b>2019-20</b>						
	Balance at the beginning of the year	1.64	75.95	44,830.83	(1.39)	<b>86,740.49</b>
	Transitional Adjustment on Adoption of Ind AS 116	-	-	(37.15)	-	<b>(37.15)</b>
	Deferred tax adjustment on account of change in tax rate	-	-	-	(0.20)	<b>(0.20)</b>
	Profit for the year	-	-	(2,716.26)	-	<b>(2,716.26)</b>
	Comprehensive Income for the year	-	-	(404.63)	(6.11)	<b>(410.74)</b>
	Transfer to General reserve from retained earnings	-	-	-	-	-
	Dividends	-	-	(1,126.99)	-	<b>(1,126.99)</b>
	Dividend Distribution Tax	-	-	(231.66)	-	<b>(231.66)</b>
	<b>Balance at the end of the year</b>	<b>1.64</b>	<b>75.95</b>	<b>44,830.83</b>	<b>(7.70)</b>	<b>82,217.49</b>
<b>2018-19</b>						
	Balance at the beginning of the year	1.64	75.95	39,830.83	(59.77)	<b>70,707.18</b>
	Profit for the year	-	-	17,414.07	-	<b>17,414.07</b>
	Comprehensive Income for the year	-	-	(80.49)	58.38	<b>(22.11)</b>
	Transfer to General reserve from retained earnings	-	-	5,000.00	-	-
	Dividends	-	-	(1,126.99)	-	<b>(1,126.99)</b>
	Dividend Distribution Tax	-	-	(231.66)	-	<b>(231.66)</b>
	<b>Balance at the end of the year</b>	<b>1.64</b>	<b>75.95</b>	<b>44,830.83</b>	<b>(1.39)</b>	<b>86,740.49</b>

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of

**VENKY'S (INDIA) LIMITED**

**For B.D. JOKHAKAR & CO.**

Chartered Accountants

Firm Registration Number : 1043445W

**RAMAN JOKHAKAR**

Partner

Membership Number : 103241

**ANURADHA J. DESAI**

Chairperson

DIN : 00012212

**B. BALAJI RAO**

Managing Director

DIN : 00013551

**B. VENKATESH RAO**

Vice Chairman

DIN : 00013614

**J. K. HANDA**

Chief Financial Officer

Place : Mumbai  
Date : June 29, 2020

**ROHAN BHAGWAT**  
Company Secretary  
Membership Number : A26954

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1.1 CORPORATE INFORMATION

Venky's (India) Limited ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Venkateshwara House, S. No. 114/A/2, Pune-Sinhagad Road, Pune 411 030.

The Company has diversified its activities in poultry sector that includes production of SPF eggs, chicken and eggs processing, broiler and layer breeding, animal health products, Poultry feed & equipment, soya bean extract and many more. The Company has its growing and other manufacturing facilities across India and sells primarily in India.

Venkateshwara Hatcheries Private Limited, the holding Company owned 51.02% of the Company's equity share capital.

The financial statements for the year ended 31<sup>st</sup> March 2020 were approved by the Board of Directors and authorised for issue on 29<sup>th</sup> June 2020.

### 1.2 BASIS OF PREPARATION

#### Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments through Companies (Indian Accounting Standards) Amendment Rules thereafter.

The financial statements have been prepared on accrual and going concern basis. Except for the changes below, the accounting policies are applied consistently to all the periods presented in the financial statements.

- i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Refer Note 14 for further details.

#### Current / non-current classification

All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current or non-current classification of assets and liabilities.

#### Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the assets and liabilities that require measurement at fair value in accordance with Ind AS. These assets and liabilities mainly consist of biological assets and certain financial instruments (including derivative instruments). In addition, the carrying values of recognised liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs (INR 00,000) except otherwise indicated.

### IMPACT OF COVID 19

COVID 19 was declared as a worldwide epidemic and caused slowdown and disruption in India as well as most parts of the world. Businesses were forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

On 24th March 2020, the Government of India ordered a sudden nationwide lockdown for 21 days which further got extended till 3rd May 2020 and further extended to 31st May 2020 to prevent community spread of COVID-19 in India resulting in disruption of operations of businesses resulting into reduction in economic activities, interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities for temporary period etc.

Many of the poultry production facilities were not closed during lockdown, since they are part of essential services. There was temporary closure in respect of Animal Health Products Unit (from 3rd week of March to 3rd week of May) and Chicken Processing Plant (from 4th week of March to 2nd week of April, 2020). Presently, all the business units are in operation, in a phased manner, in line with the directives of the statutory authorities. The year end date fell during the lockdown period, and hence year end procedures could not be carried out in the usual manner.

The company has considered the possible effects that may result from the pandemic on its financial position and financial performance. In assessing the recoverability of Company's assets such as Investments, Loans, Intangible Assets, Goodwill, Trade receivable, Inventories, Biological Assets, etc. the Company has considered possible future uncertainties and used internal and external information in developing necessary assumptions and estimates. As at the date of approval of these financial statements, the Company has performed sensitivity analysis on the assumptions used based on internal and external sources / indicators of future economic conditions and expectation to recover at least the carrying amount of the assets.

Chicken sales had started declining from last week of January due to spread of false propaganda and rumours about corona virus infection by consuming Chicken. This reduced the demand drastically in the month of March which resulted in massive fall of sale prices to the extent that they fell below the cost of production. This was further aggravated during the lockdown period where transportation of feed & chicken from and to the market was severely disrupted.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

### 1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Key accounting estimates and judgements

The preparation and presentation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Accounting estimates could change from period to period. Any revision to accounting estimates is recognized prospectively in the current and future periods, and if material, their effects are disclosed in the financial statements. Actual results could differ from the estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

1. Measurement of defined benefit obligations
2. Measurement and likelihood of occurrence of contingencies
3. Recognition of deferred tax assets
4. Impairment of intangible assets
5. Measurement and recognition of cash flow hedges
6. Determination of fair value of biological assets

### **b. Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any; except for land including lease hold land, which is stated at cost less impairment, if any. Cost comprises of purchase price net of trade discounts and rebates, non-refundable duties and taxes, any directly attributable cost of bringing the asset to its working condition for its intended use. Cost also includes borrowing cost directly attributable to acquisition / construction of a qualifying asset up to the date the asset is ready for its intended use.

Subsequent expenditure on fixed assets is capitalised only if such expenditure results into an increase in the future economic benefits from such asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Capital work-in-progress comprises the cost of property, plant and equipment that are yet not ready for their intended use at the balance sheet date.

The depreciable amount of a depreciable fixed asset is allocated on a systematic basis to each accounting period over the useful life of the asset. Management's estimate of useful life is as stipulated in Schedule II to the Companies Act, 2013.

The useful life is for the whole of the asset, except where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("component") is determined separately and the depreciable amount of the said component is allocated on a systematic basis to each accounting period during the useful life of the asset

In arriving at the depreciable amount, residual values considered are not more than 5% of the original cost of the asset. The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

Leasehold improvements are amortised over a period of lease or useful life whichever is less.

Depreciation on assets acquired during the year is calculated on a pro-rata basis from the date of addition. Similarly, depreciation on assets sold, discarded, demolished or destroyed during the year is also calculated on a pro rata basis up to the date on which such asset has been sold, discarded, demolished or destroyed. Depreciable assets costing up to Rupees 5,000/- are depreciated fully in the year of acquisition.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### c. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income (herein after referred to as "OCI"). If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. An intangible asset shall be regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Indefinite life intangibles mainly consist of brands/ trade mark/ Technical know-how etc. The assessment of indefinite life is reviewed annually to determine

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

whether the indefinite life continues. If not, it is impaired or changed prospectively basis revised estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortization expense on intangible assets is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Acquired intangible assets are amortized on a straight line basis over the useful lives of the intangible assets, as estimated by the management. Management estimate of useful life of Intangible assets are as follows:

Software	-	3 years
Trade mark/Technical know-how/License cost	-	5 years

### e. Impairment of assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss.

If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the reversal of





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

the previously recognised impairment loss is recognised in profit or loss section of the statement of profit and loss.

### f. Fair value measurement

The Company measures financial instruments such as derivatives and certain non-financial assets such as biological assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management of the Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as assets held for distribution in discontinued operations.

Independent external valuers are involved for valuation of derivative for hedge agreements. Criteria for selection of the independent external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the independent external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### g. Income Taxes

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

The deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

### h. Government grants

Government grants are recognized by the company where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. Revenue grants are recognized in the statement of profit and loss in the same period, in which the related costs are incurred are accounted for.

Government grants related to assets are recognized / presented as deferred income, i.e. wherever the company receives capital grants towards asset acquisition, the grant received thereon are recognized as an income in the statement of profit and loss over the useful life of the asset.

### i. Inventories

Inventories are valued at lower of cost and net realizable value (except as otherwise stated) on an item-by-item basis, as under:

#### **Raw materials, packing materials, stores and spares:**

Cost of inventory comprises all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in first-out formula.

Cost of oilseeds inventories is determined on quarterly moving weighted average basis.

#### **Work-in-progress and finished goods:**

Cost includes direct materials and costs of conversion in the form of Labour and a systematic allocation of fixed and variable production overheads. It also includes other costs which are incurred in bringing the inventories to their present location and condition. The allocation of fixed production overheads is based on normal capacity of production. Realisable value of pre-determined normal rate of scrap is deducted from the cost of inventories. However, cost of inventories neither includes abnormal amounts of wasted material nor any scrap realisations there from.

By products and scrap are recognised at their net realisable value.

For the production processes which result in more than one product being produced, costs of conversion are allocated between the joint products based on relative sales value of each product at the stage when the products become separately identifiable. Net realizable value of by-products as well as scrap is deducted from the cost of main product.

#### **Stock-in-trade:**

Cost includes cost of purchases, duties and taxes (other than those subsequently recoverable from authorities) and other costs which are incurred in bringing the inventories to their present location and condition. Cost is determined on a first-in first-out formula.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make sale.

### j. Biological Assets

Biological assets include Poultry for live-stock breeding parent (Broiler and Layer), hatching eggs and live commercial birds (Broiler and Layer).

Biological assets, except breeder flocks and commercial layer birds are measured at fair value less cost to sell.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The valuation of the Breeder biological assets and commercial layer birds are determined on the following basis:

Birds are used for captive consumption or to support farmers, it is uncommon to be sold before the end of its useful life and as such, there is no active market for the Company's useful breeding stock and commercial layer birds. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, breeder flocks and commercial layer birds are measured at cost, less depreciation and impairment losses.

Breeder flocks are depreciated over the production cycle which is estimated to be ten to twelve months on average based on anticipated output month to month.

The fair value of the consumable biological assets is determined on the following basis:

The fair values of biological assets are level 3 fair values and are determined based on market prices or where market prices are not available, by reference to sector benchmarks.

Level 1 inputs could not be used due to the unique breed used by the Company due to which identical products are not available in the market.

Level 2 inputs require adjustments to be made in quoted or unquoted prices available for similar products. The qualitative adjustments are highly subjective and may not show the true & fair picture. Hence, Level 2 inputs are ruled out from the selection criteria of valuation.

Gain and losses arising on the initial recognition of biological asset at fair value less estimated point of sale costs and from a change in fair value less estimated point-of-sale costs are recognised in the statement of profit and loss in the period in which they arise.

### k. Investments and other financial assets

#### Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

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

#### Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss account.

#### Debt instruments

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### - **Amortized cost**

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

### - **Fair value through other comprehensive income (FVOCI)**

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

### - **Fair value through profit or loss**

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

### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Note 7.3 details how the Company assesses the impairment losses.

### **Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Whether the Company has not transferred substantially all risks and rewards of ownership of financial asset, the financial asset is not derecognised.

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

### **Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (Cash flow hedges).

The Company documents at the beginning of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in the cash flows of hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

### **Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/ (losses).

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the fair value of the option contracts that relate the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Company designates the full change in the fair value of the forward contract (including forward points) as the hedging instrument. Gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedge item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any accumulated deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purpose is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedge item so that the hedge ratio aligns with the ratio used for risk management purpose. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of hedge relationship rebalancing.

### **I. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **m. Trade receivables**

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

### **n. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash on deposit with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the balance sheet.

### **o. Borrowings**

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has not extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

### **p. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expense recognised in the profit and loss account over the period of borrowing using effective interest method and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **q. Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### r. Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### s. Revenue recognition

Revenue from contracts with customers is recognized on satisfaction of performance obligation, which occurs on transfer of control of promised goods or services to a customer i.e. at a point in time, at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

### Interest Income

Interest income is recognised using effective interest method on time proportion basis taking in to account the amount outstanding.

### Dividend income

Dividend income is recognised when the Company's right to receive is established by the reporting date, which is generally when shareholders approve the dividend.

### t. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease, if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than INR 1 Lakh in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, a lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Company has decided to recognise operating lease as expense/ income on a straight-line basis since the management believes that straight-line method is more representative of the time pattern of the user's benefit.

### **u. Foreign currencies**

The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the "functional currency").

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### v. Employee benefits

#### Short term employee benefits

All employee benefits which are expected to be settled 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

##### Defined Contribution Plans:

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

##### Defined benefit plan

##### Gratuity

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The surplus or deficit arising in the defined benefit plan on the balance sheet date comprises of the total for each of the fair value of plan assets less the present value of the defined liabilities.

The cost of providing benefits under the defined benefit plan is determined based on independent actuarial valuation using the projected unit credit method. The gratuity liability is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yield on government securities as at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment, and

The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

##### Other long term employee benefits:

Entitlement to annual leave is recognized when they accrue to employees. Annual leave can either be availed or en-cashed subject to a restriction on the maximum number of accumulation of leaves.



The present value of the liability is determined based on independent actuarial valuation using the Projected Unit credit method. The discount rates used for determining the present value of the liability is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

**w. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the management of the company.

**Identification of segments**

The Company's management examines the Company's performance both from a product and geographic perspective. The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic unit that offers different products and serves different markets.

The analysis of the geographical segments is based on the areas in which major operating divisions of the Company operate. Revenues and receivables are specified by location of customers while other geographical information is specified by the location of the assets. Since all the assets are located in India and revenue from customers located out of India is less than 10% of total revenue, there are no reportable geographical segments.

**Intersegment transfers**

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

**Allocation of common costs**

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

**Unallocated items**

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

**Segment accounting policies**

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

**x. Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.1 PROPERTY, PLANT AND EQUIPMENT

#### Measurement basis (Cost)

	Freehold Land <sup>1, 2 &amp; 3</sup>	Leasehold Land	Buildings <sup>1&amp;3</sup>	Plant and equipment	Furniture & fixtures	Vehicles	Office equipment	Electrical installation	Total
(Rupees in Lakhs)									
<b>2019-20</b>									
<b>Gross Carrying Value:</b>									
At the beginning of the year	8,425.64	641.85	29,112.74	26,651.53	1,163.69	2,014.78	1,344.00	6,221.89	75,576.12
Additions during the year	38.35	42.62	6,519.98	1,986.95	69.72	254.95	138.68	553.91	9,605.16
Disposals during the year	-	-	5.37	96.53	15.07	55.71	269.01	26.30	467.99
<b>At the end of the year</b>	<b>8,463.99</b>	<b>684.47</b>	<b>35,627.35</b>	<b>28,541.95</b>	<b>1,218.34</b>	<b>2,214.02</b>	<b>1,213.67</b>	<b>6,749.50</b>	<b>84,713.29</b>
<b>Accumulated depreciation:</b>									
At the beginning of the year	-	-	7,682.50	12,123.42	669.52	1,172.20	984.35	3,862.50	26,494.49
For the year	-	-	969.35	1,337.94	97.24	181.53	144.99	454.51	3,185.56
Disposals during the year	-	-	2.86	53.98	9.27	54.48	248.33	16.92	385.84
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>8,648.99</b>	<b>13,407.38</b>	<b>757.49</b>	<b>1,299.25</b>	<b>881.01</b>	<b>4,300.09</b>	<b>29,294.21</b>
<b>Net Carrying Value</b>	<b>8,463.99</b>	<b>684.47</b>	<b>26,978.36</b>	<b>15,134.57</b>	<b>460.85</b>	<b>914.77</b>	<b>332.66</b>	<b>2,449.41</b>	<b>55,419.08</b>
<b>2018-19</b>									
<b>Gross Carrying Value:</b>									
At the beginning of the year	7,962.10	330.07	27,133.17	24,445.85	1,004.10	1,937.51	1,201.24	5,736.45	69,750.49
Additions during the year	463.54	311.78	2,004.90	2,399.66	170.67	167.78	174.91	499.46	6,192.70
Disposals during the year	-	-	25.33	193.98	11.08	90.51	32.15	14.02	367.07
<b>At the end of the year</b>	<b>8,425.64</b>	<b>641.85</b>	<b>29,112.74</b>	<b>26,651.53</b>	<b>1,163.69</b>	<b>2,014.78</b>	<b>1,344.00</b>	<b>6,221.89</b>	<b>75,576.12</b>
<b>Accumulated depreciation:</b>									
At the beginning of the year	-	-	6,804.08	11,046.51	579.32	1,083.18	888.58	3,453.42	23,855.09
For the year	-	-	887.84	1,209.98	101.22	175.32	127.66	421.80	2,923.82
Disposals during the year	-	-	9.42	133.07	11.02	86.30	31.89	12.72	284.42
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>7,682.50</b>	<b>12,123.42</b>	<b>669.52</b>	<b>1,172.20</b>	<b>984.35</b>	<b>3,862.50</b>	<b>26,494.49</b>
<b>Net Carrying Value</b>	<b>8,425.64</b>	<b>641.85</b>	<b>21,430.24</b>	<b>14,528.11</b>	<b>494.17</b>	<b>842.58</b>	<b>359.65</b>	<b>2,359.39</b>	<b>49,081.63</b>

#### Notes:

- Gross carrying value includes land and building of Rupees 1,098.66 Lakhs (Previous year : Rupees 1,098.66 Lakhs) and Rupees 574.37 Lakhs (Previous year : Rupees 574.37 Lakhs) respectively for which title deed is yet to be executed as at 31st March 2020.
- Includes freehold land with a book value of Rupees 123.58 Lakhs (Previous year : Rupees 98.68 Lakhs) which is jointly owned by the Company with the ownership right to the extent of twenty five percent for Rs. 98.68 Lakhs (Previous year: Rupees 98.68 Lakhs) and thirty percent for Rs. 24.90 Lakhs (Previous year: Rupees "Nil").
- Gross carrying value includes land and building of Rupees 2,902.37 Lakhs (Previous year : Rupees 5,486.10 Lakhs) and Rupees 23,617.33 Lakhs (Previous year : Rupees 20,491.12 Lakhs) respectively which are mortgaged as a security against various long term and short term facilities (Refer Note No. 5.1 and 6.1).
- The Property, plant and Equipment includes assets given on operating lease mentioned in table below:



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Description	Gross Carrying value				Depreciation			Net carrying value	
	As at 1 <sup>st</sup> April 2019	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	
	30.14	790.04	1,608.30	406.55	628.87	65.01	30.14		
Freehold land <sup>6</sup>									
Buildings	34.87	818.26	1,608.30	406.55	628.87	65.01	30.14		
Plant and equipment	403.58	403.58	983.09	370.81	581.21	401.88	208.70		
Furniture & fixtures	1.00	17.52	17.52	16.45	17.39	0.13	0.07		
Vehicles	4.00	16.20	20.20	4.00	16.72	3.48	-		
Office equipment	15.85	0.45	16.30	15.52	15.58	0.72	0.33		
Electrical installation	164.42	143.93	308.35	142.14	253.12	55.23	22.28		
<b>Total</b>	<b>1,600.48</b>	<b>1,418.29</b>	<b>3,018.77</b>	<b>955.47</b>	<b>1,512.89</b>	<b>1,505.88</b>	<b>645.01</b>		

**Notes:**

- 5 Leases entered into during the year.  
 6 This represents cost of land that corresponds to the buildings given on lease.

### 2.2 CAPITAL WORK IN PROGRESS

Particulars	(Rupees in Lakhs)	
	2019-20	2018-19
At the beginning of the year	6,643.22	1,742.80
Additions during the year	7,939.89	10,947.72
Interest capitalised	297.37	145.40
Transfer to property, plant and equipment	9,605.16	6,192.70
<b>At the end of the year</b>	<b>5,275.32</b>	<b>6,643.22</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.3 RIGHT OF USE ASSET, GOODWILL AND COMPUTER SOFTWARE

(Rupees in Lakhs)

	Right of use asset	Goodwill <sup>7</sup>	Computer software
<b>2019-20</b>			
<b>Gross Carrying Value:</b>			
At the beginning of the year	-	1,262.43	251.06
Impact of adoption of Ind AS 116 (Refer Note 14)	836.60	-	-
Additions during the year	284.16	-	24.62
Disposals during the year	28.34	-	0.43
<b>At the end of the year</b>	<b>1,092.42</b>	<b>1,262.43</b>	<b>275.25</b>
<b>Amortization/Impairment:</b>			
At the beginning of the year	-	252.49	238.66
Impact of adoption of Ind AS 116 (Refer Note 14)	227.72	-	-
For the year <sup>8</sup>	225.35	-	14.39
Disposals during the year	15.11	-	0.43
<b>At the end of the year</b>	<b>437.96</b>	<b>252.49</b>	<b>252.62</b>
<b>Net Carrying Value</b>	<b>654.46</b>	<b>1,009.94</b>	<b>22.63</b>
<b>2018-19</b>			
<b>Gross Carrying Value:</b>			
At the beginning of the year	-	1,584.68	249.23
Additions during the year	-	-	1.83
Disposals during the year	-	322.25	-
<b>At the end of the year</b>	<b>-</b>	<b>1,262.43</b>	<b>251.06</b>
<b>Amortization/Impairment:</b>			
At the beginning of the year	-	316.94	227.52
For the year	-	257.80	11.14
Disposals during the year	-	322.25	-
<b>At the end of the year</b>	<b>-</b>	<b>252.49</b>	<b>238.66</b>
<b>Net Carrying Value</b>	<b>-</b>	<b>1,009.94</b>	<b>12.40</b>

**Notes:**

- 7 The Company tests Goodwill impairment at the end of each reporting period annually. Net carrying value of Goodwill of Rs. 1,009.94 Lakhs relates to the acquisition of North based poultry from Venkateshwara Hatcheries Private Limited in March 2014 situated at Naraingarh - Haryana and Nalagarh - Himachal Pradesh. This division is engaged in the production of commercial layer chicks.

The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management, which include assumptions on profit before interest and tax, depreciation, working capital movements and capital maintenance expenditure.

Cash flows have been forecasted to grow at 8%. Cash flows beyond a five-year period are extrapolated using the estimated growth rates stated below.

**Key assumptions used in the goodwill impairment test:**

Discount rate (%)	Perpetuity growth rate (%)	Period (years)
10%	3%	5

The perpetuity growth rate is consistent with long-term industry growth forecasts.

The discount rate reflects specific risks relating to the CGU.

**No impairment was required in the current year.**

**Sensitivity analysis of assumptions used in the goodwill impairment test:**

Discount rate – (%) -1%	Perpetuity growth rate – (%) -1%	Cash flow growth rate – (%) -1%
– Impairment (Rs) _Nil	– Impairment (Rs) _Nil	– Impairment (Rs) _Nil

- 8 During the financial year 2018-19, the company discontinued its packaging activity situated at Ludhiana, Punjab. Accordingly, net carrying value of Goodwill amounting to Rs. 257.80 Lakhs was impaired during the previous year.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>2.4 LOANS</b>		
<b>(Unsecured, considered good)</b>		
Loans and advances to employees	5.19	17.77
<b>Total</b>	<b>5.19</b>	<b>17.77</b>
<b>2.5 OTHER FINANCIAL ASSETS</b>		
Security deposits for utilities and premises		
Considered good <sup>9</sup>	1,494.07	1,395.74
Considered doubtful	13.95	11.42
	<b>1,508.02</b>	<b>1,407.16</b>
Less: Provision for impairment	13.95	11.42
	<b>1,494.07</b>	<b>1,395.74</b>
Derivative instruments <sup>11</sup>	-	389.41
Deposits held as margin money against guarantees <sup>12</sup>	-	6.45
Other receivables <sup>9&amp;10</sup>	5,000.00	5,500.00
<b>Total</b>	<b>6,494.07</b>	<b>7,291.60</b>

**Notes:**

**9 Include deposits and other receivables to**

Private companies in which some of the directors of the Company are directors/members

- Venkateshwara Hatcheries Private Limited (Holding Company)

5,150.82                      6,350.82

10 The amount of Rs. 5,900.00 Lakhs (Including Rs. 900.00 Lakhs shown as current) as at 31 March 2020 is the balance amount outstanding out of total amount of Rs. 10,100.00 Lakhs advance given to holding Company for purchase of land. The arrangement was terminated mutually during the financial year 2018-19 and the holding company has already paid an amount of Rs. 4,200.00 Lakhs along with interest @12.00% p.a. and the remaining amount will be paid in instalments as per the MoU with the said interest.

11 As per valuation carried out by an independent valuer.

12 Represents restricted bank balances against guarantees.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	(Rupees in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>2.6 INCOME TAX ASSET /(LIABILITY) (NET)</b>		
<b>Details of income tax liabilities and assets :</b>		
Income tax assets	3,482.73	516.21
Less: Current income tax liabilities	-	516.90
Net Income tax asset at the end	3,482.73	(0.69)
<b>The gross movement in the current income tax assets /(liabilities)</b>		
Net current income tax asset/(liability) at the beginning	(0.69)	(652.21)
Current income tax expense	-	(9,950.00)
Tax adjustment in respect of earlier period	77.13	(277.70)
Interest payable on income tax	(181.37)	(162.52)
Income tax paid during the year	3,587.66	11,041.74
Net current income tax asset/(liability) at the end	3,482.73	(0.69)
<b>2.7 OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured, considered good except as otherwise stated)</b>		
Capital advances		
Considered good	440.28	670.56
Considered doubtful	17.21	17.21
	457.49	687.77
Less: Provision for impairment	17.21	17.21
	440.28	670.56
Other advances		
Payments under protest	894.50	752.82
Government subsidy receivable <sup>13</sup>	544.93	686.47
Balances with Government authorities	15.40	15.40
<b>Total</b>	<b>1,895.11</b>	<b>2,125.25</b>

**Notes:**

- 13 The Company believes that all the conditions attached to the government grants receivable by the Company are complied with and there are no unfulfilled conditions or other contingencies attaching to these grants.





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>3.1 INVENTORIES<sup>14</sup></b>		
(Valued at lower of cost and Net Realisable Value)		
Raw materials and packing materials	6,304.04	16,302.20
Raw material in transit	93.77	-
Work-in-progress	269.89	729.54
Finished goods	2,002.49	2,000.36
Stock-in-trade	1,045.58	876.45
Stock-in-trade in transit	559.78	222.51
Stores and spares	855.19	752.90
<b>Total</b>	<b>11,130.74</b>	<b>20,883.96</b>
Carrying value of inventory written down to NRV	-	-
Amount expensed as write-down to NRV	-	-

**Notes:**

14 All the inventories are hypothecated for various long term and short term facilities taken by the Company (Refer Note No. 5.1 and 6.1).

**3.2 BIOLOGICAL ASSETS<sup>15</sup>**

**Bearer and consumable biological assets<sup>16</sup>**

Poultry for livestock breeding	9,623.82	9,811.59
Commercial layer birds	224.99	1,028.65
Hatching eggs	832.48	3,688.58
Commercial broiler birds	677.44	4,002.13
<b>Agricultural produce</b>		
S.P.F. Eggs	104.75	30.60
<b>Total</b>	<b>11,463.48</b>	<b>18,561.55</b>

**Notes:**

15 All the biological assets are hypothecated for various long term and short term facilities taken by the Company (Refer Note No. 5.1 and 6.1).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(Rupees in Lakhs)	
		2019-20	2018-19
16	<b>Reconciliation of changes in the carrying amount of biological assets:</b>		
a.	<b>Measurement basis: (Cost)</b>		
	<b>Poultry for livestock breeding</b>		
	At the beginning of the year	9,811.59	7,729.55
	Gains arising from cost inputs	14,194.35	12,695.42
	Decrease due to accumulated depreciation	<u>(14,382.12)</u>	<u>(10,613.38)</u>
	<b>At the end of the year</b>	<u>9,623.82</u>	<u>9,811.59</u>
	<b>Commercial layer birds</b>		
	At the beginning of the year	1,028.65	493.55
	Gains arising from cost inputs	2,762.68	5,336.18
	Decrease attributable to sales	<u>(3,566.34)</u>	<u>(4,801.08)</u>
	<b>At the end of the year</b>	<u>224.99</u>	<u>1,028.65</u>
b.	<b>Measurement basis: (Fair value less cost to sell)</b>		
	<b>Hatching eggs</b>		
	At the beginning of the year	3,688.58	2,338.82
	Gains arising from cost inputs	37,753.47	28,561.53
	Decrease due to harvest/sale	<u>(39,610.02)</u>	<u>(28,359.28)</u>
	Fair value adjustment recorded in the statement of profit and loss	<u>(999.55)</u>	<u>1,147.51</u>
	<b>At the end of the year</b>	<u>832.48</u>	<u>3,688.58</u>
	<b>Commercial broiler birds</b>		
	At the beginning of the year	4,002.13	2,976.95
	Gains arising from cost inputs	65,155.69	54,228.07
	Decrease due to harvest/sale	<u>(64,141.58)</u>	<u>(53,950.37)</u>
	Fair value adjustment recorded in the statement of profit and loss	<u>(4,338.80)</u>	<u>747.48</u>
	<b>At the end of the year</b>	<u>677.44</u>	<u>4,002.13</u>
	<b>NON-FINANCIAL MEASURES OF PHYSICAL QUANTITIES OF BIOLOGICAL ASSETS</b>		
	<b>Biological assets at the end of the period</b>		
	Poultry for livestock breeding	1,909,133	2,172,819
	Commercial layer birds	115,378	938,368
	Hatching eggs	15,156,706	22,668,936
	Commercial broiler birds	5,190,417	5,182,261
	<b>Output of agricultural produce during the year</b>		
	S.P.F. eggs	8,988,262	9,648,980
	Grownup commercial broiler	103,873,562	87,272,456



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

**3.3 CURRENT INVESTMENTS**

As at 31 <sup>st</sup> March, 2020 (No. of Units)	As at 31 <sup>st</sup> March, 2019 (No. of Units)	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>UNQUOTED INVESTMENTS IN MUTUAL FUNDS (At fair value through profit and loss)</b>				
<b>HDFC Mutual Fund</b>				
18,103	16,794	HDFC Liquid Fund Regular - Growth (Units of face value of Rs. 3,000/- each)	<b>703.05</b>	614.72
<b>Total</b>			<b>703.05</b>	<b>614.72</b>
Aggregate amount of un-quoted investments			<b>703.05</b>	614.72
Aggregate amount of impairment in the value of investments			-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>3.4</b>	<b>TRADE RECEIVABLES (Unsecured)</b>		
	Considered good <sup>17</sup>	44,842.86	30,554.92
	Considered doubtful	753.37	628.53
		<u>45,596.23</u>	<u>31,183.45</u>
	Less: Provision for impairment	753.37	628.53
	<b>Total</b>	<u><u>44,842.86</u></u>	<u><u>30,554.92</u></u>
	<b>The movement in provision for impairment is as follows</b>		
	Balance at the beginning of the year	628.53	557.72
	Change in provision for impairment during the year	124.84	99.58
	Trade receivables written off during the year	-	(28.77)
	Balance at the end of the year	<u><u>753.37</u></u>	<u><u>628.53</u></u>
	<b>Notes:</b>		
	<b>17 Include dues from</b>		
	(a) Private companies in which some of the directors of the Company are directors/members		
	- Venkateshwara Hatcheries Private Limited (Holding Company)	22,797.11	14,283.05
	- Bala Industries & Entertainment Private Limited	973.01	4.15
	- Uttara Foods & Feeds Private Limited	8,619.28	7,918.64
	- Venkateshwara Biofeed Private Limited	1,630.85	495.88
	(b) Firms in which some of the directors of the Company are partners		
	- Venkateshwara Foods and Feeds	3,402.18	1,879.78



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>3.5 CASH AND CASH EQUIVALENTS</b>		
Balances with banks in:		
- Current accounts	205.20	148.05
- Deposit accounts with original maturity of less than three months	4.21	3.03
- Unclaimed dividend accounts <sup>18</sup>	153.54	143.05
- Unclaimed fractional shares account <sup>18</sup>	3.80	3.80
Cheques, drafts on hand	15.83	492.85
Cash on hand	133.61	139.47
<b>Total</b>	<b>516.19</b>	<b>930.25</b>

**Notes:**

18 Balances in these accounts can be utilised towards settlement of unclaimed dividends and fractional shares only.

**3.6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Deposits with original maturity of more than three months and less than twelve months <sup>19</sup>	14,489.60	14,387.79
Deposits held as margin money against guarantees <sup>20</sup>	228.71	72.16
<b>Total</b>	<b>14,718.31</b>	<b>14,459.95</b>

**Notes:**

19 Bank deposits represent restricted bank balances amounting to Rs. 14,489.60 Lakhs (previous year Rs. 14,387.79 Lakhs) which are under lien for loan taken by group companies. The Company has received letter of Indemnity from the group companies against the same.

20 Represents restricted bank balances against guarantees.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>3.7 LOANS</b>			
	<b>(Unsecured, considered good except as otherwise stated)</b>		
	Loans and advances to employees		
	Considered good	109.35	118.20
	Considered doubtful	15.24	15.24
		124.59	133.44
	Less: Provision for impairment	15.24	15.24
	<b>Total</b>	<b>109.35</b>	<b>118.20</b>
<b>3.8 OTHER FINANCIAL ASSETS</b>			
	Security deposits for utilities and premises	7.95	9.86
	Derivative instruments <sup>21</sup>	190.19	-
	Other receivables <sup>22&amp;10</sup>		
	Considered good	900.00	1,640.00
	Considered doubtful	40.00	-
		940.00	1,640.00
	Less: Provision for doubtful receivables	40.00	-
		900.00	1,640.00
	Interest accrued but not due	110.50	102.30
	<b>Total</b>	<b>1,208.64</b>	<b>1,752.16</b>
<b>Notes:</b>			
21	As per valuation carried out by an independent valuer.		
22	Private companies in which some of the directors of the Company are directors/members		
-	Venkateshwara Hatcheries Private Limited (Holding Company)	900.00	1,600.00



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>3.9 OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good except as otherwise stated)</b>		
Other loans and advances		
Advances to suppliers		
Considered good	385.35	320.67
Considered doubtful	47.45	2.45
	<u>432.80</u>	<u>323.12</u>
Less: Provision for doubtful advances	47.45	2.45
	<u>385.35</u>	<u>320.67</u>
Prepayments	360.06	715.68
Balances with Government authorities	0.02	0.02
Other receivables <sup>23</sup>	34.21	122.76
<b>Total</b>	<u><u>779.64</u></u>	<u><u>1,159.13</u></u>
<b>Notes:</b>		
<b>23 Include dues from</b>		
Firms in which some of the directors of the Company are partners		
- Venkateshwara Foods and Feeds	-	77.69
<b>4.1 EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
15,000,000 (Previous year 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
1,000,000 (Previous year 1,000,000) preference shares of Rs. 100/- each	<u>1,000.00</u>	<u>1,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
14,087,336 (Previous year 14,087,336) equity shares of Rs. 10/- each fully paid up	1,408.74	1,408.74
<b>Total</b>	<u><u>1,408.74</u></u>	<u><u>1,408.74</u></u>

Forfeited equity shares pending re-issue 5,715 (Previous year 5,715)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(a)	<b>Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:</b>		
	Number of shares outstanding at the beginning of the year	14,087,336	14,087,336
	Additions during the year	-	-
	Deductions during the year	-	-
	<b>Number of shares outstanding at the end of the year</b>	<b>14,087,336</b>	<b>14,087,336</b>
(b)	<b>Terms, rights and restrictions attached to equity shares :</b>		
	The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is entitled to vote in proportion to his share of the paid up equity capital of the Company except upon voting by "Show of hands" where one shareholder is entitled to one vote. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholdings.		
(c)	<b>Shares held by holding/ultimate Holding Company and/or their subsidiaries/associates:</b>		
	<b>Holding Company</b>		
	Venkateshwara Hatcheries Private Limited                      Nos	7,186,914	7,186,914
(d)	<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>		
	Venkateshwara Hatcheries Private Limited                      Nos	7,186,914	7,186,914
	% of holding	51.02%	51.02%
(e)	There are no shares reserved for issue under options or contracts/commitments for the sale of shares/ disinvestment as at 31 March 2020 and 31 March 2019.		
(f)	The Company has allotted fully paid up 4,695,779 bonus shares during the year 2015-16 ranking pari passu with the existing shares in the company without payment being received in cash.		
(g)	The Company has neither allotted any shares as fully paid up pursuant to contracts without payments being received in cash nor bought back any shares for the period of five years immediately preceding 31 March 2020 and 31 March 2019.		
(h)	The Company does not have any securities convertible into equity or preference shares as at 31 March 2020 and 31 March, 2019.		
(i)	In view of the losses, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2020		
(j)	For the year ended 31 March 2019, the amount of per share dividend recognized as distribution to equity shareholders was Rs. 8/- towards final dividend. The total dividend appropriation for the year ended 31 March 2019 amounted to Rs. 1,358.65 Lakhs including dividend distribution tax of Rs. 231.66 Lakhs.		
(k)	The Company does not have any unpaid calls as at 31 March 2020 and 31 March 2019.		





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	(Rupees in Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>4.2 OTHER EQUITY</b>		
<b>Capital reserves</b>		
Profit on reissue of forfeited shares and debentures	1.64	1.64
Amalgamation reserve	75.95	75.95
<b>(a)</b>	<u>77.59</u>	<u>77.59</u>
<b>General reserve</b>		
Opening balance	44,830.83	39,830.83
Transferred from surplus in the Statement of Profit and Loss	-	5,000.00
<b>(b)</b>	<u>44,830.83</u>	<u>44,830.83</u>
<b>Retained earnings</b>		
Opening balance	41,833.46	30,858.53
Transitional adjustment on adoption of Ind AS 116	(37.15)	-
Net profit for the year	(2,716.26)	17,414.07
Transferred from Other comprehensive Income	(404.63)	(80.49)
Balance available for appropriations	38,675.42	48,192.11
Less: Appropriations		
Transferred to general reserve	-	5,000.00
Final dividend	1,126.99	1,126.99
Dividend distribution tax	231.66	231.66
<b>Total appropriations</b>	<u>1,358.65</u>	<u>6,358.65</u>
<b>Net surplus in the Statement of Profit and Loss (c)</b>	<u>37,316.77</u>	<u>41,833.46</u>
<b>Cash Flow Hedge Reserve</b>		
Opening balance	(1.39)	(59.77)
Deferred tax adjustment on account of change in tax rate	(0.20)	-
Transferred from Other comprehensive Income	(6.11)	58.38
<b>(d)</b>	<u>(7.70)</u>	<u>(1.39)</u>
<b>Total (a+b+c+d)</b>	<u><u>82,217.49</u></u>	<u><u>86,740.49</u></u>

**Nature and purpose of reserves**

(a) Capital Reserves:

Amount received on reissue of forfeited shares and debentures is treated as capital reserve.

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (b) General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. However, the Company has voluntarily transferred an amount of Rs. "Nil" (Previous year Rs. 5,000.00 Lakhs) to general reserve.
- (c) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (d) Re-measurement gains / (losses) on defined benefit plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.
- (e) Cash flow Hedge Reserve: The fair value change of the effective portion of the hedge agreements entered with bankers measured at fair value through other comprehensive income is recognised in effective portion of cash flow hedge reserve.

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>5.1 BORROWINGS</b>			
<b>Secured</b>			
Term loans From banks <sup>24</sup>			
Rupee loan		2,859.54	2,792.18
External commercial borrowings <sup>#</sup>		1,315.65	3,164.17
Rupee Term loans from other parties			
Non Banking Financial Companies (NBFC)		622.06	1,865.43
		<b>4,797.25</b>	7,821.78
Less: Current maturities of term loans (Refer Note No. 6.3)		2,738.87	3,828.57
	<b>Total</b>	<b>2,058.38</b>	3,993.21

# External Commercial borrowings ('ECBs') are fully hedged. As a result, actual cash outflows towards repayments of ECBs are expected to be Rs. 1,051.83 Lakhs.

### 24 Details of securities and terms of repayments:

#### (i) Rupee loan-I (Secured) :

Rupee term loan from State Bank of India amounting to Rs. Nil outstanding as at 31 March, 2020 (previous year Rs. 620.36 Lakhs) carried an interest rate of 1.75% above 1Y MCLR. The loan is repaid in 19 quarterly instalments commencing from June, 2015. The loan was secured by way of hypothecation on moveable assets of the Company situated at Packaging Division, Gadapur, PO Jodhewal, Basti and hypothecation on moveable assets and mortgage of immovable properties situated at (a) Morwadi, Kikwi, Bhor, Pune. (b) AHP and Feed Mill, Osade, Velhe, Pune. (c) Sountli, PO Shahzadpur, Tehsil Naraingarh, District Ambala, State Haryana, (d) Patvi, Tehsil Naraingarh, District Ambala, State Haryana. (e) Dhamouli/Patheri, Tehsil Naraingarh, District Ambala, State



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Haryana. (f) Dikadala and Jorasi, Tehsil Samalakha, District Panipat, Haryana. (g) Larsauli, Tehsil Ganapur, District Sonapat, State Haryana. (h) Srini, Naugaon, Pargana Pachwa doon, District Dehradun, State Uttaranchal.

(ii) **Rupee loan - II (Secured) :**

Rupee term loan from IFCI Ltd amounting to Rs. 623.21 Lakhs outstanding as at 31 March 2020 (previous year Rs. 1,869.64 Lakhs) carries an interest rate of 0.55% above Base Rate. Present applicable rate is 11.55% per annum. The loan is repayable in 7 equal half yearly instalments starting from end of 24th month. The loan is secured by way of an exclusive first charge by way of hypothecation of borrower's all movable assets and mortgage over immovable properties situated at following locations: (a) IID centre, Govindnagar, Distt Kathua (b) Village Lohagaon, Taluka Haveli, District Pune (c) Village Khopodi, Taluka Daund, District Pune (d) Village Mogar and Village Vadod, Tal Anand, Gujarat. (e) Village Bhandgaon, Taluka Daund, District Pune. (f) Village Salumbre, Taluka Maval, District Pune. The loan is backed by continuing corporate guarantee provided by Venkateshwara Hatcheries Private Limited - the Holding Company.

(iii) **Rupee loan-III (Secured) :**

Rupee term loan from State Bank of India amounting to Rupees 2,880.95 lakhs outstanding as at 31 March 2020 (previous year Rs. 2,205.97 Lakhs) carries an interest rate of 1.85% above 1Y MCLR. Present applicable rate is 9.90% per annum. The loan is repayable in 20 quarterly instalments commencing from April 2019. The loan is secured by way of an exclusive charge by way of hypothecation on moveable assets i.e. plant and machinery and equitable mortgage on land and building situated at GAT No. 23,24/1, 24/2,24/3,24/4,26 of Village Bondri, Gat No. 20,21/1 of Village Pimploshi, Gat No. 77,79/1,80,84 of Village Ker, Taluka Patan Dist. Satara.

(iv) **External commercial borrowings (Secured):**

The Company has availed external commercial borrowing ("ECB") from ICICI Bank Limited for financing its expansion plans. ECB is repayable in 11 half yearly predetermined instalments commencing from 5th August, 2015 and is denominated in US\$. It carries an interest rate of 6 month USD LIBOR plus 4.25 percent per annum. Taking the currency risks in the cash flows arising out of fluctuations of USD LIBOR rates and also the currency fluctuations, the Company has entered into hedge agreements with its bankers. Further, the repayment of said liability is also fixed at predetermined exchange rate pursuant to the hedge agreements subject to caps. It is secured by an exclusive charge on the properties of the Company situated at Village Tondal, Taluka Purandar, District Pune, Nanded property and at Village Kouthadi, Taluka Daund, District Pune and extension of charge on land and buildings at Khadki and processing plant situated at Village Baur, Kamshet already charged to ICICI Bank Limited. Further, it is secured by an exclusive hypothecation of all future moveable assets of the company acquired/to be acquired from the loan facilities extended by the bank.

Outstanding amounts mentioned in the above notes are based on contractual undiscounted payments.

There is no amount in respect of default of repayment of borrowings and interest as at 31 March 2020 and 31 March 2019.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>5.2 LEASE LIABILITIES</b>			
	Lease liabilities	722.01	-
	<b>Total</b>	<u>722.01</u>	<u>-</u>
<b>5.3 OTHER FINANCIAL LIABILITIES</b>			
	Security deposits	96.44	86.10
	<b>Total</b>	<u>96.44</u>	<u>86.10</u>
<b>5.4 PROVISIONS</b>			
	Provision for employee benefits (Refer Note No. 11)		
	- Compensated absences	1,460.84	1,186.20
	<b>Total</b>	<u>1,460.84</u>	<u>1,186.20</u>
<b>5.5 DEFERRED TAX LIABILITIES (NET)</b>			
	<b>Deferred tax liabilities</b>		
	Depreciation/Amortisation	3,274.12	4,216.04
	Others	148.94	155.48
	<b>(a)</b>	<u>3,423.06</u>	<u>4,371.52</u>
	<b>Deferred tax assets</b>		
	Employee benefits	593.19	526.12
	Provision for credit impaired debts and advances	223.30	232.67
	Cash flow hedges	2.59	0.74
	Carried forward business loss and depreciation allowance	1,285.00	-
	Others	123.78	89.13
	<b>(b)</b>	<u>2,227.86</u>	<u>848.66</u>
	<b>Deferred tax liabilities (net)</b>	<u>1,195.20</u>	<u>3,522.86</u>
	<b>Total (a-b)</b>	<u>1,195.20</u>	<u>3,522.86</u>
<b>5.6 OTHER NON CURRENT LIABILITIES</b>			
	<b>Deferred Income on account of Government grants</b>		
	Opening balance	26.96	29.95
	Less: Amortized in statement of profit and loss	2.98	2.99
	<b>Total</b>	<u>23.98</u>	<u>26.96</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>6.1 BORROWINGS</b>		
<b>Secured<sup>25</sup></b>		
Loans repayable on demand from banks - Cash credit facilities	<b>3,027.31</b>	4,707.83
Others - from banks - Short-term loans	<b>18,928.86</b>	11,631.99
<b>Unsecured</b>		
From banks - working capital facilities	<b>3,500.00</b>	2,600.00
<b>Total</b>	<b><u>25,456.17</u></b>	<b><u>18,939.82</u></b>

**25 Details of securities and guarantees**

**(i) Loan repayable on demand - Cash Credit facilities:**

The cash credit facilities except cash credit taken from ICICI Bank Limited are secured by way of first charge on the entire current assets of the Company on pari passu basis. Cash credit facilities from ICICI Bank Limited is secured by an extension of charge on land and buildings located at (a) Village Dikadla, Tehsil Samalkha, Dist. Panipat, State Haryana, (b) Plot No.55, Sansarpur terrace, Dist. Kangra, State Himachal Pradesh, (c) Village Laider, Tehsil Bara, District Prayagraj, State Uttar Pradesh, (d) Processing Plant at Baur Kamshet, Pune, (e) Feed Mill and Oilseed Plant at Solapur, (f) Poultry farm at Village Bhigwan and (g) SPF Plant at Pasure Bhor, Pune and by way of hypothecation of movable fixed assets acquired/ to be acquired out of Rupee term loan and external commercial borrowings obtained from ICICI Bank Limited at these locations.

**(ii) Short term loans :**

- a. The short-term loan from State Bank of India amounting to Rs. 6,300.00 Lakhs outstanding as at 31 March 2020 (Previous year Rs. 6,300.00 Lakhs) is secured by way of hypothecation of first charge on the entire current assets of the company on pari passu basis. The loan is further secured by way of exclusive charge on land and building and plant and machinery at three plants of the Company situated 1) Osade, 2) Morwadi and 3) Jorasi and Dikadla and second charge by way of equitable mortgage on land and building situated at GAT No. 23,24/1, 24/2,24/3,24/4,26 of Village Bondri, Gat No. 20,21/1 of Village Pimploshi, Gat No. 77,79/1,80,84 of Village Ker, Taluka Patan Dist. Satara.
- b. The short-term loan from IDBI Bank Limited amounting to Rs. 3,000.00 Lakhs outstanding as at 31 March 2020 (Previous year Rs. 1,600.00 Lakhs) is secured by way of hypothecation of first charge on the entire current assets of the company on pari passu basis.
- c. The short-term loan from HDFC Bank Limited amounting to Rs. 2,500.00 Lakhs outstanding as at 31 March 2020 (Previous year Rs. 1,800.00 Lakhs) is secured by way of hypothecation of first charge on the entire current assets of the company on pari passu basis.
- d. The short-term loan from ICICI Bank Limited amounting to Rs. 3,000.00 Lakhs outstanding as at 31 March, 2020 (previous year Rs. Nil) is secured by an extension of charge on land and buildings located at (a) Village Dikadla, Tehsil Samalkha, Dist. Panipat, State Haryana, (b) Plot No.55, Sansarpur terrace, Dist. Kangra, State Himachal Pradesh, (c) Village Laider, Tehsil Bara, District Prayagraj, State Uttar Pradesh, (d) Processing Plant at Baur Kamshet, Pune, (e) Feed Mill and Oilseed Plant at Solapur, (f) Poultry farm at Village Bhigwan and (g) SPF Plant at Pasure Bhor, Pune and by way of hypothecation of movable fixed assets

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

acquired/ to be acquired out of Rupee term loan and external commercial borrowings obtained from ICICI Bank Limited at these locations.

- e. The short-term loan from Axis Bank Limited amounting to Rs. 4,128.86 Lakhs outstanding as at 31 March 2020 (previous year Rs. 1,931.99 Lakhs) is secured by an exclusive charge by way of hypothecation of plant and machinery and mortgage of land and buildings of the Mouje Kondiwade Taluka Maval Dist Pune and Mouje Boriandi Taluka Daund, Dist. Pune.

There is no amount in respect of default of repayment of borrowings and interest as at 31 March 2020 and 31 March 2019.

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>6.2 TRADE PAYABLES</b>			
Total outstanding dues of micro enterprises and small enterprises <sup>26</sup>		221.91	197.58
Total outstanding dues of creditors other than micro enterprises and small enterprises		38,320.23	27,861.27
	<b>Total</b>	<b>38,542.14</b>	<b>28,058.85</b>

**Notes:**

- 26 Based on the confirmations received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has provided the disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act. This information has been relied upon by the auditor.

	Particulars	2019-20	2018-19
1	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	221.91	197.58
2	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
3	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
4	the amount of interest accrued and remaining unpaid at the end of each accounting year;	NIL	NIL
5	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lakhs)

	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>6.3 OTHER FINANCIAL LIABILITIES</b>		
Current maturities of long-term debt (Refer note no 5.1)	2,738.87	3,828.57
Interest accrued but not due	190.50	179.48
Unclaimed dividends <sup>27</sup>	153.54	143.05
Unclaimed fractional shares proceeds <sup>27</sup>	3.80	3.80
Security deposits	82.22	73.12
Payable against capital goods	405.08	1,036.96
<b>Total</b>	<b>3,574.01</b>	<b>5,264.98</b>
<b>Notes:</b>		
27 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2020.		
<b>6.4 OTHER CURRENT LIABILITIES</b>		
Revenue received in advance	43.39	52.29
Credit balances in customer accounts	1,006.09	4,808.30
Statutory dues <sup>28</sup>	1,025.97	797.18
<b>Total</b>	<b>2,075.45</b>	<b>5,657.77</b>
<b>Notes:</b>		
28 Statutory dues as at 31 March 2020 include stamp duty payable of Rupees 88.49 lakhs (previous year Rupees 88.49 Lakhs) on land and building for which registration of title deed is yet to be executed.		
<b>6.5 PROVISIONS</b>		
<b>Provision for employee benefits (Refer Note No. 11)</b>		
Compensated absences	189.00	153.52
Gratuity	710.94	176.46
<b>Total</b>	<b>899.94</b>	<b>329.98</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(Rupees in Lakhs)	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>7.1</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
	<b>(TO THE EXTENT NOT PROVIDED FOR)</b>		
	<b>Contingent liabilities</b>		
	<b>Claims against the company not acknowledged as debt</b>		
	Income-tax matters in dispute	141.19	-
	Sales tax demands in dispute	194.23	194.23
	Electricity demands in dispute	269.03	252.48
	Labour wages in dispute	33.40	32.64
	Excise duty in dispute	1,230.38	1,235.71
	Customs duty in dispute	-	40.36
	Others demands in dispute	129.02	42.35
	<b>Notes:</b>		
	The Company is subject to legal proceedings and claims, which have arisen during the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions.		
	Against the aforesaid contingent liabilities, the Company has paid an amount of Rs. 894.50 Lakhs (Previous year Rs.752.82 Lakhs) under protest. The payment under protest is shown under other non current assets. (Refer Note No. 2.7)		
	<b>Commitments</b>		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	445.14	1,732.01
	(ii) Other commitments		
	<b>Hedge agreements to buy US\$ - ECB</b>		
	Hedge of external commercial borrowings principal repayment		
	Interest rate swap against exposure to variable interest outflow on external commercial borrowings, swap to pay fixed interest @ 7.50% and receive a variable interest @ 6 months USD LIBOR and applicable margin		
	Notional amount	17.39	45.75
	In Lakhs (US\$)		
	(Rupees in Lakhs)	1,315.65	3,164.17





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7.2 FINANCIAL INSTRUMENTS**

(Rupees in Lakhs)

The carrying value and the fair value of financial instruments by categories as at 31 March 2020

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
-Cash and cash equivalents (refer note 3.5)	516.19	-	-	-	-	516.19	516.19
-Investments (refer note 3.3)							
-in mutual funds	-	-	703.05	-	-	703.05	703.05
-Trade receivables (refer note 3.4)	44,842.86	-	-	-	-	44,842.86	44,842.86
-Bank balances other than cash and cash equivalents (refer note 3.6)	14,718.31	-	-	-	-	14,718.31	14,718.31
-Loans (refer note 2.4 & 3.7)	114.54	-	-	-	-	114.54	114.54
-Other financial assets (refer note 2.5 and 3.8)	7,506.49	-	196.06	-	0.16	7,702.71	7,702.71
<b>Total</b>	<b>67,698.39</b>	<b>-</b>	<b>899.11</b>	<b>-</b>	<b>0.16</b>	<b>68,597.66</b>	<b>68,597.66</b>
<b>Liabilities</b>							
-Trade payables (refer note 6.2)	38,542.14	-	-	-	-	38,542.14	38,542.14
-Borrowings*(refer note 5.1 & 6.1)	30,253.42	-	-	-	-	30,253.42	30,253.42
-Other financial liabilities* (refer note 5.2 & 6.3)	1,653.59	-	-	-	-	1,653.59	1,653.59
<b>Total</b>	<b>70,449.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,449.15</b>	<b>70,449.15</b>

\* Current maturity of long term debts are presented under other financial liabilities are added to borrowings.

The carrying value and the fair value of financial instruments by categories as at 31 March 2019

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
-Cash and cash equivalents (refer note 3.5)	930.25	-	-	-	-	930.25	930.25
-Investments (refer note 3.3)							
-in mutual funds	-	-	614.72	-	-	614.72	614.72
-Trade receivables (refer note 3.4)	30,554.92	-	-	-	-	30,554.92	30,554.92
-Bank balances other than cash and cash equivalents (refer note 3.6)	14,459.95	-	-	-	-	14,459.95	14,459.95
-Loans (refer note 2.4 & 3.7)	135.97	-	-	-	-	135.97	135.97
-Other financial assets (refer note 2.5 and 3.8)	8,615.83	-	419.61	-	8.32	9,043.76	9,043.76
<b>Total</b>	<b>54,696.92</b>	<b>-</b>	<b>1,034.33</b>	<b>-</b>	<b>8.32</b>	<b>55,739.57</b>	<b>55,739.57</b>
<b>Liabilities</b>							
-Trade payables (refer note 6.2)	28,058.85	-	-	-	-	28,058.85	28,058.85
-Borrowings*(refer note 5.1 & 6.1)	26,761.60	-	-	-	-	26,761.60	26,761.60
-Other financial liabilities* (refer note 5.2 & 6.3)	1,522.51	-	-	-	-	1,522.51	1,522.51
<b>Total</b>	<b>56,342.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,342.96</b>	<b>56,342.96</b>

\* Current maturity of long term debts are presented under other financial liabilities are added to borrowings.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Fair value estimation

Ind AS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value as at:

	Level 1	Level 2	Level 3	Total
<b>(Rupees in Lakhs)</b>				
<b>31<sup>st</sup> March 2020</b>				
<b>Assets</b>				
- Investments in mutual funds	703.05	-	-	<b>703.05</b>
- Derivative assets	-	190.19	-	<b>190.19</b>
- Biological assets	-	-	1,614.67	<b>1,614.67</b>
<b>31<sup>st</sup> March 2019</b>				
<b>Assets</b>				
- Investments in mutual funds	614.72	-	-	<b>614.72</b>
- Derivative assets	-	389.41	-	<b>389.41</b>
- Biological assets	-	-	7,721.31	<b>7,721.31</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise of investments in mutual funds.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise of derivative assets taken for hedging purpose.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following valuation techniques and significant inputs were used to measure the level 3 inputs.

In measuring the fair value of biological assets, management estimates and judgements are required for the determination of fair value.

These estimates and judgements relate to the market prices, average weight and quality of animals and mortality rates.

Description	Fair value as at 31 March 2020	Unobservable input	Range of unobservable input	Relationship of unobservable input to fair value
Biological assets	1,614.67	Hatching Eggs per hen	187 -260 Eggs	The higher the eggs per hen, the higher the fair value
		Cost of a day old breeder bird	Rs. 235 - Rs. 280 per chick	The higher the cost per chick, the lower the fair value
		Mortality	5.00%	The higher the mortality, the lower the fair value
		Feed cost	Rs. 25,000/- - Rs. 31,000/- per ton	The higher the feed cost per ton, the lower the fair value
		Average Body Weight	1.75 kgs - 2.50 kg per bird	The higher the average body weight, the higher the fair value
		Feed Conversion Ratio	3.20 kg - 3.80 kg per bird	The higher the feed conversion ratio, the lower the fair value

### Sensitivity analysis

A sensitivity analysis is shown for the significant unobservable inputs below:

Input	Sensitivity
Feed cost	A 5% change in the feed cost would result in a Rs. 23.51 Lakhs change in fair value.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 7.3 FINANCIAL RISK MANAGEMENT

#### Financial risk factors

This note presents information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing these risks and the Company's management of capital.

The Company's financial instruments consist primarily of cash and cash equivalents, investment in mutual funds, derivatives taken for hedge purpose, loans receivable, trade and other receivables and payables and long term and short borrowings. In the normal course of business, the Company is exposed to credit, liquidity and market risk. In order to manage certain of these risks, the Company may enter into transactions which make use of derivatives. They include forward exchange contracts, interest rate swaps, cross currency swaps and options. The Company does not speculate in derivative instruments. Certain of the Company's forward exchange contracts qualify as designated hedges for accounting purposes.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. Credit risk primarily relates to trade and other receivables.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Other receivables consist primarily of security deposits, loans to employees and other receivables.

The risk of default is assessed as low.

#### Liquidity risk

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarises the maturity profile of the Company's financial liabilities as at 31<sup>st</sup> March 2020 based on contractual undiscounted payments:

(Rupees in lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings	2,738.87	800.00	800.00	480.94	4,819.81
Short term borrowings	25,456.17	-	-	-	25,456.17
Lease liabilities	307.94	246.19	132.48	226.18	912.79
Trade payables	38,542.14	-	-	-	38,542.14
Other financial liabilities	836.86	9.00	49.41	62.00	957.27

### Market risk

#### Interest rate risk

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offer the best rates which enables the Company to maximise returns whilst minimising risk.

In response to interest rate risk on the variable rate portion of the external borrowings, the Company has entered into hedge derivatives which are effective till the maturity of external borrowings. For the other borrowings, interest is paid on monthly basis based on the actual interest rate prevailing during the month. Hence, the Company is not significantly exposed to interest rate risk on such borrowings.

#### Foreign currency risk

In the normal course of business the Company enters into transactions denominated in Indian Rupees and few transactions in foreign currencies. The Company has also taken external commercial borrowings denominated in US\$. As a result, the Company is subject to exposure from fluctuations in foreign currency exchange rates. The Company utilises forward exchange contracts and currency options to minimise foreign currency exchange risk on external commercial borrowings in terms of its risk management policy. All forward exchange contracts and currency options are supported by underlying transactions. Company's exposure to unhedged foreign currency changes is not significant.

The hedges in respect of currency risk are expected to mature in line with the maturity of external commercial borrowings.

There was no ineffectiveness to be recorded from the cash flow hedges.

#### Commodity price and procurement risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings from fluctuations in the prices of commodities.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The principal directive is to procure commodities at the lowest cost to meet forecast requirements, both internally and for external sales. The overall procurement strategy and net positions are reported monthly to the Board and the oversight committees. The oversight committees are responsible for the setting of the monthly company view with regard to future price movements. The daily trading by the procurement teams are restricted in terms of this company view, unless prior approval is obtained from the oversight Committees.

### Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain the future development needs of the business. The Board monitors both the spread of shareholders return on equity (which is defined as profit for the year expressed as a percentage of average total equity) and the level of dividends paid to shareholders. There were no changes to the Company's approach to capital management during the year.

Total Equity includes General Reserve, Effective portion of Hedge Reserve, Retained Earnings and Share Capital. Total Debt includes current debt plus non-current debt.

Particulars	(Rs. In Lakhs)	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Total debt	30,253.42	26,761.60
Total equity	83,548.64	88,071.64
Debt – Equity ratio	0.36	0.30

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(Rupees in Lakhs)	
		For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>8.1 REVENUE FROM OPERATIONS</b>			
Sale of products		313,407.95	293,292.89
Other operating revenues		<u>12,694.38</u>	<u>11,020.62</u>
	<b>Total</b>	<u><b>326,102.33</b></u>	<u><b>304,313.51</b></u>
<b>Disaggregation of revenue from operations:</b>			
<b>Poultry &amp; Poultry Products</b>			
<b>Sale of products</b>			
Grownup commercial broiler		60,817.80	51,243.96
Day old commercial chicks		38,095.48	44,926.70
Processed chicken		16,944.85	15,853.11
Poultry feed		19,836.13	13,274.89
Grownup commercial layer		3,705.18	6,917.27
S.P.F. eggs		5,410.24	5,476.29
Hatching eggs		2,295.28	2,048.36
Packaging products		-	52.41
<b>Other operating revenues</b>			
By-products		3,108.32	1,966.80
Miscellaneous		<u>6,486.69</u>	<u>5,839.70</u>
	<b>(a)</b>	<u><b>156,699.97</b></u>	<u><b>147,599.49</b></u>
<b>Animal Health Products</b>			
<b>Sale of products</b>			
Powder		16,765.94	17,983.67
Liquid		4,311.57	3,827.34
<b>Other operating revenues</b>			
Miscellaneous		70.51	89.34
	<b>(b)</b>	<u><b>21,148.02</b></u>	<u><b>21,900.35</b></u>
<b>Oilseed</b>			
<b>Sale of products</b>			
De-oiled cake for poultry feed		97,743.68	87,819.15
Refined oil		47,481.80	43,869.74
<b>Other operating revenues</b>			
By-products		1,669.79	1,670.70
Miscellaneous		<u>1,359.07</u>	<u>1,454.08</u>
	<b>(c)</b>	<u><b>148,254.34</b></u>	<u><b>134,813.67</b></u>
	<b>Total (a+b+c)</b>	<u><u><b>326,102.33</b></u></u>	<u><u><b>304,313.51</b></u></u>

Since revenue from customers located out of India is less than 10% of total revenue, there are no reportable geographical segments. (Refer Note No. 12 on Segment Reporting)

There is no financing component in any transaction with the customers.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>8.2 OTHER INCOME</b>		
Interest income	1,814.37	1,546.36
Gain on sale/remeasurement of current investments (net)	92.84	4.72
Other non-operating income (net)		
Government grants	282.73	282.73
Rent	370.91	247.96
Miscellaneous income	980.23	819.40
<b>Total</b>	<b>3,541.08</b>	<b>2,901.17</b>
<b>9.1 COST OF MATERIALS CONSUMED</b>		
Inventories at the beginning of the year	16,302.20	10,374.49
Add: Purchases (net of returns)	235,507.77	212,847.54
	<b>251,809.97</b>	<b>223,222.03</b>
Less: Inventories at the end of the year	6,304.04	16,302.20
<b>Total</b>	<b>245,505.93</b>	<b>206,919.83</b>
<b>9.2 PURCHASES OF BEARER BIOLOGICAL ASSETS</b>		
Day old parent chicks	3,910.61	4,470.33
SPF eggs	216.05	365.08
<b>Total</b>	<b>4,126.66</b>	<b>4,835.41</b>
<b>9.3 PURCHASES OF STOCK-IN-TRADE</b>		
Day old commercial chicks	3,496.34	2,829.67
Processed chicken	536.00	509.53
Animal health products	7,936.51	6,206.63
Others	2,567.91	2,515.24
<b>Total</b>	<b>14,536.76</b>	<b>12,061.07</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(Rupees in Lakhs)	
		For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>9.4</b>	<b>CHANGES IN BIOLOGICAL ASSETS AND INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE AND BIOLOGICAL ASSETS</b>		
	<b>At the beginning of the year</b>		
	Biological assets	18,561.55	13,613.79
	Finished goods	2,000.36	1,796.54
	Work in progress	729.54	1,088.82
	Stock in trade	<u>876.45</u>	<u>1,988.27</u>
	<b>(a)</b>	<b>22,167.90</b>	<b>18,487.42</b>
	<b>Less: at the end of the year</b>		
	Biological assets	11,463.48	18,561.55
	Finished goods	2,002.49	2,000.36
	Work in progress	269.89	729.54
	Stock in trade	<u>1,045.58</u>	<u>876.45</u>
	<b>(b)</b>	<b>14,781.44</b>	<b>22,167.90</b>
	<b>Total (a-b)</b>	<b><u>7,386.46</u></b>	<b><u>(3,680.48)</u></b>
<b>9.5</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and wages (Including gratuity, bonus & compensated absences)	19,610.27	17,340.42
	Contribution to provident and other funds	1,398.49	1,205.37
	Staff welfare expenses	<u>978.45</u>	<u>902.93</u>
	<b>Total</b>	<b><u>21,987.21</u></b>	<b><u>19,448.72</u></b>
<b>9.6</b>	<b>FINANCE COSTS</b>		
	Interest expense on borrowings	3,002.70	3,137.74
	Interest expense on lease liabilities	63.93	-
	Interest on Income Tax	<u>181.37</u>	<u>162.52</u>
		<b>3,248.00</b>	<b>3,300.26</b>
	Less: interest capitalised during the year	<u>297.37</u>	<u>145.40</u>
	<b>Total</b>	<b><u>2,950.63</u></b>	<b><u>3,154.86</u></b>





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>9.7 OTHER EXPENSES</b>		
Consumption of stores, spares and other supplies	2,302.36	2,273.52
Bird rearing and custom hatching charges	6,204.81	5,986.61
Power and fuel	9,083.95	8,348.10
Rent	1,512.95	1,099.91
Repairs to:		
Building	575.51	704.06
Machinery	1,294.78	1,384.46
Others	378.63	367.18
	<u>2,248.92</u>	<u>2,455.70</u>
Insurance	189.82	182.99
Rates and taxes	445.96	520.15
Carriage outward (net)	3,485.20	3,585.49
Travelling and conveyance	1,786.65	1,811.95
Advertisement and publicity	736.97	707.10
Loss on property, plant & equipment sold/ discarded (net)	31.11	55.62
Loss on foreign currency translation & transaction (net)	110.98	65.30
Bad debts & advances written off and provision for credit impaired debts & advances	224.94	87.02
CSR expenses#	197.71	254.19
Miscellaneous expenses##	6,132.75	6,196.49
<b>Total</b>	<u><u>34,695.08</u></u>	<u><u>33,630.14</u></u>
<b># Details of CSR expenses:</b>		
(a) Gross amount required to be spent	540.72	389.69
(b) Amount spent during the year:		
For promoting education, sport and medical facilities	197.71	254.19
<b>## Miscellaneous expenses include auditors' remuneration as follows: (Stated net of GST)</b>		
Audit	42.00	40.00
Other services	15.22	14.90
Reimbursement of expenses	2.86	2.75
<b>Total</b>	<u><u>60.08</u></u>	<u><u>57.65</u></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>10 TAX EXPENSE/(TAX INCOME):</b>		
Profit/(Loss) before tax	(4,970.62)	27,652.37
Enacted tax rates in India	25.168%	34.944%
Computed tax expense	(1,251.01)	9,662.84
Tax adjustment in respect of earlier period (Refer Note No. 16)	(77.13)	277.70
Effect of tax rate change on the deferred tax liability	(986.03)	-
Effect of non-deductible expense (permanent differences)	84.81	253.95
Effect of Impairment of goodwill not deductible	-	90.09
Effect of tax depreciation on goodwill	(25.00)	(46.28)
	<u>(2,254.36)</u>	<u>10,238.30</u>

The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and the impact of such change was recognized during the year. The tax Income for the year ended 31st March 2020 has been recognised basis the above selected option.

### 11 EMPLOYEE BENEFITS

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

Provident fund scheme	1,090.84	891.88
Superannuation scheme	36.91	45.42
State insurance scheme	242.01	247.41
<b>Total</b>	<u>1,369.76</u>	<u>1,184.71</u>

#### (b) Plan description : Gratuity and compensated absences plan

##### (i) Gratuity (Funded)

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



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(ii) Compensated absences (Non Funded)**

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

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>(c) Break down of plan assets : Gratuity</b>		
ICICI Prudential Life Insurance Company Ltd. (Quoted)	4,671.98	4,082.75
Life Insurance Corporation of India (Unquoted)	261.78	248.06
<b>Total</b>	<b>4,933.76</b>	<b>4,330.81</b>

**(d) Defined benefit plans/ compensated absences - as per actuarial valuation carried out by an independent actuary as at respective balance sheet date.**

(Rupees in Lakhs)

Particulars	Gratuity (Funded)		Compensated absence (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
<b>I Change in defined benefit obligation</b>				
Liability at the beginning of the year	4,507.27	4,092.55	1,339.72	1,185.13
Transfer in	(20.97)	-	-	-
Interest cost	338.91	307.91	95.77	83.93
Current service cost	372.38	335.57	198.29	175.65
Benefits paid	(300.14)	(289.93)	(223.71)	(218.12)
Actuarial (gain)/loss on obligation	747.25	61.17	239.77	113.13
<b>Liability at the end of the year</b>	<b>5,644.70</b>	<b>4,507.27</b>	<b>1,649.84</b>	<b>1,339.72</b>
<b>II Change in plan assets</b>				
Fair value of plan assets at the beginning of the year	4,330.81	3,843.16	-	-
Adjustment to opening funds	(5.21)	-	-	-
Expected return on plan assets	339.81	308.97	-	-
Contributions by employers	80.00	285.00	-	-
Mortality charges and taxes	(0.14)	-	-	-
Benefits paid	(18.05)	(43.77)	-	-
Actuarial gain/(loss) on plan assets	206.54	(62.55)	-	-
Fair value of plan assets at the end of the year	4,933.76	4,330.81	-	-
<b>Total actuarial (gain)/loss to be recognized</b>	<b>540.71</b>	<b>123.72</b>	<b>239.77</b>	<b>113.13</b>
<b>III Actual return on plan assets</b>				
Expected return on plan assets	339.81	308.97	-	-
Actuarial gain/(loss) on plan assets	206.54	(62.55)	-	-
<b>Actual return on plan assets</b>	<b>546.35</b>	<b>246.42</b>	<b>-</b>	<b>-</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	Particulars	Gratuity (Funded)		Compensated absence (Unfunded)	
		2019-20	2018-19	2019-20	2018-19
<b>IV</b>	<b>Amount recognized in the balance sheet</b>				
	Liability at the end of the year	<b>5,644.70</b>	4,507.27	<b>1,649.84</b>	1,339.72
	Fair value of plan assets at the end of the year	<b>4,933.76</b>	4,330.81	-	-
	<b>Amount recognized in the balance sheet</b>	<b>710.94</b>	176.46	<b>1,649.84</b>	1,339.72
<b>V</b>	<b>Expenses recognized in statement of profit and loss</b>				
	Current service cost	<b>372.38</b>	335.57	<b>198.29</b>	175.65
	Transfer in	<b>(20.97)</b>	-	-	-
	Mortality charges and taxes	<b>0.14</b>	-	-	-
	Interest cost	<b>338.91</b>	307.91	<b>95.77</b>	83.93
	Expected return on plan assets	<b>(339.81)</b>	(308.97)	-	-
	Net actuarial (gain)/loss to be recognized	-	-	<b>239.77</b>	113.13
	<b>Expenses recognized in statement of profit and loss</b>	<b>350.65</b>	334.51	<b>533.83</b>	372.71
<b>VI</b>	<b>Expenses recognized in the statement of Other Comprehensive Income (OCI)</b>				
	Actuarial (gain)/loss on obligation	<b>747.25</b>	61.17	-	-
	Actuarial gain/(loss) on plan assets	<b>206.54</b>	(62.55)	-	-
	<b>Expenses recognized in the statement of OCI</b>	<b>540.71</b>	123.72	-	-
<b>VII</b>	<b>Amount recognized in the balance sheet</b>				
	Opening net liability	<b>176.46</b>	249.39	<b>1,339.72</b>	1,185.13
	Adjustment to opening funds	<b>5.21</b>	-	-	-
	Expenses recognized in statement of profit and loss	<b>350.65</b>	334.51	<b>533.83</b>	372.71
	Expenses recognized in the statement of OCI	<b>540.71</b>	123.72	-	-
	Contributions by employers/benefits paid	<b>(362.09)</b>	(531.16)	<b>(223.71)</b>	(218.12)
	<b>Amount recognized in the balance sheet</b>	<b>710.94</b>	176.46	<b>1,649.84</b>	1,339.72
<b>VIII</b>	<b>Actuarial assumptions for the year</b>				
	Discount factor	<b>6.90%</b>	7.80%	<b>6.90%</b>	7.80%
	Expected Rate of return on plan assets	<b>7.20%</b>	7.20%	<b>NA</b>	NA
	Interest rate	<b>7.80%</b>	7.80%	<b>NA</b>	NA
	Attrition rate				
	i) Staff below age 35	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%
	ii) Others	<b>1.00%</b>	1.00%	<b>1.00%</b>	1.00%
	Rate of escalation in salary	<b>8.00%</b>	8.00%	<b>8.00%</b>	8.00%

(e) For the estimates of future salary increase, factors that are taken into account are inflation, seniority, promotion and other relevant factors.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

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

Particulars	% of total investments as at	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Funds Managed by Insurer	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**(g) Sensitivity Analysis - Gratuity and compensated absences plan**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption by one percentage, keeping all other actuarial assumptions constant.

(Rupees in lakhs)

	Particulars	Gratuity (Funded)	Compensated absence (Unfunded)
I	<b>When Discount rate is decreased or increased by 100 basis point :</b>		
	5.90%	6,262.50	1,788.80
	7.90%	5,120.62	1,528.87
II	<b>When Rate of escalation in salary is decreased or increased by 100 basis point :</b>		
	7.00%	5,167.64	1,543.11
	9.00%	6,193.52	1,769.69
III	<b>When Withdrawal rate is decreased or increased by 100 basis point :</b>		
	4.00%	5,693.69	1,612.94
	6.00%	5,601.62	1,681.87

**(h) Expected contribution for future period:**

The Company intends to contribute Rs. 500.00 Lakhs towards its gratuity fund during the financial year 2020-21.

**(i) Weighted average duration of Defined Benefit Obligation**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 15.85 years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (j) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Liability Risks

##### a. Asset liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

##### b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### c. Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### Asset Risks

All plan assets are maintained in a trust fund managed by a private sector insurer viz; ICICI Prudential Life insurance Company Limited India. The company has opted for a unit-linked fund which is market linked with options to invest in equity funds. The company has the option to structure the portfolio based on its risk appetite providing an opportunity to earn market linked returns. But there is an investment risk here which is borne by the company. A single account is maintained for both investment and claim settlement and hence 100% liquidity is ensured.

## 12.1 SEGMENT REPORTING

### Business segment

The Company's management examines the Company's performance both from a product and geographic perspective and has identified three reportable segments of its business. The 'Poultry and Poultry Products' segment produces and sells chicks, grownup commercial broiler and layer, processed chicken, S.P.F. eggs, poultry feed and other miscellaneous poultry products. The 'Animal Health Products' segment produces and sells medicines and other health products for birds. The 'Oilseed Segment' produces and sells edible refined soya oil and soya de-oiled cake.

The operating businesses are organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different markets. Transfer price between segments are measured on the basis of price charged for inter segment transfers. Segment revenue includes transfer between inter segments. Those transfers are eliminated in total revenue. Corporate expenses are allocated to other segments at cost.

### Geographical segment

Revenue and receivables are specified by location of customers while other geographic information is specified by location of the assets.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

**SEGMENT REPORTING**

**A. Operating segments**

Particulars	Poultry & Poultry Products		Animal Health Products		Oilseed		Elimination		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>REVENUE</b>										
Revenue from Operations	156,699.97	147,599.49	21,148.02	21,900.35	148,254.34	134,813.67	-	-	326,102.33	304,313.51
Inter-segment Revenue	-	-	2,073.59	2,195.54	10,692.35	8,290.20	(12,765.94)	(10,485.74)	-	-
<b>Total Revenue</b>	<b>156,699.97</b>	<b>147,599.49</b>	<b>23,221.61</b>	<b>24,095.89</b>	<b>158,946.69</b>	<b>143,103.87</b>	<b>(12,765.94)</b>	<b>(10,485.74)</b>	<b>326,102.33</b>	<b>304,313.51</b>
<b>RESULT</b>										
Segment Result	(11,633.20)	21,986.81	3,980.65	4,276.93	6,817.55	6,173.51	-	-	(835.00)	32,437.25
Unallocable expenditure									2,999.36	3,176.38
Operating Profit									(3,834.36)	29,260.87
Interest income									1,814.37	1,546.36
Interest Expense									2,950.63	3,154.86
Income Taxes									(2,254.36)	10,238.30
<b>Profit for the year</b>									<b>(2,716.26)</b>	<b>17,414.07</b>
<b>ASSETS</b>										
Segment Assets	76,211.48	80,868.45	10,528.99	8,522.57	45,493.01	40,857.15	-	-	132,233.48	130,248.17
Unallocated corporate assets									27,497.31	25,484.69
<b>Total Assets</b>									<b>159,730.79</b>	<b>155,732.86</b>
<b>LIABILITIES</b>										
Segment Liabilities	29,431.44	24,479.26	3,551.30	3,225.87	9,908.63	7,926.76	-	-	42,891.37	35,631.89
Unallocated Corporate Liabilities									33,213.19	31,951.74
<b>Total Liabilities</b>									<b>76,104.56</b>	<b>67,583.63</b>
<b>OTHER INFORMATION</b>										
Addition to non current assets (net)	5,057.49	9,085.22	160.35	295.70	2,962.99	1,621.48	-	-	8,180.83	11,002.40
Unallocable non current assets (net)									81.05	92.54
Depreciation/amortization	2,841.70	2,447.23	205.79	121.01	268.82	260.53	-	-	3,316.31	2,828.77
Unallocable Depreciation/ amortization									108.99	106.19
Non-Cash items of expense/ (Income) other than depreciation	120.47	375.11	104.76	(70.23)	3.85	(1.23)	-	-	229.08	303.65
Unallocable Non-cash items of expense / (Income) other than depreciation									22.47	26.69

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lakhs)

### B. Geographical segments

Revenues and receivables are specified by location of customers while other geographical information is specified by the location of the assets. Since all the assets are located in India and revenue from customers located out of India are less than 10% of total revenue, there are no reportable geographical segments.

Particulars	India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue By Geographical Market</b>						
External	324,392.23	302,348.05	1,710.10	1,965.46	326,102.33	304,313.51
Inter Segment	-	-	-	-	-	-
<b>Total Revenue</b>	<b>324,392.23</b>	<b>302,348.05</b>	<b>1,710.10</b>	<b>1,965.46</b>	<b>326,102.33</b>	<b>304,313.51</b>
<b>Non current assets</b>	<b>64,276.54</b>	<b>58,872.44</b>	<b>-</b>	<b>-</b>	<b>64,276.54</b>	<b>58,872.44</b>

### Information of Revenue from Major Customer

Particulars	2019-20	2018-19
Venkateshwara Hatcheries Private Limited	77,052.92	68,356.52

### Additional information:

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and liabilities respectively.





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 13 RELATED PARTIES DISCLOSURES

#### I NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP

##### a. Key Management Personnel and their relatives

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

##### b. Members of same group

###### Party that exercises control

Venkateshwara Hatcheries Private Limited - Holding Company

##### c. Entity which is a post-employment benefit plan

- 1 Venky's (India) Limited Employees Group Gratuity Scheme with ICICI Prudential Life Insurance Company Limited
- 2 Venky's (India) Limited Officers Superannuation Scheme with ICICI Prudential Life Insurance Company Limited
- 3 Venky's (India) Limited Officers Superannuation Scheme / Trust with Life Insurance Corporation.

##### d. Entity which is controlled or jointly controlled by a person identified in (a)

- 1 Venkateshwara Foods & Feeds (Firm)
- 2 Uttara Foods and Feeds Private Limited
- 3 All India Poultry Development And Services Private Limited
- 4 Uttara Impex Private Limited
- 5 Venkateshwara B.V. Bio Corp Private Limited
- 6 Venkateshwara Biofeed Private Limited
- 7 Srivenk Investments and Finance Private Limited

##### e. A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

- 1 Venco Research and Breeding Farms Private Limited
- 2 Venkateshwara Research and Breeding Farm Private Limited
- 3 Bala Industries and Entertainment Private Limited
- 4 Wayward Acres, Inc.
- 5 Venkateshwara Charitable Foundation
- 6 Smt. Uttaradevi Charitable and Research Foundation
- 7 Dr. B.V. Rao Institute of Poultry Management and Technology

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in Lakhs)

### II. COMPENSATION OF KEY MANAGERIAL PERSONNEL

Sr. No.	Transactions	2019-20	2018-19
a	Short term employee benefits	27.99	27.39
b	Post employment benefits	3.72	3.72

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Managerial Personnel. Compensation exclude provision for gratuity and compensated absences (if any) since these are based on actuarial valuation on an overall company basis.

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

Sr. No.	Transactions	2019-20	2018-19
1	Remuneration		
	Salary	20.00	20.00
	Contribution to provident and other funds	3.72	3.72
	Perquisites	7.99	7.39
		<b>31.71</b>	31.11
2	Commission	-	7.51
3	Sitting fees	6.80	7.95
4	Reimbursement of expenses	1.08	1.23
5	Rent paid (expense)	3.60	3.60
	<b>Total</b>	<b>43.19</b>	51.40

#### b. BREAKUP OF PAYMENTS MADE TO KEY MANAGERIAL PERSONNEL

Sr. No.	Transactions	2019-20	2018-19
	<b>Remuneration</b>		
1	Mr. B. Balaji Rao	31.71	31.11
	<b>Total</b>	<b>31.71</b>	31.11
	<b>Commission</b>		
1	Mrs. Anuradha J. Desai	-	1.37
2	Mr. B. Venkatesh Rao	-	1.37
3	Mr. B. Balaji Rao	-	3.00
4	Mr. Jitendra M. Desai	-	1.37
5	Ms. Uttara J. Desai	-	0.40
	<b>Total</b>	<b>-</b>	7.51
	<b>Sitting fees</b>		
1	Mrs. Anuradha J. Desai	1.60	2.15
2	Mr. B. Venkatesh Rao	1.60	2.15
3	Mr. Jitendra M. Desai	2.60	3.15
4	Ms. Uttara J. Desai	1.00	0.50
	<b>Total</b>	<b>6.80</b>	7.95



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

Sr. No.	Transactions	2019-20	2018-19
	<b>Reimbursement of expenses</b>		
1	Mrs. Anuradha J. Desai	0.24	0.29
2	Mr. B. Venkatesh Rao	0.24	0.29
3	Mr. B. Balaji Rao	0.24	0.27
4	Mr. Jitendra M. Desai	0.30	0.35
5	Ms. Uttara J. Desai	0.06	0.03
	<b>Total</b>	<b>1.08</b>	<b>1.23</b>
1	<b>Rent paid (expense) - Mr. B. Venkatesh Rao</b>	<b>3.60</b>	<b>3.60</b>
	<b>Total</b>	<b>3.60</b>	<b>3.60</b>

**III . DETAILS OF RELATED PARTY TRANSACTIONS**

(Rupees in Lakhs)

Sr. No.	Transactions	2019-20	2018-19
	<b>Purchase of materials / finished goods</b>		
1	Uttara Foods and Feeds Private Limited	7,503.25	4,555.82
2	Venkateshwara Hatcheries Private Limited	6,396.27	5,346.34
3	Venkateshwara B V Bio-Corp Private Limited	4,888.73	4,889.12
4	Venco Research and Breeding Farm Private Limited	3,657.65	5,028.05
5	Venkateshwara Research and Breeding Farm Private Limited	1,302.75	1,404.89
6	Uttara Impex Private Limited	1,204.52	955.60
7	Venkateshwara Bio-Feed Pvt Ltd	314.32	-
8	Wayward Acres, Inc.	170.18	277.17
9	Dr. B.V. Rao institute of Poultry Management	12.39	13.53
10	Bala Industries and Entertainment Private Limited	11.41	4.75
	<b>Total</b>	<b>25,461.47</b>	<b>22,475.27</b>
	<b>Sale of materials / finished goods</b>		
1	Venkateshwara Hatcheries Private Limited	77,052.92	68,356.52
2	Uttara Foods and Feeds Private Limited	18,123.00	15,481.16
3	Venco Research and Breeding Farm Private Limited	10,221.52	8,255.15
4	Venkateshwara Bio-Feed Pvt Ltd	7,461.10	2,683.33
5	Venkateshwara Foods and Feeds (Firm)	4,686.15	4,101.22
6	Venkateshwara B V Bio-Corp Private Limited	3,658.05	3,347.18
7	Bala Industries and Entertainment Private Limited	3,075.52	2,779.92
8	Venkateshwara Research and Breeding Farm Private Limited	1,847.42	1,489.18
9	Dr. B.V. Rao institute of Poultry Management	372.91	200.30
10	Uttara Impex Private Limited	196.44	169.51
11	All India Poultry Development Services	1.72	-
	<b>Total</b>	<b>126,696.75</b>	<b>106,863.47</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

Sr. No.	Transactions	2019-20	2018-19
	<b>Purchase of fixed assets</b>		
1	Bala Industries and Entertainment Private Limited	33.22	1,338.82
2	Venkateshwara B V Bio-Corp Private Limited	6.26	3.37
3	Venco Research and Breeding Farm Private Limited	0.03	-
	<b>Total</b>	<b>39.51</b>	<b>1,342.19</b>
	<b>Sale of fixed assets</b>		
1	Uttara Foods and Feeds Private Limited	30.29	-
2	Venco Research and Breeding Farm Private Limited	11.47	0.10
3	Venkateshwara Bio-Feed Pvt Ltd	7.34	-
4	Venkateshwara Hatcheries Private Limited	0.94	21.31
5	Bala Industries and Entertainment Private Limited	0.30	-
	<b>Total</b>	<b>50.34</b>	<b>21.41</b>
	<b>Reimbursement of expenses (Expense)</b>		
1	Venkateshwara Hatcheries Private Limited	697.82	713.42
2	Venkateshwara B V Bio-Corp Private Limited	111.64	20.16
3	Uttara Foods and Feeds Private Limited	32.08	10.04
4	Venkateshwara Bio-Feed Pvt Ltd	6.99	-
5	Venco Research and Breeding Farm Private Limited	2.34	0.09
6	Venkateshwara Research and Breeding Farm Private Limited	1.97	1.23
7	Bala Industries and Entertainment Private Limited	0.86	-
	<b>Total</b>	<b>853.70</b>	<b>744.94</b>
	<b>Reimbursement of expenses (Income)</b>		
1	Venco Research and Breeding Farm Private Limited	189.20	5.41
2	Venkateshwara Foods and Feeds (Firm)	39.77	-
3	Venkateshwara Research and Breeding Farm Private Limited	13.43	7.73
4	Uttara Foods and Feeds Private Limited	9.62	1.87
5	Venkateshwara Bio-Feed Pvt Ltd	7.11	13.38
6	All India Poultry Development Services	6.81	-
7	Venkateshwara Hatcheries Private Limited	2.82	14.68
8	Venkateshwara B V Bio-Corp Private Limited	2.57	0.81
9	Dr. B.V. Rao institute of Poultry Management	0.16	0.02
	<b>Total</b>	<b>271.49</b>	<b>43.90</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

Sr. No.	Transactions	2019-20	2018-19
	<b>Custom hatching charges / testing charges / processing charges (income)</b>		
1	Venkateshwara Bio-Feed Pvt Ltd	262.79	69.97
2	Venkateshwara B V Bio-Corp Private Limited	87.71	72.79
3	Uttara Foods and Feeds Private Limited	66.00	38.25
4	Venco Research and Breeding Farm Private Limited	44.02	-
5	Venkateshwara Hatcheries Private Limited	-	0.03
	<b>Total</b>	<b>460.52</b>	<b>181.04</b>
	<b>Custom hatching charges (Expense)</b>		
1	Venkateshwara Hatcheries Private Limited	232.68	203.21
	<b>Total</b>	<b>232.68</b>	<b>203.21</b>
	<b>Cash Discount</b>		
1	Venkateshwara Hatcheries Private Limited	67.82	232.81
2	Venco Research and Breeding Farm Private Limited	18.88	22.14
3	Venkateshwara Research and Breeding Farm Private Limited	1.68	1.68
4	Uttara Foods and Feeds Private Limited	1.64	5.19
	<b>Total</b>	<b>90.02</b>	<b>261.82</b>
	<b>Repairs and maintenance expenses</b>		
1	Bala Industries and Entertainment Private Limited	99.16	131.50
	<b>Total</b>	<b>99.16</b>	<b>131.50</b>
	<b>Rent (income)</b>		
1	Venkateshwara Hatcheries Private Limited	279.15	262.15
2	Venco Research and Breeding Farm Private Limited	81.52	10.30
3	Venkateshwara Research and Breeding Farm Private Limited	1.34	1.34
	<b>Total</b>	<b>362.01</b>	<b>273.79</b>
	<b>Rent (expense)</b>		
1	Venkateshwara Hatcheries Private Limited	92.82	63.95
	<b>Total</b>	<b>92.82</b>	<b>63.95</b>
	<b>Contributions to trade associations</b>		
1	All India Poultry Development Services Private Limited	148.22	226.55
	<b>Total</b>	<b>148.22</b>	<b>226.55</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

Sr. No.	Transactions	2019-20	2018-19
	<b>CSR expenses</b>		
1	Venkateshwara Charitable Foundation	95.55	171.00
2	Smt. Uttaradevi Charitable and Research Foundation	49.29	29.05
	<b>Total</b>	<b>144.84</b>	<b>200.05</b>
	<b>Benefits paid to gratuity fund/ superannuation fund</b>		
1	Employees Group Gratuity Scheme with ICICI Prudential Life Insurance Company Ltd	300.14	289.93
2	Officers Superannuation Scheme with ICICI Prudential Life Insurance Company Ltd	8.09	8.68
3	Superannuation Scheme / Trust with Life Insurance Corporation of India	32.85	38.69
	<b>Total</b>	<b>341.08</b>	<b>337.30</b>
	<b>Interest income on intercorporate deposit</b>		
1	Venkateshwara Hatcheries Private Limited	-	129.78
	<b>Total</b>	<b>-</b>	<b>129.78</b>
	<b>Interest Income on other receivables</b>		
1	Venkateshwara Hatcheries Private Limited	782.14	458.24
	<b>Total</b>	<b>782.14</b>	<b>458.24</b>
	<b>Commission income on Collateral security given</b>		
1	Venkateshwara Hatcheries Private Limited	101.01	100.69
	<b>Total</b>	<b>101.01</b>	<b>100.69</b>
	<b>Lease Deposits given</b>		
1	Venkateshwara Hatcheries Private Limited	-	733.50
	<b>Total</b>	<b>-</b>	<b>733.50</b>
	<b>Lease Deposits taken</b>		
1	Venkateshwara Hatcheries Private Limited	-	38.41
	<b>Total</b>	<b>-</b>	<b>38.41</b>
	<b>Intercorporate deposit given during the year</b>		
1	Venkateshwara Hatcheries Private Limited	-	1,880.00
	<b>Total</b>	<b>-</b>	<b>1,880.00</b>
	<b>Intercorporate deposit received back during the year</b>		
1	Venkateshwara Hatcheries Private Limited	-	4,268.75
	<b>Total</b>	<b>-</b>	<b>4,268.75</b>
	<b>Collateral security given during the year</b>		
1	Venkateshwara Hatcheries Private Limited	101.82	4.75
	<b>Total</b>	<b>101.82</b>	<b>4.75</b>
	<b>Other receivables received back during the year</b>		
1	Venkateshwara Hatcheries Private Limited	1,200.00	3,000.00
2	Venkateshwara Foods and Feeds (Firm)	77.69	-
	<b>Total</b>	<b>1,277.69</b>	<b>3,000.00</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

Sr. No.	Transactions	2019-20	2018-19
	<b>Outstanding deposits from Lessee / Franchisees receivable/ (payables), net of payable/receivables</b>		
1	Venkateshwara Hatcheries Private Limited	850.82	850.82
2	Venkateshwara Research and Breeding Farm Private Limited	(20.00)	(20.00)
	<b>Total</b>	<b>830.82</b>	830.82
	<b>Guarantee Outstanding (taken) - (Refer Note No. 5.1)</b>		
1	Venkateshwara Hatcheries Private Limited	623.21	1,869.64
	<b>Total</b>	<b>623.21</b>	1,869.64
	<b>Outstanding collateral security (given)</b>		
1	Venkateshwara Hatcheries Private Limited	14,489.60	14,387.78
	<b>Total</b>	<b>14,489.60</b>	14,387.78
	<b>Outstanding other receivables</b>		
1	Venkateshwara Hatcheries Private Limited	5,900.00	7,100.00
2	Venkateshwara Foods and Feeds (Firm)	-	77.69
	<b>Total</b>	<b>5,900.00</b>	7,177.69
	<b>Outstanding receivable/(payables), net of payable/ receivable#</b>		
1	Venkateshwara Hatcheries Private Limited	22,797.11	14,283.05
2	Uttara Foods and Feeds Private Limited	8,619.28	7,918.64
3	Venkateshwara Foods and Feeds (Firm)	3,402.18	1,879.78
4	Venkateshwara Biofeed Private Limited	1,630.85	495.88
5	Bala Industries and Entertainment Private Limited	973.01	4.15
6	All India Poultry Development Services Private Limited	9.76	-
7	Venco Research and Breeding Farm Private Limited	(8.93)	(621.75)
8	Wayward Acres, Inc.	(64.60)	(109.86)
9	Venkateshwara B V Bio-Corp Private Limited	(273.49)	(227.96)
10	Uttara Impex Private Limited	(335.41)	(156.07)
11	Venkateshwara Research and Breeding Farm Private Limited	(1,280.94)	(504.08)
	<b>Total</b>	<b>35,468.82</b>	22,961.78

# Outstanding receivables from related parties arise mainly from sales transactions and are due within 60 days following the date of transaction. These receivables are unsecured in nature and are interest free. No provision for impairment is required to be made for outstanding receivable from related parties in current as well as previous year.

Outstanding payables to related parties arise mainly from purchase transactions and are due within 60 days following the date of transaction. These payables are interest free.

Transactions with related parties have been done at arm's length and are in the ordinary course of business.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 14 LEASES

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has treated the leases with remaining lease term of less than 12 months as if they were "Short term leases".

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than INR 1 Lakh in value).

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs 836.60 Lakhs, related accumulated depreciation amounting to Rs 227.72 Lakhs, lease liabilities amounting to Rs. 658.73 Lakhs, Deferred tax assets amounting to Rs. 12.49 Lakhs and Rs 37.15 Lakhs in retained earnings as at April 1, 2019.

The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 10.00% for measuring the lease liability.

Refer note 7.3 for contractual maturities of lease liabilities.

#### **Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019**

Operating lease commitments at March 31, 2019	Rs. 50.93 Lakhs
Discounted using the incremental borrowing rate at April 1, 2019	Rs. 40.27 Lakhs
Recognition exemption for:	
Short Term Leases	Rs. "Nil"
Leases of low value assets	Rs. "Nil"
Extension and termination options reasonably certain to be exercised	Rs. 618.46 Lakhs

**Lease liabilities recognised at 1st April 2019** **Rs. 658.73 Lakhs**

#### **Impact of adoption of Ind AS 116 on Retained earning**

Reclassification of operating lease under Ind AS 17 'Leases' to right-of-use assets	Rs. 37.15 Lakhs
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**Impact on Retained earnings as at April 1, 2019** **Rs. 37.15 Lakhs**

#### **Impact of adoption of Ind AS 116 on the statement of profit and loss**

Interest on lease liability	Rs. 63.93 Lakhs
Depreciation of right of use assets	Rs. 225.35 Lakhs
Deferred tax (Credit)	Rs. 5.19 Lakhs

**Impact on the statement of profit and loss for the year ended 31st March 2020** **Rs. 284.09 Lakhs**





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees in Lakhs)

	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>15 EARNINGS PER SHARE (EPS)</b>		
There is no potential equity shares and hence the basic and diluted EPS are the same.		
The calculation of the Basic and Diluted EPS is based on the following data:		
Net Profit/(Loss) for the year after tax	(2,716.26)	17,414.07
Weighted average number of equity shares outstanding during the year	14,087,336	14,087,336
Basic & Diluted EPS for equity share (Face value of Rs. 10/- each)	(19.28)	123.62

**16** A search was conducted under section 132(1) of the Income Tax Act, 1961 ('the Act') during the year ended 31 March 2018. The Assessing Officer issued notices under sections 148 and 153A of the Act in respect of financial years 2010-11 to 2016-17. The Company revised its tax liability for the aforesaid years and paid / provided additional tax of Rs. 1,396.80 lakhs in the year 2017-18 and disclosed it under "Tax adjustment in respect of earlier years". The Company filed an application under Section 245C (1) of the Act before the Income Tax Settlement Commission ('ITSC') on 14 May 2018 to avoid protracted tax litigation. The ITSC vide its Order dated 2 April 2019 directed the Assessing officer to compute tax and interest on the income determined in the proceedings before the ITSC in respect of the aforesaid years. Pending determination of demand by the assessing officer, the Company had provided Rs. 219.49 lakhs as tax and Rs. 99.52 lakhs as interest during the financial year 2018-19 and disclosed them under the heads "Tax adjustment in respect of earlier years" and "Finance Costs" respectively. During the year, the Company has received demand orders from the assessing officer and provided Rs. 181.35 lakhs as interest and disclosed under the heads "Finance Costs".

**17** Previous year's figures have been regrouped/recast/rearranged wherever necessary in order to conform to current year's presentation.

**18** The Board of Directors, in its board meeting held on 29th June 2020, approved the financial statements for issue and the financial statements does not include any events after this date.

As per our report of even date

For **B.D. JOKHAKAR & CO.**  
Chartered Accountants  
Firm Registration Number : 104345W

**RAMAN JOKHAKAR**  
Partner  
Membership Number : 103241

Place : Mumbai  
Date : June 29, 2020

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

**ANURADHA J. DESAI**  
Chairperson  
DIN : 00012212

**B. BALAJI RAO**  
Managing Director  
DIN : 00013551

Place : Pune  
Date : June 29, 2020

**B. VENKATESH RAO**  
Vice Chairman  
DIN : 00013614

**J. K. HANDA**  
Chief Financial Officer

**ROHAN BHAGWAT**  
Company Secretary  
Membership Number : A26954

## DIVIDEND DISTRIBUTION POLICY

### 1. Introduction:

The Securities And Exchange Board of India vide notification No. SEBI/ LAD-NRO/GN/2016-17/008 dated 8<sup>th</sup> July 2016 amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said amendment requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

### 2. Applicability:

Venky's (India) Limited, as on 31<sup>st</sup> March 2018, falls well within the criteria as mentioned above and therefore needs to formulate and disclose the dividend distribution policy as required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. This policy will be applicable to dividend payable to equity shareholders of the Company.

### 3. Dividend:

According to the generally accepted definition, "dividend" means the profit of a company that is not retained in business and is distributed amongst the shareholders in proportion to the amount paid-up on the shares held by them. For the purpose of this policy dividend shall mean dividend proposed and payable to equity shareholders only and shall include interim dividend as defined in Section 2(35) of the Companies Act, 2013.

### 4. Parameters of Dividend Distribution Policy:

(a) The circumstances under which the shareholders may or may not expect dividend:

The circumstances under which the shareholders may or may not expect dividend depends upon internal as well as external factors which shall be considered by the company while declaring the dividend. Generally, the internal factors may be defined as those factors which are part and parcel of the organization and may be in control of the company whereas external factors are those which are beyond the control of the management. In some cases, both the factors will be inter-connected to each other and decision of dividend will always be taken after jointly considering the factors. In addition to the above, shareholders may not expect dividend in case of inadequacy of profits or losses. The internal and external factors are defined in clause 4 (b) of this policy.

(b) Internal and external factors that shall be considered for declaration of dividend:

Internal Factors:

- Profit for the year under consideration;
- Expansion plans in near future;
- Availability of surplus funds;
- Short term and long term liabilities of the Company;
- Cyclical nature of business;
- Corporate actions such as Bonus, Split of Shares etc.;
- Past dividend distribution record of the Company.

External Factors:

- State of the economy
- Monsoon
- Industry outlook
- Govt. Rules and Regulations



## Venky's (India) Limited

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- Taxation policy
- Environment and Disease outbreak.

(c) The Company will consider the following financial parameters while declaring dividend:

- Cost of borrowing;
- Availability of alternate source of funding;
- Operating cash flows;
- Profitability.

### 5. Policy as to how the retained earning shall be utilized:

The retained earnings of the company shall be utilised as per the provisions of the Companies Act, 2013 and rules and regulations made thereunder. Generally, retained earnings shall be used for the following purposes:

- Issue of bonus shares;
- Declaration of dividend;
- Funding for expansion plans;
- Repayment of debts.

### 6. Payout Ratio:

Considering the parameters mentioned in this policy, the Company aims to provide a balance between rewarding its shareholders and retaining earnings for the Company's growth. The Company is engaged in the livestock industry which is prone to several unpredictable factors, like higher volatility in prices of feed ingredients, mis-match in demand and supply, vagaries of climatic conditions etc. Keeping these factors in mind, it is the endeavour of the Company that the dividend amount in each financial year will be stable and steady. Therefore, the Company will distribute dividend upto 10% of its after-tax profits in each financial year.

### 7. Parameters for various classes of shares:

Currently, the Company has only one class of issued shares i.e. equity shares to which this policy shall be applicable.

### 8. Changes / modification in the policy:

Any change or modification in the policy shall be made only after prior approval of the Board of Directors of the Company. Any change made in the current policy shall be informed to the shareholders of the Company in its annual report and on the website of the Company i.e. [www.venkys.com](http://www.venkys.com)

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L01222PN1976PLC017422
2. Name of the Company : Venky's (India) Limited
3. Registered address : 'Venkateshwara House', S.No.114/A/2,  
Pune –Sinhadgad Road, Pune – 411030.
4. Website : www.venkys.com
5. E-mail id : corp.shares@venkys.com
6. Financial Year Reported : 01.04.2019 – 31.03.2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

S. No	Name and Description of main Products / Services	NIC Code of the Product / Service
1	Sale of grownup commercial broiler	01461
2	Sale of Day old commercial chicks	01463
3	Sale of Refined oil	10402
4	Sale of De-Oiled Cake for Poultry Feed	10406
5	Animal Health Products	01409

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
  - Grownup Commercial Broiler
  - Day Old Commercial Chicks
  - Soya De-oiled Cake
9. Total number of locations where business activity is undertaken by the Company
  - Number of International Locations: NIL units outside India.
  - Number of National Locations: 65 units. (Includes only farms / hatcheries and plants)
10. Markets served by the Company – All over India and certain international markets.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 14,08,73,360/-
2. Total Turnover (INR) : 32,610,233,000
3. Total profit after taxes (INR) : (271,626,000)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : N.A. (Company registered loss in the FY 2019-2020).
5. List of activities in which expenditure in 4 above has been incurred:-
  - Healthcare
  - Education
  - Eradication of Hunger and Poverty



**Venky's (India) Limited**

- Chief Minister Relief Fund
- Rural Development Projects
- Animal Welfare

**SECTION C: OTHER DETAILS**

1. Does the Company have any Subsidiary Company/ Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not Applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The company believes in inclusion of all its stakeholders in the business responsibility principles undertaken by the Company. The stakeholders generally conform to the principles followed by the Company.

**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

1. Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number: 00013533

Name: Mr. Jitendra M. Desai

Designation: Director

2. Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. J. K. Handa / Mr. Rohan Bhagwat
3	Designation	Chief Financial Officer / Company Secretary
4	Telephone number	020 -71251530 - 41
5	Email id	corp.shares@venkys.com

2. Principle wise (As per NVGs) BR policy / policies

1. Details of Compliance (Reply in Y/N):

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	N	N	Y	N	N	N	N	N	N
3	Does the poliscy conform to any national / international standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*

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No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y**	Y**	Y**	Y**	Y**	Y**	Y**	Y**	Y**
6	Indicate the link for the policy to be viewed online?	N	N	N	N	N	N	N	N	N
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\* The policies confirm to 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by MCA in July 2011.

\*\* The Corporate Social Responsibility Committee oversees the implementation of the policy.

# The policy has been communicated to some of the internal stakeholders from time to time.

2. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility report is published in Annual Report and the same is available on website of the company i.e. [www.venkys.com](http://www.venkys.com).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy relating to ethics, bribery and corruption does not only cover the Company but also it is applicable to the stakeholders of the Company. The stake holders of the Company include the employees and suppliers associated with the Company.



## Venky's (India) Limited

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The Company has put in place policy which emphasizes on good ethical practices within the organization. The policy extends not only to the entire group but also to the Suppliers, Contractors of the Company. The Company, in its day to day operations, always accentuate on fair and transparent business practices which inter alia debar acceptance of bribe as well as giving bribe. While effectively monitoring the above practices in the organization the Company believes the agenda of "Corruption Free Business".

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

In the past financial year the company has not received any complaint from its stakeholders in this segment.

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

As a leader in poultry industry the Company has employed state of the art technology in its operations. The operations of the Company ensure that it shall not disturb the ecology and environmental balance surrounding to it. For this, the Company has adopted the latest technology which is at par with the global standards.

- (a) The "Venky's XPRS" chain of retail outlets of the Company has put in place clean and best hygienic practices for preparation and serving food items at the restaurant as well as for the take away products.
  - (b) The live bird operations of the Company ensure safety and optimal use of resources over the life-cycle of the product – from design to disposal. The waste generated from these operations is biodegradable in nature, is recycled and used in poultry activities and other allied activities like agriculture. The Company also regularly reviews and improves the process of new technology development, so as to incorporate social, ethical, and environmental considerations.
  - (c) The Company is also in the business of processed chicken products which are being sold through retail outlets as well as through various chain of suppliers/ distributors. The Company ensures that the manufacturing processes and technologies required to produce these products are resource efficient and sustainable. It also follows all the statutory guideline pertaining to the packaging, disclosure of information which results in consumer awareness.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing /production / distribution achieved since the previous year throughout the value chain?

The abovementioned operations/ technology results into use of less water at the plant. The water which is used in operational functions is being recycled and used in the plant itself for gardening and plantation purpose. The equipment's used in the "Venky's XPRS" retail chain outlet are based on electrical installation which eliminates usage of LPG gas which in turn reduces the environmental pollution. The Company has also installed solar power plant at one of its unit which helps in saving electricity from conventional methods.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The products mentioned herein above even though are not being used by the consumers directly but in the process of design to disposal they are environment friendly products which has less adverse impact on the environment.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Apart from the required energy and water, inputs used in poultry industry are basically agricultural produce and land. The Company is effectively treating the water used in its farms, hatcheries, units and re-using the same. This reduces the requirement of fresh water substantially thereby saving water. The poultry industry is generally not a “High Technology Intensive Industry” and hence it has less environmental impact compared to other industries. The Company has in place the sustainable sourcing practices including transportation.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company along with its poultry farming operations also carries out the business of poultry feeds and feed supplements. The main ingredients of the poultry feed are Soya and Maize. The Company directly procures the agricultural produce like soya from local farmers in the area where company is operating, thereby eliminating the role of mediators. The Company while procuring good quality of material (Soya & Maize) from farmers gives them competitive rate in the market.

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has from time to time interacted and educated farmers about latest available practices in farming. It has always encouraged the farmers to produce the best quality of Soya and Maize. While doing this the Company has provided comfort to the farmers to buy their produces at remunerative prices.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company's live chicken business does not generate any hazardous waste. All the waste generated is bio-degradable and used in some form or other. Further in case of processed chicken products, the Company has set up rendering plants which recycles the waste generated and the same is re-usable. The Company believes in minimum waste generation and optimum resource utilization. In line with several environmental rules & regulations mandated by Central /State Government the Company has set up a mechanism for waste minimization and its recycling. The products which are being sold by the Company in the domestic market as well as outside India are packed in the recyclable material.

### Principle 3

1. Please indicate the total number of employees: 5776
2. Please indicate the total number of employees hired on temporary/contractual/casual basis:  
1558
3. Please indicate the number of permanent women employees: 357
4. Please indicate the number of permanent employees with disabilities: 11
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association:  
19.73
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.: NIL





S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

The Company on a continuous basis provides knowledge upgradation and training to its employees and encourages them for keeping themselves updated with the current trends and changes in the market.

**Principle 4**

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The Company has made the analysis and has identified the internal and external stakeholders. The details of which are as follows:

a) Internal Stakeholders:

- 1) Employees
- 2) Suppliers/ Vendors
- 3) Shareholders
- 4) Customers
- 5) Bankers

b) External Stakeholders

- 1) Government & Government Agencies
- 2) Society at large

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company has identified disadvantaged, vulnerable & marginalized stakeholders. To address the concerns of the weaker section of the society, the Company through its CSR activities strives to reduce hunger and poverty. Further it also provides for education to weaker section of society. For its employees the Company has provided medical insurance facilities and thereby has secured the health and wealth of vulnerable class of employees.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words

The Company, through Charitable Foundations, is involved in providing education and medical facilities to vulnerable and marginalized stakeholders and is also engaged in rural development projects. Further, the Company also provides free chicken and eggs to orphanages and other weaker section of society. The Company intends to provide good quality, safe and protein rich food such as eggs and chicken to disadvantaged section of the society thereby taking care of their daily food needs.

**Principle 5**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

At present the policy covers the Company and its employees. The Company always respects rights of human beings and society at large and has inculcated the same values in its management systems.

The Company strives to ensure that all its partners in the value chain are fitting in the broad parameters of such principles.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholder complaints under this segment in the past financial year.

#### **Principle 6**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

At present the policy covers the Company, its employees and its Group Companies.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company has state-of-the-art equipment's and machinery installed at its farms, hatcheries and other production facilities. The Company always prefers recyclable and sustainable materials in its process of operations. These systems contribute towards addressing environmental issues such as climate change and global warming.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company has an ongoing process of identifying and assessing potential environmental risks due to its operations at all the units so that such risks can be avoided or mitigated in unavoidable circumstances.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

All units of the Company are complying with the applicable environmental norms. The Company has done massive tree plantation at its units for a better environment.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is involved in livestock operations hence requires uninterrupted supply of electricity. It uses the best available eco-friendly power generators and other systems for its operations.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on 31.03.2020 there are no pending show cause / legal notices.

#### **Principle 7**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of national level associations engaged in protecting interest of Poultry Farmers in India. It is a member of associations such as Poultry Development Promotion Council of India and also local associations such as Mahratta Chamber Of Commerce Industries & Agriculture.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)



## Venky's (India) Limited

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The Company is always part of such initiatives which are beneficial to all the poultry farmers, big or small, of India which can be categorized in inclusive development policies and food security.

### Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company is mindful of social and economic development of the society at large. India is a protein deficient country and the Company, being in the business of poultry, strives to provide protein rich sources of food at affordable prices. This is the foregoing objective of the Company resulting in promoting wellbeing of the society. Further, since most of the units of the Company are located in rural / remote areas, the Company assures to include local persons in its operations, develop the surroundings through better roads, aided education and medical help.

2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO/ government structures/any other organization?

The projects are undertaken by the Company itself or through other charitable foundations etc.

3. Have you done any impact assessment of your initiative?

The impact assessment of the Company's efforts in this segment is an ongoing process and gradual increase in the wellbeing of the society is visible.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

For the financial year ended 31.03.2020 the Company has spent an amount of Rs.1.97 Cr. towards CSR activities which include community development activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company timely informs and educates the community on such activities undertaken by the Company and looks forward for active participation from them. Further, monitoring of such activities is done on periodical basis to ensure that the community is actually benefiting from the same.

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company is also engaged in business of processed chicken food products and quick service restaurant namely 'Venky's XPRS'. The Company always assures and is having the prime objective of providing a quality and safe product to its consumers. All the consumer complaints received during the financial year 2019-20 have been resolved to the satisfaction of the Complainant.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company provides all the required information on package of the products, wherever applicable, as per statutory guidelines, including nutritional information and information related to preparation of the products.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Understanding consumer tastes and preferences is done by the Company from the past four decades. The Company has a dedicated customer feedback line and department. Also, the Venky's XPRS restaurants have a customer feedback register at every restaurant which provide insight into the consumer trends and helps in improvement.

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**VENKY'S (INDIA) LIMITED**

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

Date: June 29, 2020

Dear Shareholder(s),

**Option for ECS Mandate / Bank Mandate**

**ECS Mandate**

As an added service to our shareholders, we are pleased to offer the facility of electronic credit of dividend (as and when declared) directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). Shareholders who would like to avail this facility are requested to fill up the mandate form provided on Page No.147 and submit the same to the Company' Registrar and Share Transfer Agent's office. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on postal system, loss / damage of dividend warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

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

**Bank Mandate**

Shareholders holding shares of the Company in physical form and who, for any reason, would not like to avail of the ECS facility being offered to such shareholders as mentioned above, are requested to furnish, (if not done earlier) in the mandate form provided on Page No.147, details of their Bank Account number and name of the Bank and the Branch, which would be printed on the dividend warrants to avoid fraudulent encashment thereof.

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

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

Yours faithfully,

For **Venky's (India) Limited**

**Rohan Bhagwat**  
**Company Secretary**



Venky's (India) Limited

**FORM FOR ECS MANDATE / BANK MANDATE**

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

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

(Please tick (P) in the appropriate Box)

Folio No(s) \_\_\_\_\_

A. Bank Name	
B. Branch	
C. Bank Address <b>(for ECS Mandate only)</b>	
D. Bank Account Number	
E. Account Type (Savings / Current)	
F. 9 Digit Code number of Bank & Branch as appearing on the MICR Cheque <b>(for ECS Mandate only)</b>	
G. STD code & Telephone No. / Mobile No. of Shareholder (optional)	

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

(1) \_\_\_\_\_ (2) \_\_\_\_\_ (3) \_\_\_\_\_

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

**Notes :**

1. Please submit this form to the Company's Registrar and Share Transfer Agent's office at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra.
2. Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.

### REGISTRATION OF E-MAIL ADDRESS FORM

To,  
Bigshare Services Private Limited (Unit : Venky's (India) Limited)  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East,  
Mumbai 400059

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

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

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

Place :

Date :

(Signature of Shareholder)

## NOMINATION FORM (FORM NO.SH-13)

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies  
(Share Capital and Debentures) Rules, 2014]

(To be filled in by individual(s) applying singly or jointly)

To,  
M/s. Venky's (India) Limited  
"Venkateshwara House", S.No.114/A/2,  
Pune-Sinhagad Road, Pune - 411030

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

### 1. PARTICULARS OF THE SECURITIES (In respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive Nos.
Equity Shares				

### 2. PARTICULARS OF NOMINEE/S :

Name	
Date of Birth	
Father's/Mother's/Spouse's Name	
Occupation	
Nationality	
Address	
Email Id	
Relationship with Security Holder	

### 3. IN CASE OF NOMINEE IS A MINOR :

Date of Birth	
Date of attaining majority	
Name of Guardian	
Address of Guardian	

Signature of Security Holder(s)

Name:

Signature of Nominee(s)

Name:

Witness:

Sign:



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

**Registered & Corporate Office:**

Venkateshwara House, S.No. 114/A/2, Pune-Sinhagad Road, Pune 411 030.

Tel.: (020) 7125 1530, E-mail: [corp.shares@venkys.com](mailto:corp.shares@venkys.com)

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