



**DRAFT RED HERRING PROSPECTUS**  
February 24, 2018  
Please read Section 32 of the Companies Act, 2013  
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)  
**Book Built Offer**

## SANDHYA MARINES LIMITED

Our Company was originally incorporated as “Sandhya Marines Private Limited” on July 1, 1987, as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh and Telangana (then the Registrar of Companies, Andhra Pradesh) (“RoC”) at Hyderabad. Pursuant to a special resolution of our Shareholders dated April 3, 1995, our Company was converted into a public limited company and our Company’s name was changed to “Sandhya Marines Limited” and consequent to conversion, a fresh certificate of incorporation dated December 22, 1995 was issued to our Company by the RoC. For details of the changes in the name and the registered office of our Company, see “History and Certain Corporate Matters” on page 157.

**Registered & Corporate Office:** D.No-7-5-108/1, Plot No.62 & 67, IInd Floor, Pandurangapuram, Visakhapatnam – 530 003, Andhra Pradesh, India

**Contact Person:** Mr. M.S.Sivanand, Company Secretary and Compliance Officer

**Tel:** +91 891 256 6357; **Fax:** +91 891 256 7226

**Email:** cs@sandhyamarines.com; **Website:** www.sandhyamarines.com

**Corporate Identity Number:** U05004AP1987PLC007578

### OUR PROMOTERS: DR. K. V. PRASAD, MS. K. SURYANARAYANAMMA, MR. K. ANAND KUMAR AND MR. K. ARUN KUMAR

**INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF SANDHYA MARINES LIMITED (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ [●] MILLION, (“THE OFFER”). THE OFFER COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES, AGGREGATING UP TO ₹ 3,000 MILLION BY THE COMPANY (“FRESH ISSUE”), AND AN OFFER FOR SALE OF UP TO 12,600,000 EQUITY SHARES, AGGREGATING TO ₹ [●] MILLION, BY OUR PROMOTERS DR. K.V. PRASAD, MS. K. SURYANARAYANAMMA, MR. K. ANAND KUMAR AND MR. K. ARUN KUMAR, IN THEIR CAPACITY AS SELLERS OF THE EQUITY SHARES, HEREIN AFTER REFERRED TO AS (“THE SELLING SHAREHOLDERS”). THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES (CONSTITUTING UP TO [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN AFTER THE “EMPLOYEE RESERVATION PORTION”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] MILLION. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE “NET OFFER”. THE OFFER SHALL CONSTITUTE [●]% OF OUR POST-OFFER ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AND THE NET OFFER SHALL CONSTITUTE [●]% OF OUR POST-OFFER ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL.**

Our company, in consultation with the BRLMs, is considering a Pre-IPO Placement (as defined hereinafter) of up to 7,000,000 equity shares for cash consideration aggregating up to ₹ 1,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the fresh issue will be reduced to the extent of such pre-ipo placement, subject to compliance with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”).

### THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER JANSATTA, AND VISAKHAPATNAM EDITION OF THE TELUGU NEWSPAPER NETI ANDHRA (TELUGU BEING THE REGIONAL LANGUAGE OF ANDHRA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION (“STATUTORY NEWSPAPERS”), AT LEAST FIVE WORKING DAYS PRIOR TO THE OFFER OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”), AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”) and other Designated Intermediaries, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of SCRR read with Regulation 41 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (“QIB Portion”), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Such number of Equity Shares representing 5% of the QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process, and provide details of their respective ASBA accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see “Offer Procedure” on page 372.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs, as stated in “Basis for Offer Price” on page 108) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 14.

### COMPANY’S AND THE SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility only for the statements made by it in this Draft Red Herring Prospectus and confirms that this Draft Red Herring Prospectus contains all information about itself as a selling shareholder and the Equity Shares offered by it in the Offer, and that such statements are true and correct in all material respects and are not misleading in any material respect.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an ‘in-principle’ approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 427.

### BOOK RUNNING LEAD MANAGERS



**Karvy Investor Services Limited**  
Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills,  
Hyderabad - 500 034, Telangana  
**Tel:** +91 40 23428774; **Fax:** +91 40 23374714  
**E-mail:** cmg@karvy.com  
**Investor grievance e-mail:** igmbd@karvy.com  
**Website:** www.karvyinvestmentbanking.com  
**Contact person:** Mr. P.Balraj/ Mr. Avinash Palivela  
**SEBI Registration No.:** INM000008365



**SBI Capital Markets Limited**  
202, Maker Tower E, Cuffe Parade,  
Mumbai 400005  
**Tel:** +91 (22) 2217 8300; **Fax:** +91 (22) 2218 8332  
**E-mail:** sml ipo@sbicaps.com  
**Investor grievance e-mail:** investor.relations@sbicaps.com  
**Website:** www.sbicaps.com  
**Contact Person:** Mr. Nikhil Bhiwarpurkar/ Mr. Gitesh Vargantwar  
**SEBI Registration No.:** INM000003531

### REGISTRAR TO THE OFFER



**Karvy Computershare Private Limited**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad 500 032  
**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551  
**E-mail:** sandhyamarine.ipo@karvy.com  
**Investor grievance e-mail:** einward.ris@karvy.com  
**Website:** www.karishma.karvy.com  
**Contact person:** M Murali Krishna  
**SEBI Registration No.:** INR000000221

### OFFER PROGRAMME

**OFFER OPENS ON: [●]<sup>(1)</sup>**

**OFFER CLOSES ON (FOR QIBS): [●]<sup>(2)</sup>**

**OFFER CLOSES ON (FOR NON-QIBS): [●]**

<sup>(1)</sup> Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Offer Period shall be one Working Day prior to the Offer Opening Date.

<sup>(2)</sup> Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Offer Period for QIBs one Working Day prior to the Offer Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, statute, rules, guidelines, policies or regulation will be deemed to include all amendments and modifications notified as of the date of this Draft Red Herring Prospectus.*

*In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given in this section shall prevail. Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Special Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Material Developments” and “Part B” of “Offer Procedure”, will have the meaning ascribed to such terms in those respective sections.*

#### Company and Selling Shareholders Related Terms

Term	Description
“our Company” or “the Company” or “the Issuer”	Sandhya Marines Limited, a company incorporated under the Companies Act, 1956, and having its registered and corporate office at D.No-7-5-108/1, Plot No. 62 & 67, IInd Floor, Pandurangapuram, Visakhapatnam – 530 003, Andhra Pradesh.
“we” or “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary on a consolidated basis.
“Articles” or “Articles of Association”	The Articles of Association of our Company, as amended.
“Auditors” or “Statutory Auditor”	The statutory auditors of our Company, being M/s. P. Lakshmana Rao & Co, Chartered Accountants.
“Audit Committee”	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations.
“Board” or “Board of Directors”	The board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, namely Mr. K. Suresh.
“Company Secretary and Compliance Officer”	The company secretary and compliance officer of our Company, namely Mr. M.S. Sivanand
“Corporate Social Responsibility Committee” or “CSR Committee”	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013.
“Director(s)”	Director(s) on the Board of our Company, as appointed from time to time.
“Equity Shares”	Unless the context otherwise requires, refers to equity shares of our Company having a face value of ₹ 10 each.
“Executive Director”	An executive Director of the Company.
“Fresh Issue”	<p>The fresh issue of [●] Equity Shares for cash aggregating up to ₹ 3,000 million by our Company.</p> <p>Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 7,000,000 Equity Shares for cash consideration aggregating up to ₹ 1,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.</p>
“Group Companies”	<p>Such companies as covered under the applicable accounting standards and also other companies as considered material by our Board pursuant to a policy on materiality of group companies approved by our Board on February 5, 2018.</p> <p>For details, see “Our Promoters, Promoter Group and Group Companies” on page 181.</p>
“Independent Director”	A non-executive, independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations.
“IPO Committee”	The IPO committee of our Board of Directors.
“KMP” or “Key Management Personnel”	Key management personnel of our Company in terms of the applicable provisions of the SEBI ICDR Regulations and the Companies Act, 2013, and as disclosed in “Our Management – Key Management Personnel” on page 178.
“Memorandum” or “Memorandum of Association”	The Memorandum of Association of our Company, as amended.

<b>Term</b>	<b>Description</b>
“Nomination and Remuneration Committee”	The nomination and remuneration committee of our Board constituted in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.
“Non-Executive Director”	A Director not being an Executive Director.
“Offered Shares”	The offer for sale of up to 12,600,000 Equity Shares by the Selling Shareholders at the Offer Price.
“Pre-IPO Placement”	<p>A private placement of up to 7,000,000 Equity Shares for cash consideration aggregating up to ₹ 1,500 million, which may be undertaken by our Company, in consultation with the BRLMs, at its discretion, which is proposed to be completed prior to filing of the Red Herring Prospectus with the RoC, at a price to be determined by the Board, in accordance with the Companies Act, and other applicable laws.</p> <p>In the event such Pre-IPO Placement is completed, the relevant details will be included in the Red Herring Prospectus, and the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.</p>
“Promoters”	The promoters of our Company, namely Dr. K.V. Prasad, Ms. K. Suryanarayanaamma, Mr. K. Anand Kumar and Mr. K. Arun Kumar. For details, see “ <i>Our Promoters, Promoter Group and Group Companies</i> ” on page 181.
“Promoter Group”	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters, Promoter Group and Group Companies</i> ” on page 181.
“Registered and Corporate Office”	The registered and corporate office of our Company, located at D.No-7-5-108/1, Plot No. 62 & 67, IInd Floor, Pandurangapuram, Visakhapatnam – 530 003, Andhra Pradesh.
“Registrar of Companies” or “RoC”	Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad (formerly, the Registrar of Companies, Andhra Pradesh at Hyderabad).
“Restated Consolidated Financial Statements”	The consolidated financial information of the Company as at and for the nine months ended December 31, 2017, and as at and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, prepared in accordance with the requirements of the Companies Act and Indian GAAP, and restated in accordance with the requirements of the SEBI ICDR Regulations, together with the related notes, schedules and annexures thereto, as included in this Draft Red Herring Prospectus.
“Restated Financial Statements”	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements.
“Restated Standalone Financial Statements”	The standalone financial information of the Company as at and for the nine months ended December 31, 2017, and as at and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, prepared in accordance with the requirements of the Companies Act and Indian GAAP, and restated in accordance with the requirements of the SEBI ICDR Regulations, together with the related notes, schedules and annexures thereto, as included in this Draft Red Herring Prospectus.
“Selling Shareholders”	Dr. K.V. Prasad, Ms. K. Suryanarayanaamma, Mr. K. Anand Kumar and Mr. K. Arun Kumar
“Shareholders”	Equity shareholders of our Company, from time to time.
“Stakeholders’ Relationship Committee”	The stakeholder’s relationship committee of our Board constituted in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.
“Subsidiary”	Aquatica Frozen Foods Global Private Limited

## Offer Related Terms

<b>Term</b>	<b>Description</b>
“Acknowledgement Slip”	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, the allotment of the Equity Shares to successful Bidders, pursuant to the Fresh Issue and/ or transfer of Offered Shares by the Selling Shareholders pursuant to the Offer for Sale.
“Allotment Advice cum Refund Intimation”	Note or advice or intimation of Allotment sent to the Bidders who have applied for the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
“Allottee”	A successful Bidder to whom the Equity Shares are Allotted.
“Anchor Investor”	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus.
“Anchor Investor Allocation Price”	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs.

<b>Term</b>	<b>Description</b>
“Anchor Investor Application Form”	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
“Anchor Investor Offer Period”	The day, one Working Day prior to the Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
“Anchor Investor Offer Price”	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs.
“Anchor Investor Portion”	Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
“Application Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account.
“ASBA Account”	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form.
“ASBA Bidders”	All Bidders except Anchor Investors.
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
“Banker(s) to the Offer” or “Escrow Collection Bank(s)”	The banks which are clearing members and registered with the SEBI as bankers to an issue and with whom the Escrow Account will be opened.
“Basis of Allotment”	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment” on page 406.
“Bid”	An indication to make an offer during the Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form.  The term “Bidding” shall be construed accordingly.
“Bid Amount”	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account, as the case may be, upon submission of the Bid.  However, Retail Individual Investors and Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such applicants and mentioned in the Bid cum Application Form.
“Bid cum Application Form”	The Anchor Investor Application Form or the ASBA Form, as the context requires.
“Bid Lot”	[●] Equity Shares.
“Bidder”	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
“Bidding Centres”	Centres at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.  The term “Bidding Centre” shall be construed accordingly.
“Book Building Process” or “Book Building Method”	The book building process, as provided in Part A, Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer Price shall be determined and the Offer is being made.
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Offer, namely, Karvy Investor Services Limited and SBI Capital Markets Limited.

<b>Term</b>	<b>Description</b>
“Broker Centres”	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges.
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares to be sent to the Anchor Investors, who will be allocated the Equity Shares, after the Anchor Investor Offer Period.
“Cap Price”	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
“Client ID”	Client identification number maintained with one of the Depositories in relation to the demat account.
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Cut-off Price”	The Offer Price finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band.  Only Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹ 200,000 in the case of Retail Individual Investors and up to ₹ 500,000 in the case of Eligible Employees) are entitled to Bid at the Cut-off Price.
“Demographic Details”	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation, PAN, MICR code and bank account details.
“Designated CDP Locations”	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
“Designated Date”	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after finalisation of Basis of Allotment.
“Designated Intermediaries”	Collectively, the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer.
“Designated RTA Locations”	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
“Designated SCSB Branches”	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
“Designated Stock Exchange”	[●].
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated February 24, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the Offer Price and size of the Offer, including any addenda or corrigenda thereto.
“Eligible Employees”	All or any of the following:  a) a permanent and full time employee of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company, until the submission of the Bid cum Application Form; and  b) a Director of our Company who is eligible to apply under the Employee Reservation Portion under applicable law and is resident in India as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form.
“Eligible FPIs”	FPIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid cum Application Form constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby.

Term	Description
“Eligible NRI(s)”	NRI(s) from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid cum Application Form constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby.
“Employee Reservation Portion”	The portion of the Offer being up to [●] Equity Shares aggregating to ₹[●] million, available for allocation to Eligible Employees.
“Escrow Account”	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
“Escrow Agreement”	The agreement to be entered into amongst the Company, the Registrar to the Offer, the BRLMs, the Selling Shareholders, the Escrow Collection Bank(s), the Public Offer Account Bank(s), and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, refunds of the amounts collected to the Investors on the terms and conditions thereof.
“First Bidder”	Bidder whose name appears first in the Bid cum Application Form or the Revision Form.
“Floor Price”	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
“General Information Document”	The General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and included in “Offer Procedure – Part B – General Information Document for Investing in Public Issues” on page 383.
“KARVY”	Karvy Investor Services Limited.
“MICR”	Magnetic ink character recognition - nine-digit code as appearing on a cheque leaf.
“Monitoring Agency”	The monitoring agency appointed to monitor the utilisation of Net Proceeds from the Fresh Issue in terms of Regulation 16 of the SEBI ICDR Regulations, being [●].
“Monitoring Agency Agreement”	Agreement to be entered into between our Company and the Monitoring Agency in terms of the SEBI ICDR Regulations.
“Mutual Fund(s)”	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
“Mutual Fund Portion”	5% of the QIB Portion (excluding the Anchor Investor Portion) which shall be available for allocation only to Mutual Funds on a proportionate basis.
“Net Offer”	The Offer less the Employee Reservation Portion.
“Net Proceeds”	Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer Expenses to the extent apportioned to the Fresh Issue.
“Non-Institutional Portion”	The portion of the Offer being not less than 15% of the Net Offer which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price.
“Non-Institutional Investors” or “NIIs” or “NIBs”	All Bidders, including Category III Foreign Portfolio Investors, that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
“Non Residents”	A person resident outside India, as defined under FEMA and includes non-resident Indians, FPIs and FVCIs.
“Offer”	Initial public offering of [●] Equity Shares of the Company for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), aggregating ₹[●] million, comprising a fresh issue of [●] Equity Shares, aggregating up to ₹3,000 million, and an offer for sale of up to 12,600,000 Equity Shares, aggregating ₹[●] million, by the Selling Shareholders. This Offer includes a reservation of up to [●] Equity Shares (constituting up to [●]% of our post-Offer paid-up equity share capital) for subscription by Eligible Employees for cash at a price of ₹[●] per Equity Share, aggregating up to ₹[●] million. The Offer less the Employee Reservation Portion is referred to as the Net Offer. The Offer shall constitute [●] % of our post-Offer issued, subscribed and paid-up equity share capital and the Net Offer shall constitute [●]% of our post-Offer issued, subscribed and paid-up equity share capital.
“Offer for Sale”	Offer for sale of up to 12,600,000 Equity Shares by the Selling Shareholders, aggregating to ₹[●] million, comprising an offer for sale of up to 4,500,000 Equity Shares by Dr. K.V. Prasad, up to 900,000 Equity Shares by Ms. K. Suryanarayanaamma, up to 3,600,000 Equity Shares by Mr. K. Anand Kumar and up to 3,600,000 Equity Shares by Mr. K. Arun Kumar.

<b>Term</b>	<b>Description</b>
“Offer Agreement”	The agreement entered into on February 24, 2018, amongst the Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
“Offer Closing Date”	Except in relation to Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, shall also be notified in the Statutory Newspapers and in case of any revision, the extended Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members.  Our Company and the Selling Shareholders in consultation with the BRLMs, may consider closing the Offer Period for QIBs one Working Day prior to the Offer Closing Date.
“Offer Opening Date”	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall also be notified in the Statutory Newspapers and in case of any revision, the extended Offer Opening Date which shall also to be notified on the website and terminals of the Syndicate Members.
“Offer Period”	Except in relation to Bids received from the Anchor Investors, the period from and including the Offer Opening Date to and including the Offer Closing Date during which ASBA Bidders can submit their Bids, including any revisions thereto. The Offer Period will comprise of Working Days only.
“Offer Price”	The final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, on the Pricing Date.
“Price Band”	Any price between and including the Floor Price and the Cap Price, inclusive of revisions thereof.  The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in the Statutory Newspapers at least five Working Days prior to the Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
“Pricing Date”	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price.
“Prospectus”	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations containing, <i>inter-alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
“Public Offer Account”	Bank account opened with under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
“QIB Portion”	The portion of the Net Offer (including the Anchor Investor Portion) being 50% of the Net Offer, which shall be allocated on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price.
“Qualified Institutional Buyers”, “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the Offer, including the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Offer Opening Date.
“Refund Account(s)”	The account(s) opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
“Refund Bank(s)”	The bank(s) with whom the Refund Account(s) will be opened.
“Registered Brokers”	Stock brokers registered with the stock exchanges having nationwide terminals in any of the Broker Centers, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
“Registrar Agreement”	The agreement dated February 24, 2018 entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.



<b>Term</b>	<b>Description</b>
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Registrar to the Offer”/ “Registrar”	Registrar to the Offer, being Karvy Computershare Private Limited.
“Retail Portion”	The portion of the Net Offer being not less than 35% of the Net Offer, which shall be available for allocation to Retail Individual Investor(s), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
“Retail Individual Investor(s)” or “RIIs” or “RIBs”	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have Bid for Equity Shares for an amount not more than ₹ 200,000.
“Revision Form”	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees can revise their Bids during the Offer Period and withdraw their Bids until Offer Closing Date.
“SBICAP”	SBI Capital Markets Limited
“Self Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with the SEBI, offering services in relation to ASBA, and a list of which is available on the website of the SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time.
“Share Escrow Agent”	[●]
“Share Escrow Agreement”	The agreement to be entered into amongst the Company, the Selling Shareholders and the Share Escrow Agent for the deposit of Offered Shares.
“Specified Locations”	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
“Statutory Newspapers”	For the purposes of the Offer, all Editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and Visakhapatnam edition of the Telugu newspaper Neti Andhra (Telugu being the regional language of Andhra Pradesh, where our registered office is located), each with wide circulation, where all statutory advertisements as required under the SEBI ICDR Regulation shall be published.
“Stock Exchanges”	NSE and BSE.
“Sub Syndicate”	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revisions Form(s).
“Syndicate Agreement”	The agreement to be entered into among the BRLMs, the Syndicate Members, the Selling Shareholders, our Company and the Registrar to the Offer in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres).
“Syndicate Members”	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter who will be appointed in terms of the Syndicate Agreement.
“Syndicate” or “Members of the Syndicate”	The BRLMs and the Syndicate Members.
“Underwriters”	[●].
“Underwriting Agreement”	The agreement to be entered amongst the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date and prior to filing of Prospectus.
“Working Day(s)”	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Offer Period, shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchange(s), shall mean all trading days of the Stock Exchange(s) excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## Conventional Terms/Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees, the official currency of the Republic of India.
“AGM”	Annual general meeting.
“Alternative Investment Funds” or “AIFs”	Alternative Investment Funds as defined and registered under the SEBI AIF Regulations.
“AS” or “Accounting Standards”	Accounting Standards issued by the Institute of Chartered Accountants of India.
“BSE”	BSE Limited.
“CAGR”	Compounded Annual Growth Rate
“Category II Foreign Portfolio Investors”	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
“Category III Foreign Portfolio Investors”	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations.
“CDSL”	Central Depository Services (India) Limited.
“CIN”	Corporate Identity Number.
“Companies Act”	Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
“Companies Act, 1956”	The Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
“Companies Act, 2013”	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.
“CSR”	Corporate Social Responsibility
“Depositories”	NSDL and CDSL.
“Depositories Act”	The Depositories Act, 1996.
“DIN”	Director Identification Number.
“DIPP”	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act.
“DP ID”	Depository Participant’s identification number.
“EBITDA”	Earnings before finance cost, tax, depreciation and amortisation.
“EGM”	Extraordinary General Meeting.
“EPS”	Earnings per share.
“FCNR Account”	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term “FCNR(B) account” under the Foreign Exchange Management (Deposit) Regulations, 2000.
“FDI”	Foreign direct investment.
“FEMA”	Foreign Exchange Management Act, 1999 read with the rules and regulations there under.
“FEMA Regulations”	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.
“Financial Year”/ “Fiscal”/ “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
“FPIs”	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
“FVCI”	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
“GAAP”	Generally accepted accounting principles.
“GoI” or “Government” or “Central Government”	Government of India.
“GST”	Goods and service tax.
“HUF”	Hindu Undivided Family.
“IFRS”	International Financial Reporting Standards.
“Income Tax Act” / “IT Act”	The Income Tax Act, 1961.
“India”	Republic of India.
“Ind AS”	IFRS converged Indian Accounting Standards, notified pursuant to the Companies (Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, which is effective from April 1, 2016 or April 1, 2017, as applicable.
“Indian GAAP”	Generally Accepted Accounting Principles in India.
“IPO”	Initial Public Offering.
“IST”	Indian Standard Time.
“IT”	Information Technology.
“KYC”	Know Your Customer.

<b>Term</b>	<b>Description</b>
“MCA”	Ministry of Corporate Affairs, Government of India.
“Notified Sections”	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
“NR” or “Non-Resident”	A person resident outside India, as defined under the FEMA and includes NRIs, FPIs and FVCIs registered with the SEBI.
“NRE Account”	Non-Resident External Account, and has the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
“NRI”	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
“NRO Account”	Non-Resident Ordinary Account, and has the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
“NSDL”	National Securities Depository Limited.
“NSE”	National Stock Exchange of India Limited.
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
“OTC”	Over the counter
“p.a.”	Per annum.
“PAN”	Permanent Account Number allotted under the Income Tax Act.
“RBI”	Reserve Bank of India.
“Regulation S”	Regulation S under the Securities Act
“RoNW”	Return on net worth.
“RTGS”	Real Time Gross Settlement.
“SCRA”	Securities Contracts (Regulation) Act, 1956.
“SCR”	Securities Contracts (Regulation) Rules, 1957.
“SEBI”	The Securities and Exchange Board of India constituted under the SEBI Act.
“SEBI Act”	Securities and Exchange Board of India Act, 1992.
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
“SEBI Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
“SEBI VCF Regulations”	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
“Securities Act”	U.S. Securities Act of 1933, as amended.
“SICA”	Sick Industrial Companies (Special Provisions) Act, 1985.
“U.S.”/ “USA”/ “United States”	United States of America.
“US GAAP”	Generally Accepted Accounting Principles in the United States of America.
“USD”/ “US\$”	United States Dollars.
“VAT”	Value added tax.
“VCFs”	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.

#### Technical/Industry related terms

<b>Term</b>	<b>Description</b>
“Aqua-feed”	Feed formulated for consumption by aquatic organisms as part of the aquaculture process, including shrimp-feed
“ASC”	Aquaculture Stewardship Council.
“BAP”	Best Aquaculture Practices.
“BRC”	British Retail Consortium.
“BSCI”	Business Social Compliance Initiative.
“CAA”	Coastal Aquaculture Authority.

<b>Term</b>	<b>Description</b>
“EPCG”	Export Promotion Capital Goods Scheme
“HACCP”	Hazard Analysis and Critical Control Points.
“IMARC Report”	“Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022” report by IMARC.
“IMARC”	IMARC Services Private Limited.
“IQF”	Individual Quick Freezing.
“MEIS”	Merchandise Exports from India Scheme
“MPEDA”	Marine Products Exports Development Authority.
“MSC”	Marine Stewardship Council.
“MT”	Metric Tonnes.
“MTPA”	Metric Tonnes Per Annum.
“Pacific White Shrimp”	A decapod crustacean ( <i>L. vannamei</i> )
“SPF”	Specific Pathogen Free
“US FDA”	United States Food and Drug Administration.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder unless the context otherwise indicates or implies.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the “U.S.”, “USA” or “United States” are to the “United States of America”.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Red Herring Prospectus is derived from the Restated Financial Statements. The Restated Financial Statements have been prepared in accordance with the requirements of the Companies Act and Indian GAAP, and restated in accordance with the requirements of the SEBI ICDR Regulations.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year, so all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year. Unless the context otherwise requires, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. The reconciliation of the financial information to IFRS or US GAAP or Ind AS financial statements has not been provided. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Indian GAAP also differs in certain material respects from Ind AS which will be applicable to our Company and group in the future in accordance with certain guidelines stipulated by the MCA with effect from certain dates specified by various regulatory authorities, including the SEBI. See “*Summary of Significant Differences between Indian GAAP and Ind AS*” and “*Risk Factors*” on pages 331 and 14, respectively.

Unless stated or the context requires otherwise, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 140 and 310, respectively, have been calculated on the basis of the Restated Consolidated Financial Statements, which have been prepared in accordance with the requirements of Companies Act and Indian GAAP, and restated in accordance with the requirements of the SEBI ICDR Regulations.

### Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “Euro” or “€” are to Euro, the official currency of the member states of the European Union.
- “JPY” or “¥” or “¥” or “Yen” are to Japanese Yen, the official currency of Japan; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

## Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations and for the convenience of potential investors. With respect to presentation of such financial information in Indian Rupees, the conversion rates from certain foreign currencies into Indian Rupees have been calculated on the basis of the rates applicable as of the end of the relevant financial period, as specified in the table below. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

(in ₹)

Currency	March 31, 2013**	March 31, 2014*	March 31, 2015	March 31, 2016	March 31, 2017	December 31, 2017***
1 USD	54.39	60.09	62.59	66.33	64.84	63.93
1 Euro	69.54	82.58	67.51	71.62	69.25	76.39

Source: [www.rbi.gov.in](http://www.rbi.gov.in)

\* Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

\*\* Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, Saturday and public holiday respectively.

\*\*\* Exchange rate as on December 29, 2017, as RBI Reference Rate is not available for December 31, 2017 and December 30, 2017 being a Sunday and a Saturday respectively.

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Financial Statements may not have been converted using any of the above mentioned exchange rates.

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from the IMARC Report, publicly available information as well as government and industry publications and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by either our Company or the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purpose of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 14. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section “*Basis for the Offer Price*” on page 108 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “contemplate”, “expect”, “estimate”, “intend”, “future”, “goal”, “likely”, “objective”, “plan”, “project”, “seek to”, “should”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements.

These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- our dependence on our processing facilities, and the risks associated with our operations;
- the availability and prices of our raw materials;
- our ability to manage our working capital requirements;
- our dependence on major customers, and a loss or significant decrease in business from them;
- exchange rate fluctuations;
- the import policies of the countries to which we export our products;
- our ability to obtain, maintain or renew the statutory and regulatory licenses, permits and approvals required for our business and operations;
- our ability to implement our business strategy or effectively sustain and manage our growth;
- our ability to accurately forecast the demand for our products, and manage our inventory;
- the general, political, social and economic conditions in the countries to which we export our products; and
- a slowdown in economic growth in India.

For further discussion of factors that could cause our actual results to differ from the expectations, please see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 140 and 310, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such statements are based are reasonable, we cannot assure Bidders that the expectations reflected in these forward looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

None of our Company, our Directors, the Selling Shareholders, any of the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company shall ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholders will ensure that our Company and the BRLMs are informed of material developments in relation to the Equity Shares offered by each of them in the Offer in addition to the statements and undertakings confirmed by each of them until such time as the grant of listing and trading permissions by the Stock Exchanges.

## SECTION II: RISK FACTORS

### RISK FACTORS

*This section describes the risks that we currently believe may materially affect our business and operations. An investment in Equity Shares involves a high degree of risk. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Draft Red Herring Prospectus and the other information contained in this Draft Red Herring Prospectus, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Red Herring Prospectus before making any investment decision relating to our Equity Shares. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and could cause the market price of our Equity Shares to decline or fall significantly and you may lose all or part of your investment.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” beginning on page 13.*

*The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could subsequently turn out to be material. Some risks may have an impact which is qualitative though not quantitative. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer, including the merits and risks involved. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Offer.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Accordingly, unless otherwise stated, the financial information used in this section is derived from our Restated Consolidated Financial Statements.*

#### **Internal Risks**

- 1. Our business is dependent on our processing facilities, which are subject to a variety of risks. Any slowdown or shutdown in our processing operations or under-utilization of our processing facilities could have an adverse effect on our business, results of operations and financial condition.***

We conduct our operations through our two processing facilities situated in Andhra Pradesh. Our business is dependent upon our ability to manage our processing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Moreover, because both of our processing facilities are located in Andhra Pradesh, the risk of substantial disruption or shutdown of both facilities due to a single significant natural calamity or other catastrophic event is more pronounced. We may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Although we have not experienced any significant disruptions at our processing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost,



could lead to the slowdown or shut-down of our operations or the under-utilization of our processing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

2. ***We are dependent on a continued and sustained availability of raw shrimp, which is the key raw material used in our processing operations. We have not entered into long-term agreements with all of our raw material suppliers, and any increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, revenues and results of operations.***

Raw shrimp is the key raw material for our processing operations, and the continued and sustained availability of quality raw material at competitive prices is essential to the growth of our business. Our cost of materials consumed constitutes the largest component of our cost structure. For the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, our cost of materials consumed was ₹ 2,718.63 million, ₹ 2,577.95 million, ₹ 3,892.10 million and ₹ 4,352.02 million, or 73.03%, 72.01%, 73.60% and 70.24% of our total revenues, respectively. Thus, our profitability may be adversely affected by changes in production costs as a result of any upward revision in raw material prices. The price and availability of our primary raw material depends on several factors beyond our control, including overall economic conditions, production levels, demand, competition, transportation costs and regulatory restrictions. Further, our supply chain is subject to disruptions and price volatility caused by various factors such as market fluctuations, quality and availability, demand, changes in government policies and regulatory sanctions. Any disease or epidemic affecting the health of Pacific White Shrimp (*L. vannamei*) in India, particularly within our procurement regions, may significantly affect our business operations.

Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. In addition, these contract-farming arrangements constitute only a portion of our aggregate supply needs, and we have not entered into long-term supply contracts with any of our other raw material suppliers. The absence of long-term supply contracts at fixed prices exposes us to volatility in the prices of our raw materials, which we may be unable to pass onto our customers. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our operations. If, for any reason, our major raw material suppliers should curtail or discontinue the delivery of such raw materials to us in the quantities that we need, or on commercially acceptable terms, our processing schedules could be disrupted, and our business, revenues and results of operations could be adversely affected.

3. ***The improper handling, transportation, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory and legal action, damage our reputation and have an adverse effect on our business, results of operations, profitability and financial condition.***

Our products are intended for human consumption or are typically used as ingredients in products intended for human consumption. Thus, our raw materials and products are subject to a variety of risks such as contamination, disease and spoilage during their processing, transportation or storage. We face an inherent business risk of exposure to product liability and claims in the event that our products fail to meet the required quality standards or are alleged to cause harm to customers. Such risks may be controlled, but not eliminated, by adherence to good processing practices and finished product testing. Any defect in our products and claims by our customers or retail consumers against our products could adversely affect our sales. Further, our business is dependent on the trust that our customers have in the quality of our products.

While we have implemented several quality control procedures and perform tests across various stages of our process chain, we cannot assure you that our quality control measures will not fail or that the quality tests performed by us will be accurate at all times. Further, seafood is required to be stored, handled and transported at specific temperatures and under certain food safety conditions. Any shortcoming in the production or storage of our products due to failure of quality assurance procedures, negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation, whether accurate or not, that our products contain contaminants could damage our reputation and adversely affect our sales. Further, we may be subject to the risk of legal proceedings and product liability claims being brought by various entities, including our customers, end-users and government agencies for various reasons including for hazardous or contaminated products. If we are a party to a product liability case, we may incur considerable expense on litigation. We cannot assure you

that we will not experience product liability losses in the future. Any product liability claim or adverse regulatory action may adversely affect our reputation, as well as entail significant costs, which could adversely affect our reputation, business, results of operations and financial condition. Further, even if any product liability claim is unsuccessful, the negative publicity surrounding any assertion that our products caused injury, illness or death could adversely affect our reputation with existing and potential customers, as well as result in a loss of consumer confidence.

4. ***We generate a significant part of our revenues by way of exports to North America. Any adverse developments or changes in the North American frozen seafood market may adversely impact our business, financial condition and results of operations.***

We generate a significant part of our revenues by way of exports to North America. Further, our revenues from exports to the North American markets have been growing over the years on account of our strategic focus on the region. Thus, we are significantly dependent upon economic and market conditions in North America. For the nine-month period ended December 31, 2017, and the Fiscals 2017, 2016 and 2015, exports to North America contributed 78.65%, 72.74%, 64.73% and 58.11% of our total revenues from operations, respectively. Any adverse change in the demand for our products, seafood consumption patterns, prices, regulations and other social, economic, political and environmental developments in North American markets may adversely affect our business, financial condition and results of operations.

5. ***We derive a significant portion of our revenue from a few major customers. We do not have long term contractual arrangements with most of such customers, and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We currently generate a significant portion of our revenues from limited number of major customers. For the nine-months ended December 31, 2017 and the Fiscals 2017, 2016 and 2015, our top ten customers contributed ₹ 4,485.17 million, ₹ 3,489.15 million, ₹ 2,684.55 million and ₹ 2,685.92 million, or 74.36%, 66.84%, 76.70% and 73.91% of our total revenues from operations, respectively. Further, we currently do not have long-term contractual arrangements with most of our significant customers, and conduct business with them on the basis of purchase orders that are placed from time to time. Our reliance on a select group of customers may constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Any loss of one or more of such customer or a reduction in the demand for our products could adversely impact our revenues. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

6. ***A significant portion of our procurement network is concentrated in Andhra Pradesh, and any adverse developments affecting the region could have an adverse effect on our business, results of operations and financial condition.***

While our supply chain currently comprises procurement from aqua-farms in Andhra Pradesh, Orissa, West Bengal and Gujarat, we primarily source a majority of our raw material from aqua-farms across Andhra Pradesh, more specifically, its coastal belt. Our business is thus, significantly dependent on the general economic and market conditions in the state as well as the state and local government policies relation to the aquaculture industry. Accordingly, any significant social, political or economic disruption, or natural calamities or civil disruptions, or changes in governmental policies in Andhra Pradesh, may have an adverse impact on our procurement network. Moreover, we do not currently maintain any comprehensive insurance to protect us against the risk of any significant business interruptions. For instance, Cyclone Hudhud caused extensive damage to property in and around the coastal regions of Andhra Pradesh in 2014, and necessitated a large scale evacuation. Any similar or other event in the future may require us to incur significant expenditure in sourcing our raw materials from other regions and change the way in which we conduct business, which may have an adverse effect on our business, results of operations and financial condition.

7. ***We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations and cause our results to fluctuate.***

Our financial information is presented in Indian Rupees. However, we generate all of our sales internationally through export and sales outside of India. These sales are denominated in foreign currencies, primarily in U.S. dollars. Moreover, we may from time to time, have unhedged foreign currency exposure

on account of our foreign currency denominated borrowings. The exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in the past and our results of operations have been impacted by such fluctuations, and may be impacted by such fluctuations in the future as well. For these reasons, our financial condition and results of operations are influenced by fluctuations in the relative values of the relevant currencies, especially between the Indian Rupee and the U.S. Dollar. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted, as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other operational variables impacting our business and results of operations during the same period.

Further, due to the time gap between the accounting of sales and actual payments, the foreign exchange rate at which the sale is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

**8. *We require a significant amount of working capital for our operations, and any failure to maintain sufficient working capital may have an adverse impact on our business.***

Our operations require a significant amount of working capital. While we typically procure raw materials on the basis of the purchase orders received from our customers, we are required to pay our vendors before we receive payments from our customers. We typically have credit terms of 55 days to 60 days with our customers. As of December 31, 2017 and March 31, 2017, 2016 and 2015, our trade receivables were ₹ 1,153.72 million, ₹ 795.58 million, ₹ 542.83 million and ₹ 543.82 million, respectively. Therefore, we require a significant amount of cash to fund our raw material procurement. If we fail to maintain sufficient working capital through our sales activities and timely collection of trade receivables or other means, we may not have sufficient working capital for our operations, which may have a material adverse effect on our business, financial condition and results of operations.

**9. *We are subject to the import policies and other rules and regulations in the countries to which our products are exported, and may not always be able to comply with them.***

Currently, we export all of our products to customers across North America, Europe and Asia. The major countries to which we export are USA, Netherlands, Belgium, Germany, United Kingdom, Russia, China and Vietnam. We are thus, subject to the import policies and other rules and regulations of the countries to which we export our products.

If any of the countries to which we export our products introduce import policies that increase the cost of imports from India, our ability to export products to such countries may be materially affected. For instance, as per our Restated Consolidated Financial Statements, for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, revenue from exports to USA contributed ₹ 2,111.57 million, ₹ 2,265.33 million, ₹ 3,797.28 million and ₹ 4,744.28 million, or 58.11%, 64.73%, 72.74% and 78.65% of our total revenues from operations, respectively. The U.S. government levies an anti-dumping duty on the exporters of shrimp into USA. In Fiscal 2017, we were subject to the levy of anti-dumping duty on shrimp exports by the U.S. Government to the extent of ₹ 106.76 million. Any imposition, or upward revision in the quantum of, duty for shrimp exports to any of the countries to which we export our products or the introduction of any new duties in the future may adversely affect our business and results of operations.

Moreover, we are required to obtain, maintain and renew certain certifications to allow us to continue exporting our products to certain markets. Any failure to maintain the necessary certifications or otherwise comply with the rules, regulations and licensing requirements in these jurisdictions may result in the rejection of, or ban on, some or all of our products by the country to which exports are currently being made. Further, we may also be subject to the imposition of penalties. There can be no assurance that we will be able to comply with all prevailing laws of the countries to which we export our products and that our products will be accepted into such country, or that the aggregate loss in any period arising from occurrences of such rejection will not be material. For instance, in Fiscal 2017, Saudi Arabia introduced

policies to restrict the import of frozen seafood products from India, which continues to this date. Prior to such restrictions, Saudi Arabia was one of the countries to which we exported our products. The occurrence of any such events in the future may materially adversely affect our business, financial condition and results of operations.

**10. *Any failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.***

We are required to obtain and maintain a number of statutory and regulatory permits and approvals. For details of material approvals relating to our business and operations, see “*Government and Other Approvals*” on page 345. A majority of the licenses, permits and approvals are granted for a limited duration. As and when such approvals or licenses expire, we will need to make applications for their renewal or for fresh licenses, permits and approvals. We cannot assure you that any such renewals or fresh licenses, permits and approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such renewals or are unable to obtain fresh licenses, permits and approvals in a timely manner, our business and operations may be adversely affected. Further, the licenses, permits and approvals required by us are subject to numerous terms and conditions. We cannot assure you that these licenses, permits and approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any such terms or conditions, or pursuant to any regulatory action. If we fail to comply with the terms and conditions attached to our licenses, permits and approvals, we may incur increased costs, be subject to penalties, have such licenses, permits and approvals revoked or suffer a disruption in our operations, any of which could adversely affect our business.

**11. *We are subject to strict quality requirements, regular inspections and audits, and any failure to comply with quality standards may lead to the delisting of our facilities, cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and prospects***

Our products are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Accordingly, our customers and end-retailers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling checks and quality checks by internal and external agencies. Further, these products are subject to random sampling checks by regulatory authorities in the countries to which they are exported. Several key customers and end-retailers have audited our facilities and processes, and undertake periodic audits and inspections. Failure of our products to meet prescribed quality standards may result in rejection of our products and subject to the nature of rejection, even the delisting of our facilities on a temporary or permanent basis. This may result in our customers cancelling present or future purchases of our products.

While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the processing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, results of operations and prospects.

**12. *Our inability to implement our business strategy or effectively sustain and manage our growth could have an adverse effect on our business, results of operations and financial condition.***

In recent years, we have experienced considerable growth and have significantly expanded the scale of our operations. From Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, (i) our EBITDA increased from ₹ 141.80 million to ₹ 585.93 million, representing a CAGR of 42.58%; and (ii) our profit after tax (as adjusted for minority interest) increased from ₹ 73.44 million to ₹ 279.21 million, representing a CAGR of 39.64%. Our RoNW for Fiscals 2015, 2016, 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, was 29.64%, 23.57%, 22.90% and 36.48%, respectively.

Our inability to manage the expansion of our processing operations effectively and execute our growth strategy in a timely manner, or within budgeted estimates or our inability to meet the expectations or track the changing preferences of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to

grow our business and operations, which could be affected by many factors, including, our ability to maintain the quality of our products, the prices of our raw materials, currency exchange rates, our ability to introduce new products, general political and economic conditions in our export markets, government policies or strategies, prevailing interest rates and energy supply.

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges.

We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

**13. *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

The frozen seafood industry is highly competitive. We compete with several domestic and international seafood processors, primarily in Asian countries such as Indonesia, Vietnam, Ecuador and Thailand. We also face competition from several players in the unorganized sector. We expect that competition will continue to intensify both through the entry of new players and consolidation of existing players. Our competitors may succeed in developing products that are more popular or cheaper than any that we may develop, which may render our products uncompetitive and adversely affect our business and financial results. Some of our competitors may have greater financial resources, better distribution network, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can.

Further, our customers and end-retailers also operate within a highly competitive industry, where they are constantly required to adapt to factors such as changing consumer preferences, consolidation and the entry of new regional and local players, and constantly exert downward pricing pressure. We may be adversely affected in case our customers are unable to effectively respond to any factors that adversely impact the competitive landscape of their industry.

We believe that our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain skilled employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to customer needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations.

**14. *We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain the members of our senior management or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

While we believe we have an experienced production and administrative team, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the

loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

- 15. *We intend to utilize a portion of the Net Proceeds for setting up (i) a new shrimp processing unit, (ii) a new aqua-feed mill facility, and (iii) a new corporate office. We are yet to apply for, and obtain, the requisite government approvals in respect of the aforesaid. Further, we have not placed any orders for plant, machinery and equipment in respect of the new shrimp processing unit, and new aqua-feed mill facility. Any delay in setting up such proposed units in a timely manner, or at all, could have an adverse impact on our growth, prospects and results of operations.***

We intend to utilize a portion of the Net Proceeds of the Fresh Issue for setting up (i) a new shrimp processing unit, and (ii) a new aqua-feed mill facility, and (iii) a new corporate office. For additional details in respect of the foregoing, please see “*Objects of the Issue*”. Moreover, while we have entered into agreements for sale / sale deeds in respect of the properties on which the aforesaid facilities are proposed to be constructed, there can be no assurance that we will be able to acquire such properties in a timely manner or at all. We are yet to apply for, and obtain, the requisite government and other approvals in respect of the foregoing.

Further, as on date of this Draft Red Herring Prospectus, we have not entered into definitive agreements or placed any orders for the purchase of plant, machinery and equipment required at the new shrimp processing unit and the new aqua-feed mill facility. While we have obtained quotations from various vendors in relation to the plant, machinery and equipment, most of these quotations are valid for a certain period of time and may be subject to revisions. We cannot assure that we will be able to procure plant, machinery and equipment within the cost indicated by such quotations. Any cost overrun due to our failure to purchase plant, machinery and equipment within our budget, could adversely impact our financial condition and also our growth prospects. We will also be required to ensure adequate electricity, fuel and water supply at the aforesaid facilities, and are yet to enter into arrangements in this behalf. We cannot assure that we will be able to set up the aforesaid units in accordance with the proposed schedule of implementation. Any delay in setting up such proposed units in a timely manner, or at all, could have an adverse impact on our growth, prospects and results of operations.

- 16. *The supply of cultured Pacific White Shrimp (*L. vannamei*) may be subject to seasonal factors.***

The supply of cultured Pacific White Shrimp (*L. vannamei*) may be subject to variety of seasonal factors. Pacific White Shrimp (*L. vannamei*) generally grow rapidly in moderate to warm weather, and extreme cold could lead to lower than expected production. Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. While we believe that we have been able to overcome the seasonality that typically impacts the supply of raw shrimp in other countries as our procurement network is focused on areas that are generally warm throughout the year, there can be no assurance that such areas may not be impacted by adverse weather conditions in the future. In case any of the areas from where we procure a significant portion of our raw materials is affected by adverse weather conditions, our processing operations may be impacted, which may have an adverse effect on our business, results of operations and financial performance.

- 17. *The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions.***

The objects of the Fresh Issue, as detailed have not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and consultants. For additional details in respect of the foregoing, please see “*Objects of the Offer*”. Though these quotes or estimates have been taken recently, they are subject to change and may result in cost escalation. Any change or cost escalation can significantly increase the cost of the objects of the Fresh Issue.

**18. *Changes in consumer preferences and discretionary spending may have an adverse effect on our business, results of operations and financial condition.***

Our continued growth and success depends significantly upon the popularity of our products. We seek to distinguish ourselves from our competitors by introducing new products and different variants of our existing products, based on consumer preferences and demand. Although we seek to identify changing consumer preferences, we cannot assure you that our products will continue to gain consumer acceptance or that we will be able to successfully compete with any new products that our competitors may introduce. Any failure on our part to adapt to market trends or changes in consumer preferences might lead to us losing market share to our competitors. Moreover, the sale of frozen seafood products in the countries to which we export our products depends upon, *inter alia*, economic conditions, disposable income and consumer confidence. An adverse change in any of these conditions may affect discretionary spending, and thus, the demand for our products. If we are unable to respond to changes in consumer preferences in a timely manner, or at all, or if demand decreases due to general economic conditions, or if our competitors respond to such changes more effectively, our business, results of operations and financial condition may be adversely affected.

**19. *Our Company and our Promoter, Chairman and Managing Director are currently involved in certain legal proceedings. An adverse development in the aforesaid matters may adversely affect our business and results of operations.***

Our Company and our Promoter, Chairman and Managing Director are currently involved in certain legal proceedings. A summary of the aforesaid matters has been set out in the table below:

Nature of Matter	No. of Matters	Total Amount Involved (₹ in Million)
<b><i>Against our Company</i></b>		
Indirect tax	1	11.13
Compounding of Offences under the Companies Act	2	<i>Not Quantifiable</i>
<b><i>Against our Promoters and Directors</i></b>		
Indirect tax	1	<i>Not Quantifiable</i>
Notices	1	<i>Not Quantifiable</i>

An adverse decision in the aforesaid proceeding or the initiation of legal proceedings consequent to the notice may have a material adverse effect on our business, results of operations, financial condition and prospects. For further details, see “*Outstanding Litigation and Material Developments*” on page 339.

Further, due to the nature of our business operations, we are subject to risks of litigation including public interest litigation, contract and employment related disputes, allegations of personal injury and property damage, and there can be no assurance that we will not be implicated in lawsuits in the future. If any new developments arise, such as changes in Indian law or rulings against us, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

**20. *We do not have any prior experience in the manufacturing of aqua-feed, and there can be no assurance that we will be successful in undertaking these new lines of business.***

We intend to utilize a portion of the Net Proceeds of the Fresh Issue for setting up a new aqua-feed mill facility, and thus, enter into the aqua-feeds business. For additional details in respect of the foregoing, please see “*Objects of the Offer*”. While we have significant experience in shrimp processing, we do not have any prior experience in the manufacturing of aqua-feed. There can be no assurance that we will be successful in undertaking this new line of business. Any failure by us to successfully carry out our plans to diversify our business could have a material adverse effect on our revenues, earnings and financial condition and may result in the us remaining almost exclusively dependent on shrimp processing for our business. This could have the effect of constraining our long term growth and prospects.

**21. Our inability to accurately forecast demand or price for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.**

Our business depends on our estimate of the demand for our products from customers and on the basis of purchase orders that are placed from time to time. The demand for the frozen seafood products is linked to a variety of factors, including the end-retailers' ability to identify and adapt to evolving consumer preferences. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may process fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our product volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchase more raw materials and process more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

**22. We currently avail benefits under certain export promotion schemes. In order to continuously avail the benefits we are required to export goods of a defined amount. Any failure in meeting the obligations, may result in adversely affect our business operations and our financial condition.**

We currently avail benefits under certain export promotion schemes. As per the licensing requirement under the said schemes, we are required to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As on December 31, 2017, the outstanding export obligation under the EPCG scheme was ₹ 197.29 million. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition.

**23. We have had negative cash flows in the past and may continue to have negative cash flows in the future.**

The following table sets forth our cash flow for the periods indicated:

(₹ in Million)

Particulars	Nine-Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Net cash provided by / (used in) operating activities - (A)	205.76	(43.37)	288.66	228.12
Net cash flow from / (used in) investing activities - (B)	(216.94)	(271.98)	(635.58)	(265.89)
Net cash flow from / (used in) financing activities - (C)	92.08	390.82	332.99	106.44
Cash and cash equivalents at the end of the period / year	251.44	170.55	95.08	109.01

Our inability to generate and sustain adequate cash flows from operations in the future could adversely affect our results of operations and financial condition. For further details, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 190 and 310, respectively. We cannot assure you that our net cash flows will be positive in the future.

**24. Certain of Promoters, namely Dr. K.V. Prasad, Mr. Anand Kumar and Mr. Arun Kumar, have extended personal guarantees in relation to certain debt facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.**

Certain of our Promoters, namely Dr. K.V. Prasad, Mr. Anand Kumar and Mr. Arun Kumar, have extended personal guarantees in favour of certain lenders in relation to the borrowing facilities availed by our Company. For further details see “Financial Indebtedness” on page 336. In the event any such guarantees are revoked, our lenders may require us to furnish alternate guarantees, demand repayment of the amounts outstanding under the respective facilities or even terminate such facilities. There can be no assurance that our Company will be able to arrange any alternative guarantees in a timely manner or at all. If our lenders exercise their rights under the relevant debt financing agreements, our operations and use of assets may be significantly hampered, and our ability to avail further borrowings may be curtailed. Further, if we are



required to repay the amounts outstanding under the aforesaid borrowing facilities, our business, results of operations and profitability may be adversely impacted.

**25. *Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in India, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of substances, employee exposure to hazardous substances and other aspects of our operations. For example, laws in India limit the amount of hazardous and pollutant discharge that our processing facilities may release into the air and water. The discharge of hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Further, any accidents at our facilities may result in personal injury or loss of life of our employees, contract labourers or other people, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in any potential litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

**26. *Our Registered and Corporate Office has been made available to us by way of a lease arrangement, and is not owned by us. In the event that we lose our lease or are required to negotiate it, our cash flows, business, financial conditions and results of operations could be adversely affected***

Our Registered and Corporate Office has been made available to us by way of a lease arrangement, and is not owned by us. Termination of the aforesaid lease or our failure to renew the same, on favourable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our business and financial condition. We cannot assure you that we will be able to renew the arrangement when the term of the original arrangement expires, on similar terms or terms reasonable for us or that such an arrangement will not be prematurely terminated (including for reasons that may be beyond our control). Further, any adverse impact on the title, ownership or development rights of the owner of the premises or a breach of the contractual terms of the lease may materially affect our business operations.

**27. *Our operations are hazardous and could expose us to the risk of liabilities, loss of revenue and increased expenses.***

Our operations are subject to various hazards associated with the processing of seafood products. In addition, our employees operate machinery at our processing facilities and accidents may occur while operating such machinery. These hazards can cause personal injury and loss of life, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. As a result of our operations, we may become subject to claims for damages from our customers as well as claims of injury by employees or members of the public. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which

could in turn affect our financial condition and business performance. While we maintain general insurance against these liabilities, insurance proceeds may not cover or may not be adequate to fully cover the substantial liabilities, lost revenues, loss of reputation or increased expenses that we might incur.

**28. *A shortage or non-availability of electricity, fuel or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require a significant amount and continuous supply of electricity, fuel and water and any shortage or non-availability may adversely affect our processing operations. The production process of certain products, as well as the storage of our raw materials and products in temperature controlled environments requires significant power. We currently source our water requirements from local municipal corporations and local body water supply, canals, bore wells and water tankers and depend on state electricity board for our energy requirements. Although we have generators to meet exigencies at certain of our facilities, we cannot assure you that our facilities will be operational during power failures. Any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

**29. *We have acquired immovable property from a member of our Promoter Group in the recent past, and may opportunistically undertake similar acquisitions in the future.***

Pursuant to a sale deed dated February 19, 2018, we have purchased immovable property from one of the members of our Promoter Group, namely Srinivasa Ice Factory. The Company primarily utilizes the ice factory situated on the aforesaid premises for its business operations, and prior to the aforesaid transaction, had entered into a lease agreement in respect thereof. For additional details, please see “*Our Promoters, Promoter Group and Group Companies*” on page 181. As our business grows, we will continue to opportunistically evaluate any opportunities to purchase additional land, including any land owned by our Promoters or members of our Promoter Group. While we believe that the aforesaid transaction was undertaken on an arms-length basis, there can be no assurance that we would not have achieved more favourable commercial terms with other parties. Further, there may be potential conflicts of interests between our Company and our Promoters in any future transactions that we may undertake, which may have an adverse effect on our financial condition.

**30. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of January 31, 2018, we employed 1,020 individuals, on a consolidated basis. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

**31. *A significant disruption to our distribution network or any disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.***

We primarily rely on waterways to deliver our products to our customers. Unexpected delays in any of our deliveries, including due to delays in obtaining customs clearance for products exported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins. In addition, labour shortages or labour disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure to deliver products to our customers in a timely manner, which would adversely affect our business and results of operations.

**32. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.***

As per our Restated Consolidated Financial Statements, our long term borrowings (including current maturities of long term borrowings) as on December 31, 2017, were ₹98.69 million, while our short term borrowings as on December 31, 2017, were ₹1,201.87 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, including any change in line of business or change in ownership, which could adversely affect our business and financial condition.

In addition, certain of our borrowings require us to maintain certain financial ratios and certain other informative covenants, which are tested at times on a quarterly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. For additional details in respect of the covenants required to be adhered to by our Company under the current borrowing arrangements, see “*Financial Indebtedness*” on page 336.

Moreover, certain of our financing arrangements are due for renewal and we cannot guarantee that the facilities availed under such arrangements will be renewed on the previously agreed terms and conditions, or conditions which are not more onerous on us. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

**33. *Any delays and/or defaults in payments from our customers could result in increase of working capital investment and/or reduction of our profits, thereby affecting our operation and financial condition. Further, our accounts receivable collection cycle exposes us to client credit risk.***

We are exposed to payment delays and/or defaults in payments by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. Any delays in payments may require us to make a working capital investment. Further, we cannot assure that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. As of December 31, 2017 and March 31, 2017, 2016 and 2015, our trade receivables were ₹ 1,153.72 million, ₹ 795.58 million, ₹ 542.83 million and ₹ 543.82 million, respectively.

If a customer defaults in making its payments on an order on which we have devoted significant resources, or if an order in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company’s results of operations and financial condition. Our credit terms vary according to local market practice and typically, and we typically have credit terms of 55 days to 60 days with our customers.

If any of our customers fail to make payments to us or become insolvent, we would suffer losses and our financial condition and results of operations could be adversely affected. Moreover, sales of our products are not always supported by letters of credit or bank guarantee. In case of any disputes or differences or default with regard to our payments, we would have to initiate appropriate recovery proceedings and which may be costly and time consuming. There is no guarantee on the timelines of all or any part of our customers’ payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**34. *Any delay in the schedule of implementation might have an adverse impact on our profitability.***

Our schedule of implementation for the objects of the Fresh Issue may be affected by various risks, including time and cost overruns as well as factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition and results of operations.

**35. *Any variation in the utilization of the Net Proceeds as disclosed in the section titled “Objects of the Offer” of the Draft Red Herring Prospectus will be subject to certain compliance requirements including prior shareholders’ approval.***

We intend to use the Net Proceeds of the Fresh Issue as set forth in the section titled “Objects of the Offer”. We currently cannot determine with certainty if we will need to use the Net Proceeds to fund any other expenditure or any exigencies arising from the competitive environment, business or economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation from the objects of the Fresh Issue without obtaining our shareholders’ approval through a special resolution. In the event that it becomes necessary to deviate from the disclosed objects of the Fresh Issue, we may not be able to obtain our shareholders’ approval in a timely manner or at all. Any delay in obtaining or inability to obtain such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Offer at a price and in the manner prescribed by SEBI. In addition, the requirement that our Promoters or controlling shareholders provide an exit opportunity to such dissenting shareholders may deter our Promoters or controlling shareholders from agreeing to any variation of the proposed utilization of the Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake any variation of objects of the Fresh Issue to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business, financial condition and results of operations.

**36. *Any failure of our information technology systems could adversely affect our business and our operations.***

We have information technology systems that support our business processes. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

**37. *Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We could be held liable for accidents that occur at our processing facilities or otherwise arise out of our operations. In the event of death, personal injuries, fires or other accidents suffered by our employees or other people, damage to property and environment, accidents caused due to natural calamities and explosions, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

Our principal types of coverage include standard fire and special perils, fire floater and package insurance. Our insurance policies may not be sufficient to cover our economic loss. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the typical risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance,

exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

**38. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into various transactions with related parties. We cannot assure you that we could not have achieved more favourable terms. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see “*Related Party Transactions*” on page 188. For details on the interest of our Promoters, Directors and key management personnel of our Company, see “*Our Management – Interests of Directors*” and “*Our Management – Interests of Key Management Personnel*” on pages 178 and 180, respectively. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**39. *Certain of our Promoters, Directors and key managerial personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Promoters, Directors and key managerial personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters and key managerial personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors and our key management personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “*Capital Structure*” and “*Our Management*” on pages 78 and 164, respectively.

**40. *We did not have adequate internal controls for managing our secretarial records and compliances in the past, as a result of which there have been certain delays and irregularities in respect of certain regulatory filings and corporate actions. Further, some of our historical corporate records are not traceable. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.***

In the past, our internal controls and compliances for managing our secretarial records and compliances have been inadequate, as a result of which there have been certain delays and irregularities in respect of certain filings and corporate actions of our Company. While we have sought to address such delays and irregularities, which may be construed to be in the nature of offences under the applicable provisions of Companies Act, by filing applications for the compounding of such delays and irregularities, such applications are currently pending. For additional details in respect of the aforesaid, see “*Outstanding Litigation and Material Developments*” on page 339. We cannot assure you that the aforesaid applications may be compounded in a cost-effective manner or at all. Moreover, we cannot assure you that there are no other instances of delays, irregularities or non-compliances in respect of the regulatory filings made by, or the corporate actions of, our Company. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation.

We have been unable to trace the complete set of corporate resolutions and filings in relation to changes in our issued, subscribed and paid-up share capital from incorporation till 2006. Despite having conducted a search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including our annual reports and audited financial statements for such matters. We cannot assure you that such corporate records will be available in the future. Further, we cannot assure you that the filings were done at all or in timely manner and that we shall not be subject to penalties on this account.

41. ***We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our financial condition.***

The following table sets forth certain information relating to our contingent liabilities as at December 31, 2017, as per our Restated Consolidated Financial Statements:

Particulars	As of December 31, 2017 (₹ in Million)
1) Appeal pending before CESTAT for Customs duty	11.13
2) Corporate Guarantee	724.80
3) Letters of Credit	86.18
<b>Total</b>	<b>822.11</b>

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For details, see “*Financial Statements*” on page 190.

42. ***One of our Group Companies has incurred losses in Fiscal 2017.***

One of our Group Companies, namely Pinnacle Hospitals India Private Limited, has incurred a loss of ₹ 95.89 million in Fiscal 2017. For further details of our Group Companies, see the section “*Our Promoters, Promoter Group and Group Companies*” on page 181. If the aforesaid Group Company, or our Group Company, incurs losses in the future, the same may not be perceived positively by stakeholders and third-parties, including our customers, bankers and suppliers, which adversely affect our market perception, credibility, reputation and consequently, our business operations.

43. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of our Shareholders and will depend on factors that our Board and shareholders deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. For details of dividend paid by our Company in the past, see “*Dividend Policy*” on page 189.

44. ***We will continue to be controlled by our Promoter Group after the completion of the Offer.***

After the completion of the Offer, our Promoter Group will hold majority of our outstanding Equity Shares. As a result, our Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. The interest of our Promoter Group could also conflict with our interests and interests of our other Shareholders, and they may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. We cannot assure you that the members of our Promoter Group will act to resolve any conflicts of interest in our favour, and they may take actions that are not in the best interests of our Company or our other Shareholders. Further, we cannot guarantee that the members of our Promoter Group will act in our interest while exercising their rights.

45. ***If we pursue strategic acquisitions or joint ventures, we may not be able to successfully consummate favourable transactions or successfully integrate acquired businesses.***

From time to time, we may evaluate potential acquisitions or joint ventures that would further our strategic objectives. However, we may not be able to identify suitable companies, consummate a transaction on terms that are favourable to us, or achieve expected returns and other benefits as a result of integration challenges or anti-monopoly regulations. Companies or operations acquired or joint ventures created by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our corporate development activities may entail financial and operational risks, including diversion of management attention from its existing core businesses, difficulty in integrating or separating personnel and financial and other systems, and negative impacts on existing business relationships with suppliers and

customers. Future acquisitions, if at all, could also result in potentially dilutive issuances of equity securities; the incurrence of debt, contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition, results of operations and prospects.

- 46. *Our Subsidiary may not pay cash dividends on shares that we hold in it. Consequently, our Company may not receive any return on investments in our Subsidiary.***

Our Subsidiary is a separate and distinct legal entity, having no obligation to pay dividends, and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of its financing arrangements. We cannot assure you that our Subsidiary will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

- 47. *We have issued Equity Shares in the last 12 months at a price which will be lower than the Offer Price.***

We have in the last 12 months issued Equity Shares to the Promoters and other existing Shareholders of our Company at a price which will be lower than the Offer Price. Pursuant to a resolution of our Shareholders dated December 28, 2017, the Board allotted 85,322,500 bonus Equity Shares to the Shareholders in the ratio of 25:1 on December 30, 2017. For further details, please see the section entitled “Capital Structure”.

- 48. *The unsecured loans taken by our Company and our Subsidiary may be recalled by the lenders at any time.***

Our Company and the Subsidiary have taken unsecured loans. Such loans are not be repayable in accordance with a specified repayment schedule, and may be recalled by the relevant lenders at any time. Any such unexpected demand for repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. In the event that any lender seeks the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows, and financial conditions.

- 49. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “Capital Structure” beginning on page 78, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

- 50. *The average cost of acquisition of Equity Shares by our Promoters will be less than the Offer Price.***

The average cost of acquisition of Equity Shares by our Promoters will be less than the Offer Price. The details of average cost of acquisition of Equity Shares acquired by our Promoters is set out below:

<b>Name of the Promoter</b>	<b>Average Cost of Acquisition of Equity Shares (In ₹)*</b>
Dr. K.V. Prasad	1.51
Ms. K. Suryanarayanamma	0.70
Mr. K. Anand Kumar	2.59
Mr. K. Arun Kumar	3.04

\* As certified by the Statutory Auditor by way of a certificate dated February 12, 2018.

**51. *This Draft Red Herring Prospectus contains information from the “Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022” report by IMARC.***

Certain information in the section entitled “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Summary of Industry” and “Summary of Business” beginning on pages 114, 140, 310, 39 and 56, is derived from the “Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022” report by IMARC. Certain portions of the aforesaid report have been customized for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has independently verified the information in the “Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022” report. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

**52. *We have not registered some of the trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.***

While we have filed applications to register the trademarks used by us for our business, as on the date of this Draft Red Herring Prospectus, we have not yet received such registration. In the absence of such protection, we may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that this registration is granted. For further details, see the section “Our Business - Intellectual Property”. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business. Further, if any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim ownership or make use of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business.

**53. *Our Company will not receive any proceeds from the Offer for Sale.***

The Offer comprises of an Offer for Sale of up to 12,600,000 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to Selling Shareholders and we will not receive any such proceeds.

**External Risk Factors**

**54. *A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of raw materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.



**55. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Regulations and Policies*” on page 153 of this Draft Red Herring Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. For instance, any adverse changes in existing export incentives such as Merchandise Export India Scheme (MEIS) and Duty Drawback (DDB), may have an adverse impact on our business and financial position.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. Based on our preliminary analysis of the GST framework applicable to our operations, we anticipate an increase in our cost of processing as a result of certain inefficiencies in the process of claiming of refunds. Further, if GST is made applicable on export sales, it may result in an increase in the prices of our products, which may adversely impact its demand.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**56. *The preparation requirement and presentation format of financial statements of our Company subsequent to the listing of its Equity Shares will not be in the same manner and same format as being prepared and presented for this Draft Red Herring Prospectus.***

Our historical audited financial statements have been prepared in accordance with the Companies Act and Indian GAAP, while the Restated Financial Statements, which have been included in this Draft Red Herring Prospectus, have been prepared in accordance with the requirements of the Companies Act and Indian GAAP, and restated in accordance with the requirements of the SEBI ICDR Regulations as well as the circulars issued by SEBI from time to time. In accordance with the revised roadmap for the implementation of Ind AS (on a voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance announced by the Ministry of Corporate Affairs, Government of India (the “MCA”) through its press release dated January 2, 2015, we will be required to prepare and present our audited financial statements for Fiscal 2018 in accordance with the Companies Act

and Ind AS. Further, if our Equity Shares are listed successfully on the Stock Exchanges, we will be required to prepare and present our annual and interim financial information in accordance with the Companies Act, Ind AS, SEBI Listing Regulations and the circulars issued by SEBI from time to time. The preparation requirement and the presentation format prescribed under the SEBI ICDR Regulations for our Restated Financial Statements differs in certain respects from the preparation requirements and presentation formats that we will be required to comply with post-listing of the Equity Shares, being the Companies Act, Ind AS, SEBI Listing Regulations and the circulars issued by SEBI from time to time. Accordingly, the preparation and presentation of our financial statements post-listing of the Equity Shares may be not be comparable with, or may be substantially different from, the Restated Financial Statements included in this Draft Red Herring Prospectus.

**57. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition, cash flows and results of operations.***

The Restated Financial Statements as at and for the nine months ended December 31, 2017, and as at and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, included in this Draft Red Herring Prospectus have been prepared in accordance with the requirements of the Companies Act and Indian GAAP, and restated in accordance with the requirements of the SEBI ICDR Regulations as well as the circulars issued by SEBI from time to time. Except as set out in the section titled “*Summary of Significant Differences between Indian GAAP and Ind AS*” on page 331, no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base the information on any other standards.

There are significant differences between Indian GAAP, Ind AS, US GAAP and IFRS. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian GAAP and Ind AS. Persons not familiar with Indian GAAP and Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of us, the terms of this Offer and the financial information contained in this Draft Red Herring Prospectus.

**58. *If acts of terrorism and other similar threats to security, communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, and our business, results of operations and cash flows.***

India has experienced communal disturbances, terrorist attacks and riots in the past. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including those between India and Pakistan. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, as well as other acts of violence or war could influence the Indian economy by creating a perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**59. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general

price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**60. *The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. The potential impact of a natural disaster such as the H5N1 "avian flu" virus, or H1N1, the swine flu virus, MERS (Middle East Respiratory Syndrome), Zika, the mosquito virus, on our results of operations and financial position is speculative, and would depend on numerous factors. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of avian flu, swine flu, MERS and Zika had an adverse effect on the economies of those countries in which they were most prevalent. In the case of any of such diseases, should the virus mutate and lead to human-to-human transmission of the disease, the consequence for our business could be severe. An outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the result of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, results of operations and financial condition will not be adversely affected.

**61. *A significant change in the Government's economic liberalization and deregulation policies could disrupt our business.***

We are incorporated in India and derive a significant portion of our revenues from India. Consequently, our performance and liquidity of the Equity Shares is affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Our business and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies followed by the Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. There can be no assurance as to the policies a new elected government will follow or that it will continue the policies of the outgoing government. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to our business, could disrupt business and economic conditions in India generally and our business in particular.

**62. *Financial instability, economic developments and volatility in securities markets in other countries may also cause a decline in the price of the Equity Shares.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, prospects, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and

government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, prospects, future financial performance and the trading price of the Equity Shares.

- 63. *Our performance is linked to the stability of policies and the political situation in India. Any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could adversely affect our business, our results of operations and could also affect the trading price of our shares.***

The Government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There is no assurance that these liberalization policies will continue if there is a change in political climate. Protests against privatization could slow-down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the seafood sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. Further, if there is any political unrest or political instability or change of policies as a result of the introduction of any new political regime in India, which is not in advancement of the seafood sector or in furtherance of our business activities, then our business, results of operations and financial position may be adversely affected.

- 64. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

- 65. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results***

The Equity Shares are, and will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

- 66. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us. A rapid decrease in reserves would also create risk of higher interest rates and a consequent slowdown in growth.***

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease

in the future. Further, a decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect our business, financial condition, results of operations and cash flows.

**67. *Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or executive officers.***

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

**68. *Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk," may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

- 69. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

- 70. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 108 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

- 71. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Further, the Budget 2018 includes a proposal to reintroduce long-term capital gains tax on the sale of listed equity shares exceeding a specified threshold at a rate of 10%. Prior to the aforesaid proposal, any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months was not subject to capital gains tax in India if securities transaction tax had been paid on the transaction. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

- 72. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles and applicable Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a financial institution or corporate entity in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a financial institution or corporate entity in another jurisdiction.

- 73. *Foreign investors are subject to foreign investment restrictions under Indian law, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign

currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

#### Prominent Notes:

1. Initial public offering of [●] Equity Shares of the Company for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), aggregating ₹[●] million, comprising a fresh issue of [●] Equity Shares, aggregating up to ₹3,000 million, and an offer for sale of up to 12,600,000 Equity Shares, aggregating ₹[●] million, by the Selling Shareholders. This Offer includes a reservation of up to [●] Equity Shares (constituting up to [●]% of our post-Offer paid-up equity share capital) for subscription by Eligible Employees for cash at a price of ₹[●] per Equity Share, aggregating up to ₹[●] million. The Offer less the Employee Reservation Portion is referred to as the Net Offer. The Offer shall constitute [●] % of our post-Offer issued, subscribed and paid-up equity share capital and the Net Offer shall constitute [●]% of our post-Offer issued, subscribed and paid-up equity share capital. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to 7,000,000 Equity Shares aggregating up to ₹ 1,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.
2. Our Company was originally incorporated as “Sandhya Marines Private Limited” on July 1, 1987 as a private limited company under the Companies Act, 1956, at Hyderabad. Pursuant to a special resolution of our Shareholders dated April 3, 1995, our Company was converted into a public limited company and our Company’s name was changed to “Sandhya Marines Limited” and a fresh certificate of incorporation consequent to conversion dated December 22, 1995 was issued by the RoC.
3. As at March 31, 2017, our Company’s net worth, was ₹ 1,229.32 million, as per our Restated Standalone Financial Statements, and ₹ 1,219.25 million, as per our Restated Consolidated Financial Statements. As at December 31, 2017, our Company’s net worth, was ₹ 1,621.41 million, as per our Restated Standalone Financial Statements, and ₹ 1,806.42 million, as per our Restated Consolidated Financial Statements.
4. As at March 31, 2017, our Company’s net asset value per Equity Share of face value ₹ 10 each was ₹ 13.85 as per our Restated Standalone Financial Statements and ₹ 13.74 as per our Restated Consolidated Financial Statements. As at December 31, 2017, our Company’s net asset value per Equity Share of face value ₹ 10 each was ₹18.27 as per our Restated Standalone Financial Statements and ₹20.36 as per our Restated Consolidated Financial Statements.
5. The average cost of acquisition price per Equity Share by our Promoters, calculated by considering the net amount paid and received by our Promoters for acquisitions and disposals respectively, is set forth in the table below:

Name of the Promoter	Number of Equity Shares held as on date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
Dr. K.V. Prasad	33,659,600	1.51
Ms. K. Suryanarayanaamma	6,062,160	0.70
Mr. K. Anand Kumar	21,610,940	2.59
Mr. K. Arun Kumar	21,420,100	3.04

\* As certified by P. Lakshmana Rao & Co., Chartered Accounts, pursuant to certification dated February 12, 2018

6. For details in relation to interests of Group Companies in our Company, including business interests, see “Our Promoters, Promoter Group and Group Companies” and “Financial Statements” on pages 181 and 190, respectively.
7. For details of the related party transactions with related parties (as defined under Accounting Standard 18), see “Financial Statements” on page 190.
8. There have been no financing arrangements whereby the Promoter Group, the Directors and their relatives have financed the purchase of our Equity Shares by any other person other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

9. Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints, information or clarifications pertaining to the Offer. For further details of the BRLMs, see “*General Information*” on page 71.
10. There has been no change in the name of our Company in the last three years.
11. All grievances in relation to Bids through the ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or First Bidder, ASBA Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. Further, all grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.



## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*The information contained in this section is derived from “Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022” by IMARC, publicly available information, as well as government and industry publications and sources. Neither we, the BRLMs nor any other person connected with the Offer has independently verified this information.*

*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section must be read in conjunction with the sections titled “Risk Factors”, “Our Business” and “Industry Overview”.*

#### **The Global Economy**

Global economic activity continues to firm up. Global output is estimated to have grown by 3.7 percent in 2017, which is 0.1 percentage point faster than projected in the fall and ½ percentage point higher than in 2016. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage point to 3.9 percent. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes. (Source: “World Economic Outlook Update, January 2018” by International Monetary Fund)

#### **The Indian Economy**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India’s GDP increased 7.1 per cent in 2016-17 and is expected to reach a growth rate of 7 per cent by September 2018.

India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus. The tax collection figures between April-June 2017 Quarter show an increase in Net Indirect taxes by 30.8 per cent and an increase in Net Direct Taxes by 24.79 per cent year-on-year, indicating a steady trend of healthy growth.

India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report. Moody’s upgraded India’s sovereign rating after 14 years to Baa2 with a stable economic outlook. India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF). The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19. (Source: Indian Brand Equity Foundation website at [www.ibef.org/economy/indian-economy-overview](http://www.ibef.org/economy/indian-economy-overview))

#### **The Global Shrimp Industry**

##### **Overview**

Shrimps are one of the most common and popular types of seafood consumed worldwide. The demand of shrimps has been high due to their nutritional value and health benefits as they are low in fat, high in protein and a moderate source of omega-3 fatty acids. The trend towards consumption of healthy and low-fat foods and the demand for marine proteins in both developed and developing countries are currently driving the growth of the shrimp market.

The consumption of shrimp is associated with numerous health benefits as they are high in calcium, iodine, vitamin D, vitamin B3, zinc, protein and omega-3s but low in saturated fat. In addition, they offer numerous health benefits such as improved bone and brain health, weight management, lowered risk of cardiovascular disease, relieved eye fatigue, lowered blood pressure and enhanced overall health. On account of these benefits, there is a high demand for shrimp across the world, particularly in China, which is known as the world's largest market for seafood. Although, seafood has always been a large part of the Chinese food culture, a rapidly burgeoning middle class is also contributing to the augmented consumption in the region.

The global shrimp production volume reached 4.35 Million Tons in 2016 growing at a CAGR of 2.95% during 2009-2016. In 2016, the market reached a volume of 4.35 Million Tons. This can be attributed to the easy availability of shrimps and their high nutritional content. The demand for shrimps has been growing significantly over the years as a result of the increasing health consciousness among consumers along with rising disposable incomes and improving standards of living.

#### ***Global: Shrimp Market: Key Industry Highlights, 2017 and 2022***

<b>Particulars</b>	<b>2017</b>	<b>2022</b>	<b>CAGR 2017-2022</b>
Global Shrimp Market- Volume (in Million Tons)	4.50	5.60	4.50%
Global Shrimp Market- Value (in Billion US\$)	53.42	78.30	7.95%

Overall, the demand for shrimps is expected to remain steady during 2017-2022 exhibiting a CAGR of 4.50% and reaching a volume of 5.60 Million Tons by 2022.

In 2016, the global production of farmed shrimp was dominated by China that accounted for 32.40% of the total global production. China was followed by Indonesia (14.94%), Vietnam (12.64%), India (12.40%), Ecuador (8.04%) and Thailand (6.20%).

In 2022, China is expected to remain the largest producer in the global farmed shrimp market, accounting for 27.13% of the overall production. China is expected to be followed by India (17.77%), Indonesia (15.90%), Vietnam (12.50%), Thailand (11.62%) and Ecuador (8.30%).

#### ***Major Shrimp Consuming Regions***

The United States of America has the highest per capita consumption of shrimp in the world. Shrimp is the most popular seafood accounting for around one-third of the total seafood consumption in the USA. Moreover, the United States currently represents the biggest importer of shrimp in the world. With the growing population, it is expected that the USA will maintain its per capita consumption of shrimp in the coming years.

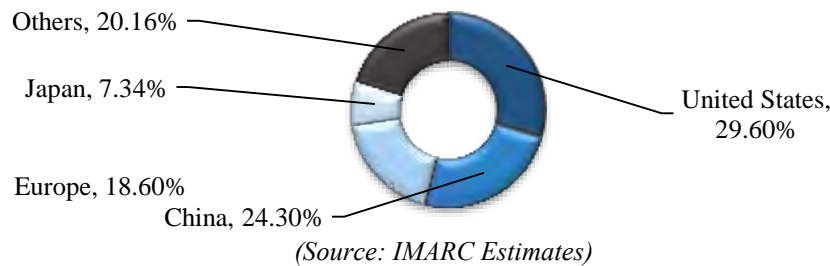
Japan once had the highest per capita consumption of shrimp but the trend has been declining over the past few years. Weak Japanese Yen, high prices of shrimp, rise in the consumption of meat and dairy products, are some of the factors which are expected to decline the per capita consumption of shrimp in Japan.

Europe is the third largest importer of shrimps in the world. The demand of shrimp in Europe is constantly increasing with the increasing health consciousness, rising awareness of health benefits of shrimp, growing population, etc. Since the shrimp and value-added shrimp are gaining popularity in Europe, the per capita consumption of shrimp is expected to increase in the coming years.

In 2016, China is the leading producer of shrimp and the also largest exporter of shrimp in the world. But the domestic shrimp consumption in China has increased at a rate 123% during 2005-2015. The consumption of shrimp is more in China than its production. This increasing trend of shrimp consumption in China is expected to grow in the coming years due to the growing economy, increasing disposable income, changing dietary habits, etc. With the booming demand of shrimps for the domestic consumption, China is expected to become the top importer of shrimp in the world in the coming years.

In 2016, the United States represented the largest consumer of shrimps, accounting for 29.60% of the overall shrimp market. The United States was followed by China (24.30%), Europe (18.60%) and Japan (7.34%).

***Global: Shrimp Market: Consumption Breakup by Country (in %), 2016***



***SWOT Analysis***

***Strengths***

- **Health Benefits:** A major catalyst driving the demand of shrimps are its numerous health and nutritional benefits. Some of the health benefits associated with the shrimps have been provided below:
  - Shrimp contain astaxanthin, a carotenoid nutrients that can act as a potent antioxidant and protects skin from premature aging.
  - They are also loaded with selenium, which activates the enzymes needed for healthy muscle metabolism and also activates the enzymes that fight cancer growth.
  - They serve as an excellent source of carbohydrate free food which can lead to weight loss.
- **High Margins:** As a result of its strong demand and export potential, shrimp farming currently represents a high margin business for manufacturers. Our analysis find that average gross profits for manufacturers comes at around 21%-22%.
- **Product Variety:** Currently, shrimp of various species such as Pacific White Shrimp / *Litopenaeus Vannamei*, *penaeus Monodon* etc. are being produced by the shrimp farmers. Moreover, shrimps of these species are available in number of sizes such as 41-50, 51-60, 30-40, etc. Such vast presence of different kinds of shrimp caters to the taste and preferences of a large number of consumers.
- **Value Addition:** Shrimp manufacturers across the globe are adding several value added products to their product lines. These value added products are gaining popularity in several countries such as United States, Europe and Japan, thereby enhancing the existing consumer base of shrimps.

***Weaknesses***

- **High Entry and Exit Barrier:** The shrimp industry is a capital intensive industry often associated with high investments on plant and machinery. Such investments can run into millions of dollars. Moreover, manufacturers are also required to achieve economies of scale to remain profitable. This results in high entry and exit barriers for firms.
- **Infrastructure Challenges:** Shrimps are perishable in nature and their storage and transportation requires controlled temperatures. In order to preserve their quality and enhance their shelf life, shrimps require a strong cold chain and road infrastructure. Major shrimp producing regions, however, currently lack the same. Insufficient cold chain infrastructure coupled with poor roads annually leads to significant losses for the shrimp industry. It is estimated that 20%-30% of the total fish production in these countries is wasted due to the lack of a proper infrastructure.
- **Seasonality of Raw Material:** Shrimp are seasonal in nature which lead the fisherman and companies to maintain a stock of shrimps at almost half of the inventory level. As the harvesting seasons are different for the different parts around the world, some shrimpers choose to import shrimps from other regions with greater abundance of shrimps.
- **Price Fluctuation:** The availability of shrimps in the market is largely dependent on climatic conditions of a country. The climate change can hamper the production of the shrimps. Additionally, poaching and

cyclones constitute other impediments, simultaneously resulting in higher input costs. This create a negative impact on the operating margins of farmers.

### *Opportunities*

- **Strong Economic Growth and Rising Disposable Income in Shrimp Producing Regions:** Several shrimp producing regions such as China, India, etc. has been growing continuously over the past few decades leading to a continuous growth in both urban and rural disposable incomes in these countries. As the demand for seafood products is income elastic, a continuous increase in the number of consumers with higher disposable incomes is expected to create a positive impact on the growth of the shrimp processing industry in short term.
- **Government Initiatives in Major Shrimp Producing Countries:** The governments in major shrimp producing regions has acknowledged the seafood sector as a high priority industry and is currently promoting it with a number of fiscal reliefs and incentives. For instance, in India, government bodies such as MPEDA (Marine Products Exports Development Authority) is supporting shrimp culture through cluster farming approach. More than 10,000 farmers have been organized into aqua societies which help farmers access credit, quality seeds, feeds and other inputs, reducing the burden of diseases and improving product quality. Similar initiatives is also being taken in other countries such as Vietnam, Thailand, China, etc. This move is expected to attract new investors to invest in the shrimp industry.
- **Changing Dietary Habits in Untapped Markets:** The shrimp market has traditionally been an export oriented market in untapped market such as India with only a small share of the total production consumed domestically. Over the last few years, however, the domestic shrimp market in these countries has started booming up. The demand, which was largely metro-centric only a few years ago, is now spreading to tier-II and tier-III cities. With the high growth in disposable incomes, domestic consumption is expected to increase continuously in the near term.

### *Threats*

- **Unpredictable Production due to Climate Influence:** Shrimp farming sector has a low level of preparedness to meet the extreme climatic events. Natural disasters like typhoons have hit the shrimp aquaculture areas causing extensive damage to the hatcheries and farms. For example, Typhoons and cyclones caused serious damage to the farming industry in southern China in July, 2014 and in India in October, 2014.
- **Absence of Quality Control in Major Producing Countries:** Absence of the adequate infrastructure and internal quality controls has resulted in the production of poor quality shrimps. Industry requires the introduction of better techniques and management practices to reduce diseases and increase the domestic and export consumption.

### *Performance by Key Regions*

In 2016, the global production of farmed shrimp was dominated by China that accounted for 32.40% of the total global production. China was followed by Indonesia (14.94%), Vietnam (12.64%), India (12.40%), Ecuador (8.04%) and Thailand (6.20%). The market volumes during the forecast period have been provided in the table below:

***Global: Shrimp Market Forecast: Breakup by Region (in Million Tons), 2017-2022***

<b>Major Shrimp Producing Region</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
China	1.43	1.45	1.46	1.48	1.50	1.52
Vietnam	0.57	0.60	0.62	0.65	0.67	0.70
India	0.60	0.67	0.74	0.81	0.90	1.00
Indonesia	0.69	0.72	0.76	0.80	0.85	0.89
Ecuador	0.37	0.38	0.40	0.42	0.44	0.46
Thailand	0.31	0.36	0.42	0.49	0.56	0.65

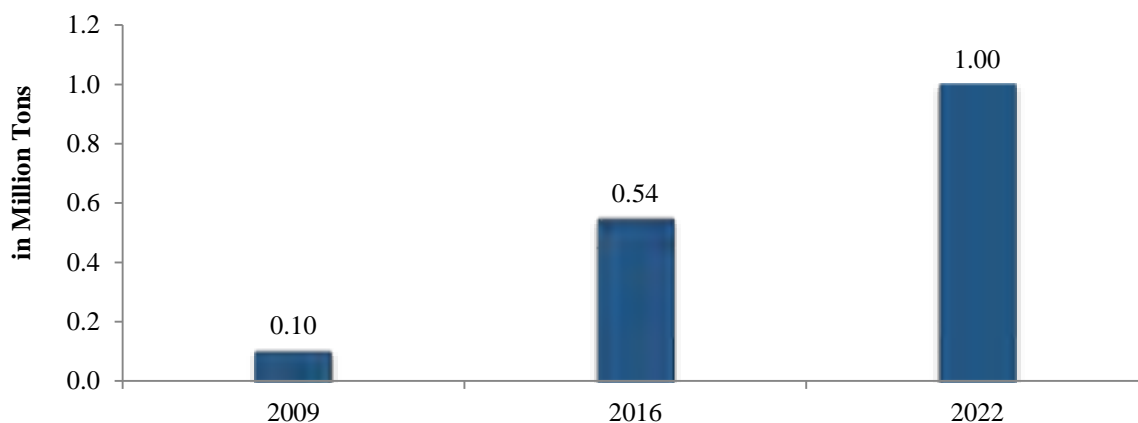
*(Source: IMARC Estimates)*

## India

In 2016, India represented the fourth-largest market for shrimps, accounting for a share of 12.40%. The market reached a production volume of 0.54 Million Tons in 2016, exhibiting a CAGR of 27.77% during 2009-2016. The market has benefitted from the rise in the demand for disease-free and healthy shrimp as the production in other major South Asian countries has been hit by diseases and increase in labour costs. In line with this, shrimp production in the country has increased over the past several years. India has now also come to represent the largest shrimp exporter to the US and European Union.

Looking forward, the shrimp production in India is expected to reach a volume of 1.00 Million Tons by 2022, growing at a CAGR of 10.82% during 2016-2022.

**India: Shrimp Market: Volume Trends (in Million Tons), 2009, 2016 and 2022**



(Source: IMARC Estimates)

## The Indian Shrimp Industry

### Overview

India has emerged as one of the leading seafood suppliers in the world, due to a long coast line and favorable weather conditions. In India, there is a tradition of extensive culture of shrimp in large water bodies. According to a study, although the shrimp production potential is enormous for the country, around 12 lakh hectares available for brackish water, only 1.4 lakh hectares has been brought under shrimp cultivation.

**India: Area Under Aquaculture Production: Present Status and Future Potential**

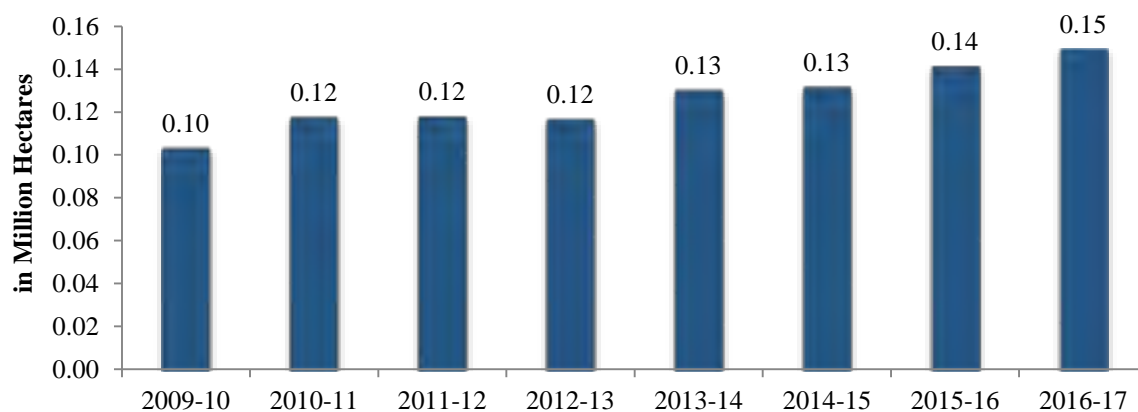
Sr. No.	State	Estimated Potential Brackish Water Area (in Ha)	Area Under Culture (in Ha), 2015-16	Area Under Culture (in %), 2015-16	Expected Area Under Culture by 2022-23 (in Ha)	Area Under Culture (in %), 2022-23
1	West Bengal	4,05,000	58,285	14.39%	87,994	21.73%
2	Gujarat	3,76,000	4,552	1.21%	7,834	2.08%
3	Andhra Pradesh	1,50,000	42,462	28.31%	61,274	40.85%
4	Maharashtra	80,000	1,413	1.77%	2,360	2.95%
5	Kerala	65,000	12,622	19.42%	11,765	18.10%
6	Tamil Nadu	56,000	8,263	14.76%	14,559	26.00%
7	Orissa	31,600	10,778	34.11%	17,878	56.58%
8	Goa	18,500	10	0.05%	9	0.05%
9	Karnataka	8,000	2,281	28.51%	2,903	36.29%
	<b>Total</b>	<b>11,90,100</b>	<b>1,40,666</b>	<b>11.82%</b>	<b>2,06,576</b>	<b>17.36%</b>

(Source: MPEDA, Primary Research and IMARC Estimates)

### ***Area under Shrimp Cultivation: Current and Historical Market Trends***

The figure below gives the historical statistics of the land area developed for shrimp culture in India. During 2009-10 to 2016-17, the total area under cultivation has increased at a CAGR of 5.47% and reached 0.15 Million Hectares in 2016-17.

***India: Shrimp Production: Area under Shrimp Cultivation (in Million Hectares), 2009-10 to 2016-17***



(Source: MPEDA and IMARC Estimates)

### ***Shrimp Industry as a Part of Seafood Market***

India is one of the largest exporters of shrimp in the world. The trend of high prices for shrimp, globally, in recent years have helped in making the industry more lucrative. In the total Indian exports of seafoods, frozen shrimp represented the largest category. Frozen shrimps contributed for 40% of the marine export volumes and nearly 66% in the export values. The frozen shrimp Indian exports in 2016-17 were valued at US\$ 2.9 Billion. This represented a CAGR of 18.6% during 2009-10 and 2016-17.

***India: Frozen Shrimp Market: Export Volumes and Values, 2009-10 - 2016-17***

Type	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Quantity in Tons	130,553	151,465	189,125	228,620	301,435	357,505	373,866	389,106
Value in Billion US\$	0.88	1.26	1.74	1.80	3.21	3.71	3.10	2.90

(Source: MPEDA)

### ***Market Overview***

***India: Shrimp Market: Key Industry Highlights, 2017-18 and 2022-23***

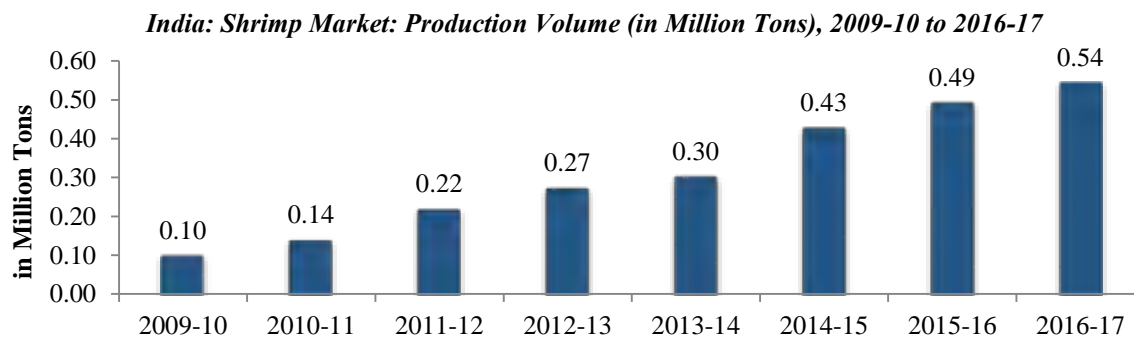
Particulars	2017-18	2022-23	CAGR 2017-18 to 2022-23
India Shrimp Market- Volume (in Million Tons)	0.60	1.00	10.61%
India Shrimp Market- Value (in Billion US\$)	3.06	5.79	13.62%

Major Shrimp Producing States	Share in 2016-17 (in %)
Andhra Pradesh	60.34%
West Bengal	14.58%
Tamil Nadu & Pondicherry	9.17%
Gujarat	7.13%
Orissa	6.02%
Maharashtra	1.63%

## Market Performance

In 2016-17, India's shrimp production reached volume of 0.54 Million Tons growing at a CAGR of around 27.77% during 2009-10 to 2016-17. The following factors have driven this market during the last few years:

- Price of Post Larvae's has dropped by 50%.
- Weather is a key factor in India, as shrimp farming is concentrated in a 500-mile area along coast.
- Strong dollar value, lower fuel and other input costs in India have been proved to be beneficial to the farmers.
- Increase in large scale processing facilities for the production of value added items has helped in achieving a significant growth in the shrimp aquaculture industry in India.

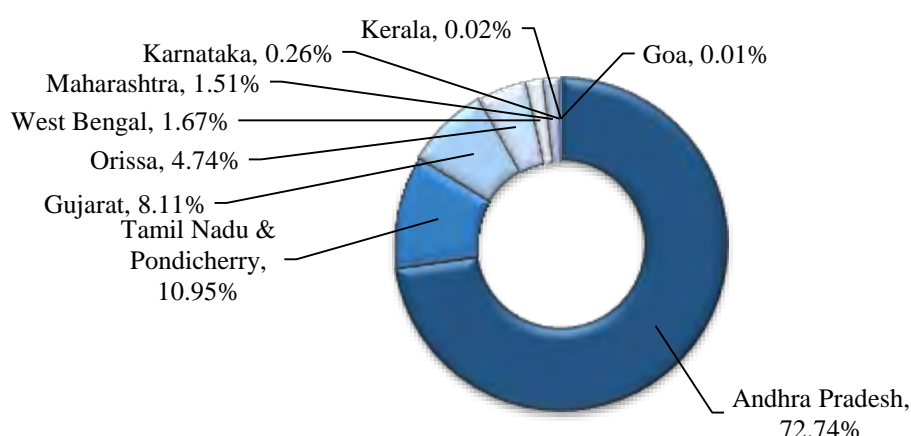


(Source: MPEDA, FAO and IMARC Estimates)

## Pacific White Shrimp / *Litopenaeus Vannamei* Production by States

In India, Andhra Pradesh is the state with the largest Pacific White Shrimp / *Litopenaeus Vannamei* specie production accounting for 72.74% of the total country's production. Andhra Pradesh was followed by Tamil Nadu & Pondicherry (10.95%), Gujarat (8.11%), Orissa (4.74%) and West Bengal (1.67%).

## India: Pacific White Shrimp / *Litopenaeus Vannamei* Shrimp Market: Production Breakup by State (in %), 2016-17

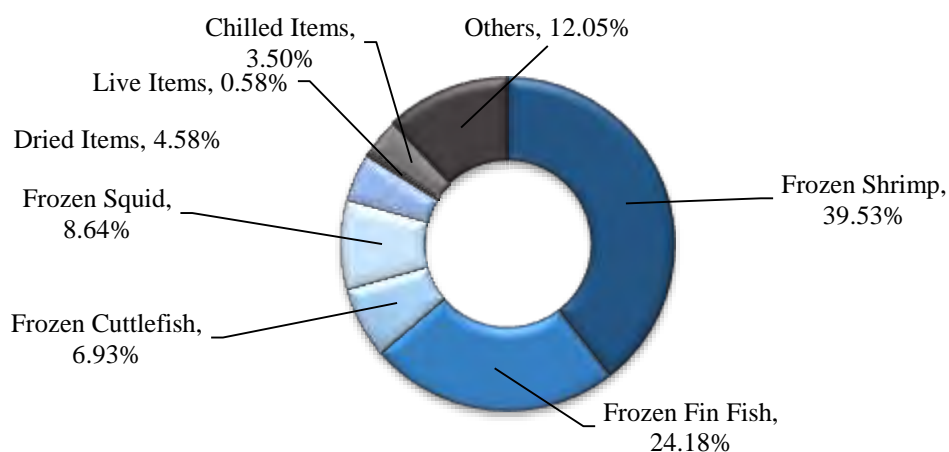


(Source: MPEDA)

### ***Indian Marine Exports: Breakup by Product Type***

In 2015-16, frozen shrimps dominated the total marine products exports from India and accounted for 39.53% of the total export volumes. Frozen shrimp was followed by Frozen Fin Fish (24.18%), Frozen Cuttlefish (6.93%) and Dried Items (8.64%).

***India: Marine Exports Market: Breakup by Product Type (in %), 2015-16***

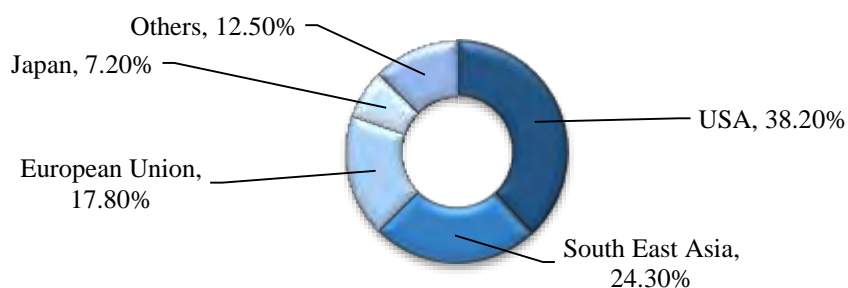


(Source: MPEDA)

### ***Indian Shrimps Exports: Breakup by Country***

India is a primary source of frozen shrimps for the United States market that accounted for 38.20% share in the total export volumes in 2016-17. The United States was followed by the South-East Asia (24.30%), European Union (17.80%) and Japan (7.20%).

***India: Frozen Shrimp Market: Export Volume Breakup by Country (in %), 2016-17***

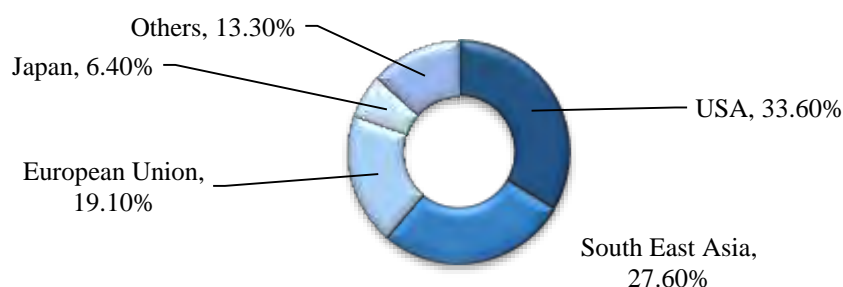


(Source: USDA)

By 2022-23, the United States is expected to remain the largest importer of shrimp from India, accounting for 33.60% of the overall exports from India. The United States is expected to be followed by South-east Asia (27.60%), European Union (19.10%) and Japan (6.40%).



**India: Frozen Shrimp Market Forecast: Export Volume Breakup by Country (in %), 2022-23**



(Source: IMARC Estimates)

**India: Frozen Shrimp Exports: Export Breakup by Country (in Tons), 2016-17 and 2022-23**

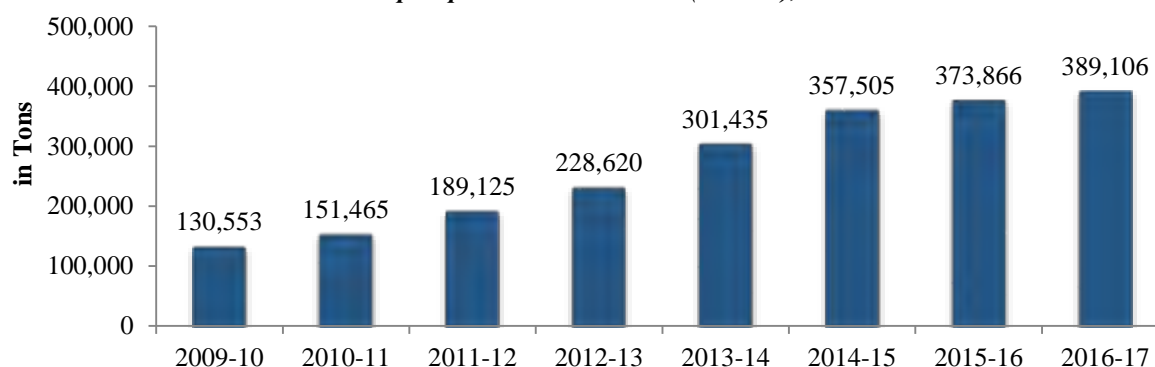
Country	Quantity (in Tons), 2016-17	Quantity (in Tons), 2022-23
United States	148,638	263,564
South-East Asia	94,553	216,499
European Union	69,261	149,824
Japan	28,016	50,203

Source: USDA and IMARC Estimates

**Indian Frozen Shrimp Exports Market**

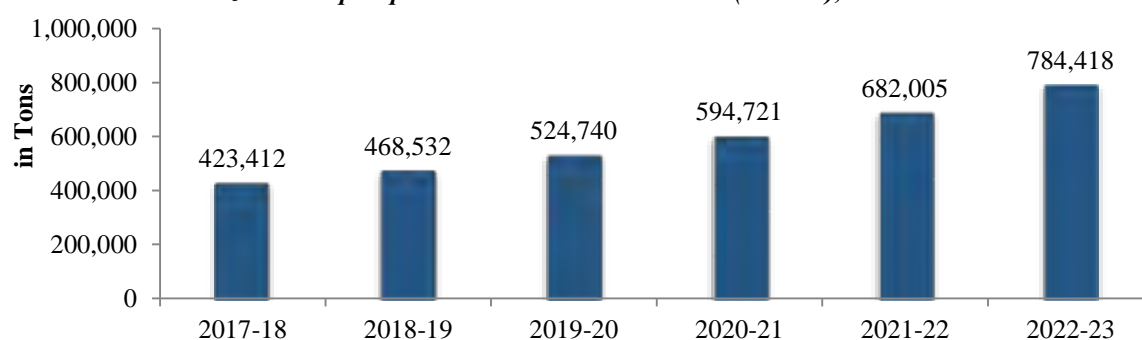
The Indian frozen shrimp exports market reached a volume 389,106 Tons in 2016 growing at a CAGR of 16.88% during 2009-10 to 2016-17. By 2022-23, the Indian frozen shrimp exports are expected to reach a volume of 784,418 Tons.

**India: Frozen Shrimp Export Market: Volume (in Tons), 2009-10 to 2016-17**



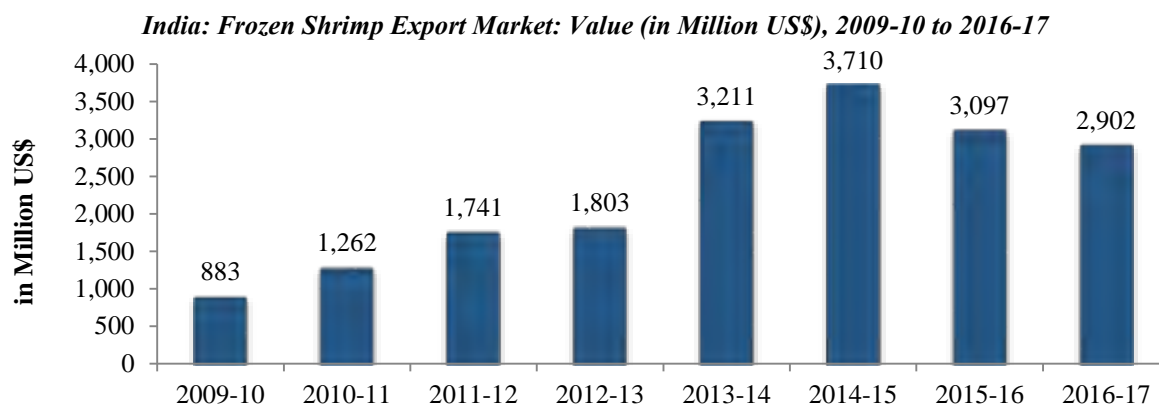
(Source: MPEDA and IMARC Estimates)

**India: Frozen Shrimp Export Market Forecast: Volume (in Tons), 2017-18 to 2022-23**



(Source: IMARC Estimates)

The Indian frozen shrimp exports market reached a value of US\$ 2,902 Million in 2016-17, growing at a CAGR of 18.5% during 2009-10 to 2016-17. By 2022-23, the Indian frozen shrimp exports are expected to reach a value of US\$ 7,026 Million.



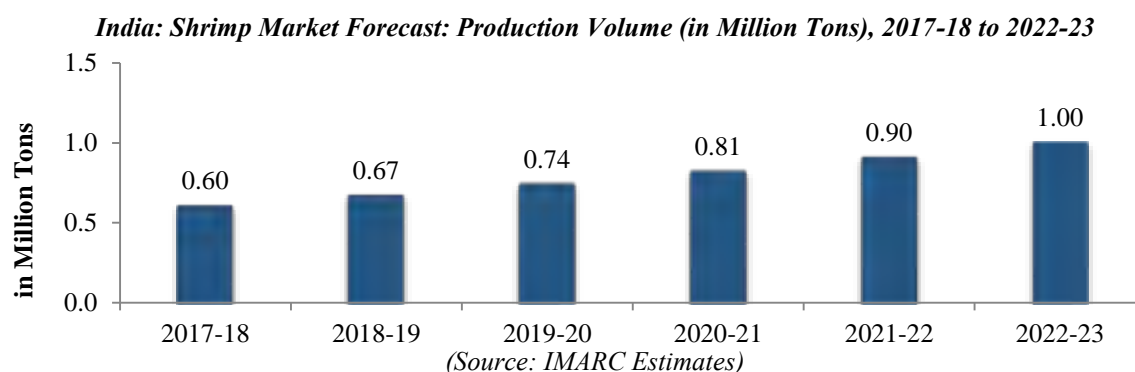
(Source: MPEDA and IMARC Estimates)



(Source: IMARC Estimates)

### Market Forecast

Looking forward, the Indian shrimp production is expected to grow at a CAGR of around 10.61% during 2017-18 to 2022-23, reaching 1.00 Million Tons by 2022-23. The shrimp processing industry in India is currently export oriented, but with changing dietary patterns, increasing disposable incomes and growth in the retail industry, the domestic sales are also expected to increase in the coming years.



(Source: IMARC Estimates)

### ***Andhra Pradesh Shrimp Market***

In 2016-17, the total shrimp production in Andhra Pradesh has reached a volume of 326,099 tons, growing at a CAGR of 31.13% during 2008-09 to 2016-17. High margin in the industry and initiatives by the state government are some of the major factors catalyzing the growth of shrimp production in the state.

The state government, over the past few years, has made the registration procedure easy for aqua ponds, which has significantly reduced the time for getting permissions for digging ponds. This has resulted in many farmers, especially in Nellore, East and West Godavari districts, coming forward to convert their agriculture fields into aqua ponds. Moreover, some of the big and experienced farmers in aqua field are also making huge investments in the sector and purchasing the agriculture lands to convert aqua ponds. For instance, in Konaseema area, there are owners of nearly 500 acres of agriculture fields who are ready to switch to aqua cultures.

#### **India: Andhra Pradesh Shrimp Market: Area Under Culture and Production, 2008-09 – 2016-17**

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Area Under Culture (Ha)	46,475	36,841	45,658	42,887	35,266	52,366	40,445	42,462	45,209
Production (in Tons)	37,292	42,951	66,631	126,941	159,089	213,543	279,727	300,278	326,099

*(Source: MPEDA and IMARC Estimates)*

*Note: \*Includes area under cultivation for Scampi as well.*

#### ***India: Andhra Pradesh Shrimp Market: Area Under Culture and Production, 2017-18 to 2022-23***

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Area Under Culture (Ha)	47,921	50,602	53,314	56,021	58,697	61,274
Production (in Tons)	355,446	388,984	427,097	471,372	522,021	580,625

*(Source: IMARC Estimates)*

*Note: \*Includes area under cultivation for Scampi as well.*

### ***Pacific White Shrimp / Litopenaeus Vannamei Market***

The introduction of Pacific White Shrimp / Litopenaeus Vannamei in 2009 spurred growth in shrimp production during the last few years and displaced sales of the other major shrimp species, tiger shrimp (Penaeus Monodon). Farming of tiger shrimp declined once it was found to be susceptible to disease.

In 2016-17, the production of Pacific White Shrimp / Litopenaeus Vannamei rose to around 320,140 Tons, which was 98 percent of the total shrimp production in Andhra Pradesh. The Vannamei species is preferred due to its superior traits such as fast growth rate, disease resistance, lower feed requirements, and higher survival rate.

#### ***India: Andhra Pradesh Pacific White Shrimp / Litopenaeus Vannamei Shrimp Market: Area under Culture and Production, 2008-09 to 2016-17***

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Area Under Culture (Ha)	-	264	2,739	7,128	20,198	49,764	37,560	39,800	42,108
Production (in Tons)	-	1,655	16,913	75,385	133,135	210,639	276,077	295,332	320,140

*Source: MPEDA and IMARC Estimates*

#### ***India: Andhra Pradesh Pacific White Shrimp / Litopenaeus Vannamei Market: Area Under Culture and Production, 2017-18 to 2022-23***

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Area Under Culture (Ha)	44,382	46,601	48,838	51,036	53,179	55,200
Production (in Tons)	348,632	381,404	418,781	462,335	512,267	570,153

*Source: IMARC Estimates*

### ***Initiatives by Government of Andhra Pradesh***

The Government of Andhra Pradesh has identified the Fisheries sector as a Growth Engine for social economic development of the new State of Andhra Pradesh. The Vision 2029 Programme promotes the rational exploitation and utilization of the State's fishery resources in a manner consistent with the overall goal of sustainable development. In this context a comprehensive fisheries policy is indispensable and therefore the Government of Andhra Pradesh has considered it necessary to specifically to undertake a Fisheries Policy with a view to determining the nature and scope of current priorities; the role and contribution of the Fisheries Sector to meet these priorities; the strengths; potentials and constraints of the sector and the requirements to make the sector more responsive to the current demands on it.

The Government of Andhra Pradesh accords top priority to Fisheries Development and its intervention for marine, brackish water, Inland fisheries, reservoirs development and ornamental fishery trade, with a view to enhance the fish production to 42 lakh tones in the next five years from the present level of 19.64 lakh tones and to double the exports value from the present level of about ₹ 16,000 Crores.

Under the Fisheries Policy 2015-2020, the Government approved the following fiscal benefits covering the categories of (a) Processing Units (b) Aquaculture Pond/ Farm (c ) Feed Manufacturing Units/Fishery related Equipment Manufacturing (d) Aqua Labs/ Disease Diagnostic Labs Promotion.

#### ***Processing Units***

- For shrimp processing units including cold chain maintenance, Capital subsidy of 50% inclusive of land cost with upper ceiling limit of ₹ 5 crores, will be provided. The cost of land should not exceed 15% of the total project cost on sub-registrar value.
- Interest subvention of 6% will be provided on bank loan subject to maximum of ₹ 2.5 Crores for 5 year period to aqua processing units, ice plants and cold storages.
- Reefer vans: For purchase of Reefer vans, a subsidy of 50% with maximum of ₹ 10.00 Lakhs per vehicle will be provided from 2016-17 onwards.
- Cold storage at ports/ Fishing harbours with subsidy will be permitted on par with industrial policy.
- Aquaculture processing units will be incentivized by providing 100% stamp duty exemption in land registration/lease of land/, mortgage deed/Bank documentation/ Hypothecation etc.
- Power subsidy will also be permitted to fish/prawn/shrimp processing unit and ice plants from the date of commencement of commercial production and will be on par with industrial policy from 2016-17.

#### ***Aquaculture Ponds/Farms***

- Financial assistance will be extended for farm mechanization like pumps and aerators with 50% subsidy. Solar pumps, solar lights and solar based aerators will be given on 60% subsidy to the prawn and shrimp farms up to maximum of 2 ha per farmer per annum.
- Scale of finance by banks will be as per reasonable requirement for pond culture.
- All subsidy schemes of Government of India/ Government of Andhra Pradesh/ NFDB/ MPEDA will also be accessed appropriately.
- Power will be supplied to Shrimp and Prawn culture farms at Rs.3.75 ps/ unit for a maximum of 2 hectares per aqua-farmers/ shrimp farmers from the year 2016-17.

#### ***Feed Manufacturing Units/fishery related equipment manufacturing***

- Incentives will be provided to feed manufacturing units, aerator manufacturing, fish processing equipment on par with industrial policy.

- Interest subvention of 6% per annum up to a maximum of ₹ 2.00 Crores will be provided to the Fish Feed Manufacturing units only for Five Years. This policy will be reviewed after one year.

#### *Aqua Labs/Disease diagnostics lab Promotion*

- All private labs in the State will be graded under technical supervision of State Institute of Fisheries technology (SIFT), Kakinada. SIFT will act as State referral lab for all private labs. The technicians of these labs will be continuously monitored to upgrade their skills as per the technical requirements of Aquaculture sector.
- Water and soil analysis labs will be promoted in all major aquaculture districts for conducive water management. One lab for every 500 ha area is proposed with a unit cost of maximum of Rs.10.00 lakhs. The financial assistance of 50 % on the unit cost will be extended by Government and the balance of 50% to be borne by the concerned entrepreneur/ stakeholder.
- Quality control / Antibiotic residue testing labs will be promoted through private sector in the districts of East Godavari, Krishna and Prakasam. The unit cost of the lab will be ₹ 2.00 Crores of which the Government assistance will be 40%.

#### *Tax Concession*

- For micro & small enterprises, 100% of net VAT/CST/SGST will be reimbursed for a period of 5 years from the date of commencement of commercial production.
- For medium industries, 75% of net VAT/CST/SGST will be reimbursed for a period of 7 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- For large Industry unit, 50% of net VAT/CST or SGST will be reimbursed for a period of 7 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- Government of India provides 100% deduction in expenditure (This deduction is allowed only for the investment made in the previous year and prior to commencement of its operations) for setting up and operating a cold chain facility.
- Government of India also provides 100% tax exemption for the first 5 years' of operation, and after that, at the rate of 25% of the profits being exempted from tax (30% in case of a company) for new units engaged in processing of marine products.

#### *Exports from Andhra Pradesh*

In 2016-17, shrimp exports from Andhra Pradesh reached a volume of 184,308 tons, growing at a CAGR of 24.33% during 2008-09 to 2016-17.

#### *Major Exporters*

In 2017, Sandhya Marines and its group of companies (one of the leading exporters from India) together accounted for around 4.9% of the total Andhra Pradesh shrimp export volumes. Out of the total Indian export volumes, the share of the company was 2.3%.

#### **The Indian Shrimp Feed Industry**

The Indian shrimp feed market reached a consumption volume of 799,190 Tons and production volume of 750,000 Tons in 2016-17, growing at a CAGR of 18.25% and 16.86% respectively at during 2009-10 to 2016-17. In consumption value terms, the Indian shrimp feed market reached a value of US\$ 799 Million exhibiting a CAGR of 23.7% during 2009-10 to 2016-17. In production value terms, the Indian shrimp feed market reached a value of US\$ 641 Million exhibiting a CAGR of 21.35% during 2009-10 to 2016-17. The price of shrimp feed in Indian market grew at a CAGR of 4.08% during 2009-10 to 2016-17, reaching a value of US\$ 1.00 per kg in 2016-17. Andhra Pradesh currently dominates the Indian shrimp feed market accounting for 60.10% of the total Indian

shrimp feed consumption in 2016-17. Andhra Pradesh was followed by West Bengal (14.10%), Tamil Nadu & Pondicherry (9.50%), Gujarat (7.00%), Orissa (6.40%) and Maharashtra (1.50%). Looking forward, the shrimp feed market consumption and production in India is expected to grow at a CAGR of 12.70% and 12.34% during 2017-18 to 2022-23, reaching a volume of 1,710,874 Tons and 1,561,638 Tons respectively by 2022. In value terms, the consumption and production is expected to grow at a CAGR of 16.42% and 16.05% during the same period, reaching a value of US\$ 2,067 Million and US\$ 1,611 Million respectively.

### **Market Overview**

#### **India: Shrimp Feed Market: Key Industry Highlights, 2017-18 and 2022-23**

<b>Particulars</b>	<b>2017 -18</b>	<b>2022 -23</b>	<b>CAGR 2017-18 to 2022-23</b>
Indian Shrimp Feed Market- Consumption Volume (in Tons)	941,015	1,710,874	12.70%
Indian Shrimp Feed Market- Consumption Value (in Million US\$)	966	2,067	16.42%

<b>Particulars</b>	<b>2017 -18</b>	<b>2022 -23</b>	<b>CAGR 2017-18 to 2022-23</b>
Indian Shrimp Feed Market- Production Volume (in Tons)	872,700	1,561,638	12.34%
Indian Shrimp Feed Market- Production Value (in Million US\$)	766	1,611	16.02%

<b>Region</b>	<b>2017-18 (in Tons)</b>	<b>2022 -23(in Tons)</b>	<b>CAGR 2017-18 to 2022-23</b>
Andhra Pradesh	557,368	922,161	10.59%
West Bengal	131,232	225,835	11.47%
Tamil Nadu & Pondicherry	90,900	179,642	14.60%
Gujarat	71,025	188,196	21.52%
Orissa	61,700	126,605	15.46%
Maharashtra	14,808	34,217	18.24%
India	<b>941,015</b>	<b>1,710,874</b>	<b>12.70%</b>

### **Volume Trends**

The Indian shrimp feed market reached a consumption volume of 799,190 Tons in 2016-17, growing at a CAGR of 18.25% during 2009-10 to 2016-17. The production on the other hand reached a volume of 750,000 Tons in 2016-17 growing at a CAGR of 16.86% during the same period. Some of the key drivers that have catalyzed this market growth are:

- The country has a long coastline of 8,129 km in addition to vast inland water resources and hence offers scope for large exploitation of marine wealth.
- The subsidies and assistance provided by the government for development of aquaculture has increased the shrimp production resulting in increased consumption of shrimp feed.

**India: Shrimp Feed Market: Consumption Volume (in Tons), 2009-10 to 2016-17**

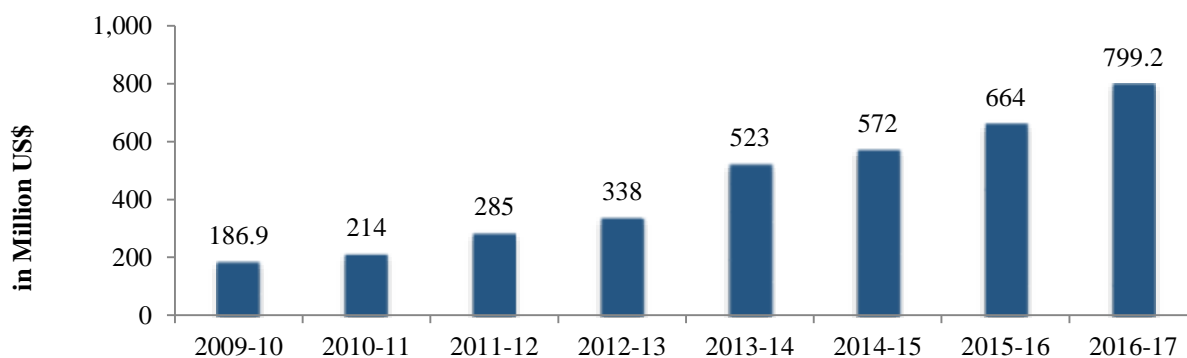


(Source: Various Industry Sources and IMARC Estimates)

### Value Trends

The Indian shrimp feed market reached a consumption value of US\$ 799 Million and production value of US\$ 641 Million exhibiting a CAGR of 23.07% and 21.35% respectively during 2009-10 to 2016-17. Values have been driven by an increased production of shrimps in India.

**India: Shrimp Feed Market: Consumption Value (in Million US\$), 2009-10 to 2016-17**

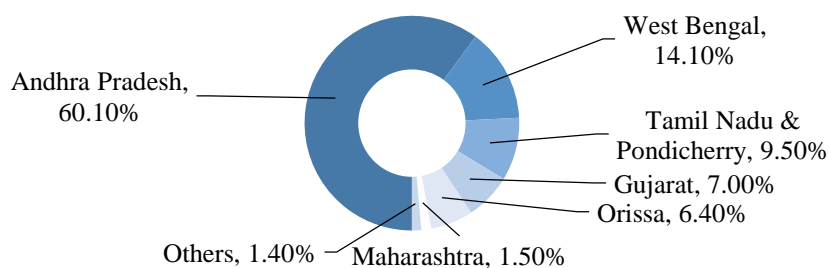


(Source: Various Industry Sources and IMARC Estimates.)

### Market Breakup by Region

Andhra Pradesh currently dominates the Indian shrimp feed market accounting for 60.10% of the total Indian shrimp feed consumption in 2016-17. Andhra Pradesh was followed by West Bengal (14.10%), Tamil Nadu & Pondicherry (9.50%), Gujarat (7.00%), Orissa (6.40%) and Maharashtra (1.50%).

**India: Shrimp Feed Market: Breakup by Region (in %), 2016-17**



(Source: Various Industry Sources and IMARC Estimates)

### Market Forecast

Looking forward, the shrimp feed market consumption and production in India is expected to grow at a CAGR of 12.70% and 12.34% during 2017-18 to 2022-23, reaching a volume of 1,710,874 Tons and 1,561,638 Tons respectively by 2022-23. The production capacity utilisation is expected to reach around 94.8% by the year 2022-23.

In value terms, the consumption and production is expected to grow at a CAGR of 16.42% and 16.02% during the same period, reaching a value of US\$ 2,067 Million and US\$ 1,611 Million respectively.

### Shrimp Feed Industry in Andhra Pradesh

In 2016-17, Andhra Pradesh represented the largest market for shrimp feed in India, accounting for a share of 60.10%. The shrimp feed market in Andhra Pradesh reached a volume of 480,313 Tons in 2016-17, growing at a CAGR of 17.16% during 2009-10 to 2016-17. In consumption value terms, the shrimp feed market in Andhra Pradesh reached a value of US\$ 462 Million exhibiting a CAGR of 21.45% during 2009-10 to 2016-17. The price of shrimp feed in Andhra Pradesh market grew at a CAGR of 3.66% during 2009-10 to 2016-17, reaching a value of US\$ 0.96 per kg in 2016-17. Looking forward, the Andhra Pradesh's shrimp feed market consumption volumes are expected to grow at a CAGR of 10.59% during 2017-18 to 2022-23, reaching a figure of 922,161 Tons. In value terms, the market is expected to grow at a CAGR of 14.06% during the same period reaching a figure of US\$ 1,070 Million. Andhra Pradesh is expected to represent the largest market for shrimp feed by 2022-23 accounting for 53.90% of the total shrimp feed market. Andhra Pradesh is expected to be followed by West Bengal (13.20%), Gujarat (11.0%), Tamil Nadu & Puducherry (10.50%), Odisha (7.40%) and Maharashtra (2.00%).

### Market Overview

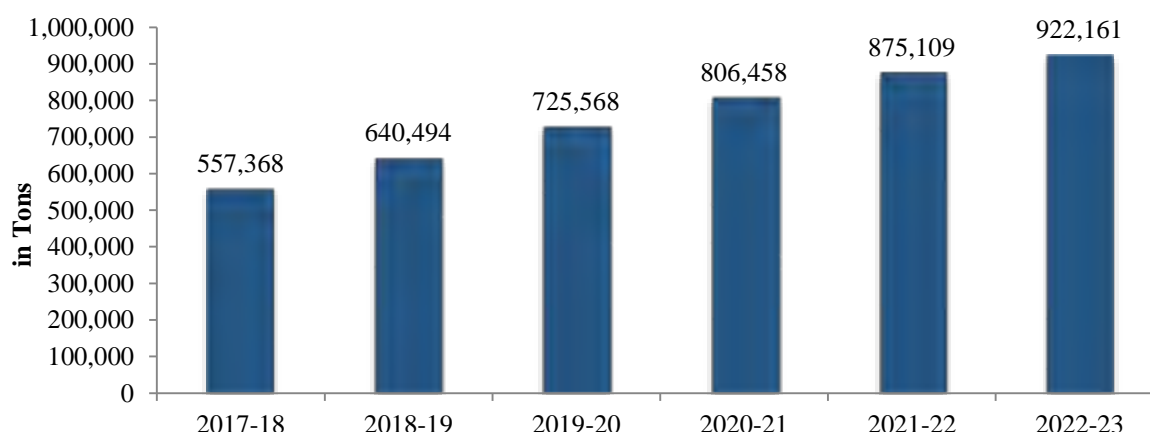
#### Andhra Pradesh: Shrimp Feed Market: Key Industry Highlights, 2017-18 and 2022-23

Particulars	2017 -18	2022 -23	CAGR 2017-18 to 2022-23
Andhra Pradesh Shrimp Feed Market- Consumption Volumes (in Tons)	557,368	922,161	10.59%
Andhra Pradesh Shrimp Feed Market- Consumption Values (in Million US\$)	554	1,070	14.06%

### Market Forecast

Looking forward, the Andhra Pradesh's shrimp feed market consumption is expected to grow at a CAGR of 10.59% during 2017-18 to 2022-23, reaching a volumes of 922,161 Tons by 2022-23. In value terms, the consumption is expected to grow at a CAGR of 14.06% during the same period reaching a value of US\$ 1,070 Million by 2022-23.

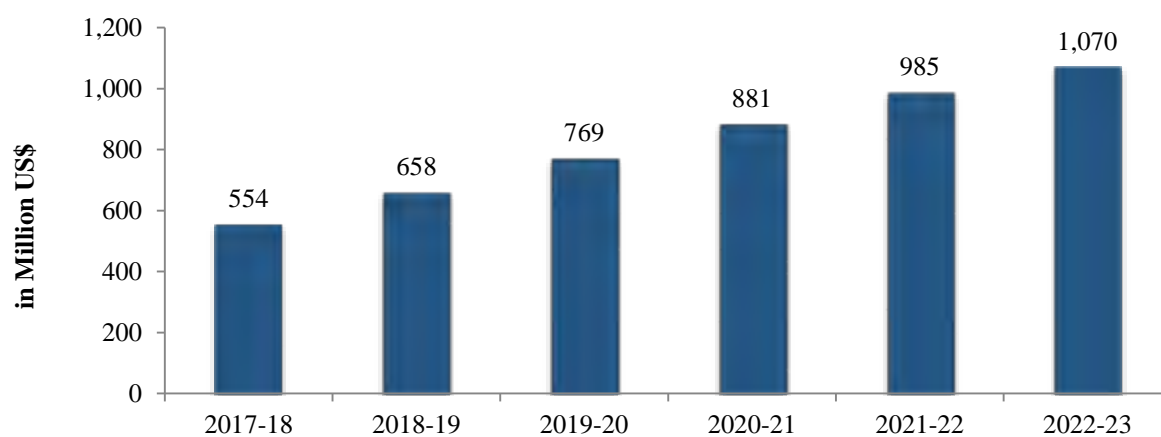
#### Andhra Pradesh: Shrimp Feed Market Forecast: Consumption Volume (in Tons), 2017-18 to 2022-23



(Source: Various Industry sources and IMARC Estimates)



***Andhra Pradesh: Shrimp Feed Market Forecast: Consumption Value  
(in Million US\$), 2017-18 to 2022-23***



*(Source: Various Industry Sources and IMARC Estimates)*

Some of the key factors that will drive demand during the forecast period have been provided below:

- There are a number of incentives available to entrepreneurs in this industry, including schemes from National Fisheries Development Board (NFDB), Department of Fisheries (Andhra Pradesh) and Department of industries (Andhra Pradesh).
- Technological advancement in the machinery required in the manufacturing of shrimp feed process.
- The majority of cultivable brackish water in Andhra Pradesh is dedicated to shrimp farming which creates growth opportunities for shrimp feed manufacturers in the state. The exports of shrimp from Andhra Pradesh have also grown significantly over the past years making shrimp farming, and in turn shrimp feed production, a profitable business option.

## SUMMARY OF BUSINESS

### Overview

We are a growing product-focused company that exports a range of value added frozen seafood products. Our products are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Currently, our portfolio comprises a range of ready-to-cook and ready-to-eat frozen seafood products that are made from cultured Pacific White Shrimp (*L. vannamei*). We believe that our continued focus on product quality and operational efficiency has enabled us to meet evolving customer needs whilst simultaneously enhancing our profitability. Our operations are strategically-based out of Andhra Pradesh, a major Indian aquaculture hub, and we have received, and maintain, a host of approvals, certifications and accreditations for our products and processing facilities, including, *inter alia*, from the United States Food and Drug Administration (US FDA), Hazard Analysis and Critical Control Points (HACCP), British Retail Consortium (BRC), Best Aquaculture Practices (BAP), Aquaculture Stewardship Council (ASC) and Business Social Compliance Initiative (BSCI).

Since our incorporation in 1987, we have methodically expanded both our customer and revenue base. During the five-year and nine-month period ended December 31, 2017, we have had a diversified customer base that comprises over 100 customers in more than 25 countries, including major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. Each of our top-five customers for the nine-month period ended December 31, 2017, has been our customer for over five years. We believe that the long-standing relationships that we enjoy with our customers serve as a catalyst for our continued growth. In recent years, we have also focused on bolstering our presence in the US frozen seafood market, and as per our Restated Consolidated Financial Statements, for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, revenue from exports to USA contributed ₹ 2,111.57 million, ₹ 2,265.33 million, ₹ 3,797.28 million and ₹ 4,744.28 million, or 58.11%, 64.73%, 72.74% and 78.65% of our total revenues from operations, respectively.

Our portfolio of value added products is organized into the following groups:

- **Ready-to-Cook Products:** Our portfolio of ready-to-cook products comprises various types of processed frozen seafood products made from Pacific White Shrimp (*L. vannamei*), including Head Less Shell-On, Easy Peel, Peeled and Deveined (Tail-On), Peeled and Deveined (Tail-Off), Butterfly and Skewered variants, which are made available in raw, blanched or marinated form based on customer specifications; and
- **Ready-to-Eat Products:** Our portfolio of ready-to-eat products comprises various types of pre-cooked frozen seafood products made from Pacific White Shrimp (*L. vannamei*), including Easy Peel, Peeled and Deveined (Tail-On) and Peeled and Deveined (Tail-Off) variants.

At present, we have two modern processing facilities that are located along the coastal belt of Andhra Pradesh, with an aggregate installed processing capacity of 13,200 MTPA as at December 31, 2017. Our Palakole unit, which is owned and operated by the Company, is situated in the West Godavari district, while our Vetapalem unit, which is owned and operated by the Subsidiary, namely Aquatica Frozen Foods Global Private Limited is situated in the Prakasam district. We believe that the proximity of our processing facilities to aqua-farms that culture Pacific White Shrimp (*L. vannamei*) provides us with a significant locational advantage, and enables us to obtain a regular supply of quality raw material. Several key customers and end-retailers conduct periodic audits and approve our facilities and processes, which has helped enhance our reputation for quality.

Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. As at December 31, 2017, we had our own fleet of 37 trucks with insulated storage that we utilize exclusively for our procurement activities. Further, as at December 31, 2017, we had our own fleet of three reefer trucks, which we utilize for transporting our finished products in temperate-controlled conditions. In addition to the in-house cold storage facilities at our Palakole and Vetapalem units, we also have an independent cold-storage facility at Visakhapatnam, with an installed capacity of 825 MT as at December 31, 2017. Each of our processing facilities is well-connected to major ports, which enables us to ensure timely delivery.

We are driven by a qualified and dedicated management team, comprising of seasoned professionals. Our Promoter, Chairman and Managing Director, namely Dr. K.V. Prasad, has been associated with the Company since its incorporation in 1987, and has played a significant role in the development of our business. Further, two of our other Promoters, namely Mr. K. Anand Kumar and Mr. K. Arun Kumar, are Whole Time Directors on our Board, and have been intrinsically involved in our business operations for more than a decade each. We believe that the knowledge and experience of our Promoters in the domain of seafood and aquaculture provides us with a significant competitive advantage. We have a qualified key management team, with diversified experience in the areas of procurement, processing, quality control, marketing and finance, which assists the Board in implementing our business strategies and furthering our growth. Our management team's collective experience and capabilities enable us to manage our business operations, leverage customer relationships as well as understand and anticipate market trends.

For Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our total revenues were ₹ 3,722.81 million, ₹ 3,579.91 million, ₹ 5,288.43 million and ₹ 6,195.86 million, respectively. From Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, (i) our EBITDA increased from ₹ 141.80 million to ₹ 585.93 million, representing a CAGR of 42.58%; and (ii) our profit after tax (as adjusted for minority interest) increased from ₹ 73.44 million to ₹ 279.21 million, representing a CAGR of 39.64%. Our RoNW for Fiscals 2015, 2016, 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, was 29.64%, 23.57%, 22.90% and 36.48%, respectively.

## **Our Strengths**

We believe that we have the following competitive strengths:

### ***Established Reputation as a Supplier of Quality Seafood Products***

With an operating history of more than 30 years, we are an established frozen seafood supplier with a strong and diversified customer base across various international markets. We are committed to consistently delivering quality seafood products to our customers, and believe that this commitment has helped us achieve a strong market recognition and establish long-standing relationships with our customers. During the five-year and nine-month period ended December 31, 2017, we have had a diversified customer base that comprises over 100 customers in more than 25 countries, including major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. Each of our top-five customers for the nine-month period ended December 31, 2017, has been our customer for over five years. Several key customers and end-retailers have audited and approved our facilities and processes, which has helped enhance our reputation for quality.

We have implemented procedures in all stages of our operating process so as to ensure that our products meet the stringent quality control standards. Further, we have installed modern control laboratories with advanced equipment at both of our processing units that enable us to monitor quality at various stages of our processing cycle. Our product quality and quality assurance procedures have been recognized by way of the various certification and accreditations that we have received over the years. For instance, in Fiscal 2007, we received the HACCP certification, which is a quality control certification required for the export of food to USA and EU. Both the Company and the Subsidiary are included in the 'Green List' issued by the US FDA, which means that our products are exempted from detention without physical examination. More recently, in Fiscal 2016, we received the Four-Star Best Aquaculture Practices (BAP) certification, which is the highest designation in the BAP third-party certification program. For additional details of the various certifications and accreditations that we have maintain, see "*Our Business - Quality Certifications and Accreditations*" below. We believe that our numerous international accreditations and certifications have also served as an important marketing tool in the context of the trend of rising health awareness and safety concerns, and enabled us to expand our customer base in the North American, European and Asian markets.

### ***Global Revenue Base with a Growing Presence in the US Market***

Our products are principally packaged and sold under the end-customers' brands, and are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Our customers include major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. We believe that our global operations enable us to observe and analyse evolving consumer preferences across various geographies, which helps us adapt our products to continue to remain relevant across the markets that we service.

A geographical breakdown of our total product sales (by volume) for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, is represented herein below:

#	Geography	As a % of Total Sales (Volumes)			
		Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine-months Ended December 31, 2017*
1.	North America	56.86%	65.66%	71.53%	75.01%
2.	Europe	20.98%	16.29%	13.38%	8.83%
3.	Asia	19.90%	16.58%	14.87%	15.98%
4.	Others	2.26%	1.47%	0.22%	0.18%
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Not annualized

In 2016, the United States represented the largest consumer of shrimps, accounting for 29.60% of the overall shrimp market. The United States of America has the highest per capita consumption of shrimp in the world. Shrimp is the most popular seafood accounting for around one-third of the total seafood consumption in the USA. Moreover, the United States currently represents the biggest importer of shrimp in the world. With the growing population, it is expected that the USA will maintain its per capita consumption of shrimp in the coming years (*Source: IMARC Report*). Over the years, we have strategically focused on enhancing our presence in the US frozen seafood market. We believe that we are well positioned to capitalize on the opportunity offered by the size and expected growth in the US market on account of our established processing capabilities, long-standing customer relationships, and ability to monitor and anticipate changes in consumer preferences. We expect that our established processing facilities, existing certifications and growing reputation for quality will enable us to leverage the size and expected growth in the US markets in the years to come, and consequently, enhance returns to our shareholders.

#### ***Experienced Promoters and Management Team***

Our Promoter, Chairman and Managing Director, namely Dr. K.V. Prasad, has been associated with the Company since its incorporation in 1987, and has played a significant role in the development of our business. Further, two of our other Promoters, namely Mr. K. Anand Kumar and Mr. K. Arun Kumar, are Whole Time Directors on our Board, and have been intrinsically involved in our business operations for more than a decade each. We believe that the seafood and aquaculture domain knowledge and experience of our Promoters provides us with a significant competitive advantage, which we intend to leverage as our business grows.

Our organization is driven by a qualified and dedicated management team, which is led by our Board. We have a qualified key management team, with diversified experience in the areas of procurement, processing, quality control, marketing and finance, which assists the Board in implementing our business strategies and furthering our growth. Our management team's collective experience and capabilities enable us to manage our business operations, leverage customer relationships as well as understand and anticipate market trends. We will continue to leverage the experience of our Promoters and management team and their understanding of the seafood industry, to take advantage of current and future market opportunities.

#### ***Strategically Located Processing Facilities with Modern Equipment***

Expenditure associated with logistics is one of the key expenses in the frozen seafood industry. Generally, margins are inversely proportional to distance of a processing facility from procurement and shipping networks. We believe that our processing facilities provide us with a significant locational advantage. The state of Andhra Pradesh is a major hub for shrimp farming in India, in terms of both area under culture and estimated production. Our existing processing units are located along the coastal belt of Andhra Pradesh, with our Palakole unit in the West Godavari district and our Vetapalem unit in the Prakasam district. We leverage our strong procurement network and proximity to local shrimp farms in Andhra Pradesh to obtain a regular supply of quality raw material. Our processing facilities are well connected to major ports, with our Palakole unit being close to the ports at Kakinada and Visakhapatnam, and our Vetapalem unit being close to the ports at Krishnapatnam and Chennai. We believe that this proximity to major ports contributes to our operational efficiency by helping us incur low transportation and storage expenses.

While our Palakole unit commenced operations in Fiscal 1992, we have continued to modernize it over the years. Currently, we process both ready-to-cook and ready-to-eat products at this unit, which has two block freezing lines and two IQF lines, of which one IQF line is connected to a cooking line. As at December 31, 2017, it had a processing capacity of 8,002.50 MTPA. Further, we have an in-house cold-storage capacity of more than 750

pallets, and are currently in the process of installing an additional modernized cold-storage facility with a capacity of approximately 1,000 pallets at our Palakole unit. Our Vetapalem unit commenced commercial operations in February 2016, and as at December 31, 2017, it had a processing capacity of 5,197.50 MTPA. While we currently process only ready-to-cook products at this facility, which has three block freezing lines and one IQF line, we are in the process of commissioning a second IQF line that will be connected to a new cooking line at our Vetapalem unit. Further, we are also in the process of installing a modernized cold-storage facility with a capacity of approximately 800 pallets at this unit, in addition to the existing cold-storage capacity of more than 1,200 pallets. We believe that our focus on periodically upgrading our facilities and processes, including by installing modern machinery, has enabled us to continue to meet the evolving demands of our diverse customer base.

### ***Strong Procurement Network***

Raw shrimp is the key raw material for our processing operations, and the continued and sustained availability of quality raw material at competitive prices is essential to the growth of our business. Andhra Pradesh dominates in shrimp production in India with 60.34% share in the total production, and was followed by West Bengal (14.58%), Tamil Nadu and Pondicherry (9.17%), Gujarat (7.13%), Orissa (6.02%) and Maharashtra (1.63%) (*Source: IMARC Report*). In 2016-17, the total shrimp production in Andhra Pradesh reached a volume of 326,099 tons, growing at a CAGR of 31.13% during 2008-09 -2016-17 (*Source: IMARC Report*).

We believe that our strong procurement network and our long-standing relationships with farmers and marketers enable us to obtain a regular supply of quality raw material. Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. We believe that these arrangements bolster our procurement network and help us plan the supply of our raw material in line with our processing needs. Further, we believe that these arrangements also help in ensuring that the quality of our raw materials continues to meet our stringent standards. Further, raw material that has been freshly harvested from aqua-farms is required to be collected and transported to our processing units in controlled conditions. To ensure the quality of our raw material, we have our own fleet of trucks with insulated storage that we utilize exclusively for our procurement activities. As at December 31, 2017, this fleet comprised 37 vehicles.

We believe that we enjoy good relationships with the farmers and marketers from whom we source our raw material. These relationships are strengthened by our outreach programs through which we educate farmers as to the stringent quality standards expected by us, along with potential improvements to their aquaculture practices. We believe that these initiatives increase awareness and loyalty among the farmers in our procurement network and enable consistent and sustainable procurement of raw material for our operations. Further, we believe that our close cooperation and increased supervision of our suppliers enable us to ensure that the raw material that we procure continue to meet our stringent quality requirements.

### ***Track Record of Robust Financial Performance and Profitability***

Our focus on operational efficiency has contributed to our track record of robust financial performance and profitability.

For the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our EBITDA was ₹ 391.23 million, ₹ 415.33 million, ₹ 585.93 million and ₹ 1,079.15 million. Further, from Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, our EBITDA increased from ₹ 141.80 million to ₹ 585.93 million, representing a CAGR of 42.58%. For the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our profit after tax (as adjusted for minority interest) was ₹ 212.94 million, ₹ 221.53 million, ₹ 279.21 million and ₹ 659.06 million. Further, from Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, our profit after tax increased from ₹ 73.44 million to ₹ 279.21 million, representing a CAGR of 39.64%. Our RoNW for Fiscals 2015, 2016, 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, was 29.64%, 23.57%, 22.90% and 36.48%, respectively.

As per the Restated Consolidated Financial Statements, the cash generated from operations (before adjustment for taxes and provision for CSR payment) in Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, were ₹ 349.54 million, ₹ 406.18 million, ₹ 116.09 million and ₹ 456.90 million, respectively. As a result of the foregoing, we have been able to primarily fund our business operations out of the cash flow generated from

operating activities, without having to rely extensively on external borrowings. Accordingly, as per our Restated Consolidated Financial Statements, our long term borrowings (including current maturities of long term borrowings) as on December 31, 2017, were ₹98.69 million, while our short term borrowings as on December 31, 2017, were ₹1,201.87 million.

We believe that our robust financial performance and profitability reflects the efficacy of the procurement network and processing facilities. Further, our steady operating cash flows enable us to meet the present and future needs of our customers while our strong balance sheet and financial performance instil confidence in them.

## **Our Strategies**

### ***Expanding our Processing Capacity***

The demand for shrimps has been growing significantly over the years as a result of the increasing health consciousness among consumers along with rising disposable incomes and improving standards of living. The demand for shrimps is expected to remain steady during 2017-2022 exhibiting a CAGR of 4.50% and reaching a volume of 5.60 Million Tons by 2022. India is one of the largest exporters of shrimp in the world. In the total Indian exports of seafoods, frozen shrimp represented the largest category. Frozen shrimps contributed for 40% of the marine export volumes and nearly 66% in the export values. The frozen shrimp Indian exports in 2016-17 were valued at US\$ 2.9 Billion. This represented a CAGR of 18.6% during 2009-10 and 2016-17. (*Source: IMARC Report*)

At present, we have 2 (two) strategically-located processing facilities in the coastal belt of the state of Andhra Pradesh, with an aggregate processing capacity of 13,200 MTPA as at December 31, 2017. A key element of our growth strategy is to increase our processing capacity in line with the anticipated growth in international demand for frozen seafood products. We are currently in the process of commissioning a second IQF line that will be connected to a new cooking line at our Vetapalem unit. We expect that the aforesaid additional IQF line and cooking line will be operational in the first-quarter of Fiscal 2019, and will enhance our processing capacity by 3,547.50 MTPA. Upon the successful commissioning of the aforesaid lines, we expect that our aggregate installed capacity, which was 13,200 MTPA as at December 31, 2017, will be enhanced to 16,747.50 MTPA. Moreover, we intend to utilize a portion of the Net Proceeds from the Fresh Issue to set up a new processing facility at Nellimarla Mandal, Vizianagaram District in Andhra Pradesh, with a processing capacity of 12,155 MTPA. At the proposed facility, we intend to install advanced equipment that will enable us to increase our existing capacity, as well as allow us to expand our range of high-value added products. For additional details in respect of this proposed facility, see “*Objects of the Offer*”. Further, we believe that the proposed facility will expand our procurement network due to its strategic location, both in terms of proximity to aqua-farms within the state of Andhra Pradesh and connectivity to states such as Orissa and West Bengal that are also aquaculture hubs.

### ***Continue to Focus on High-Value Added Products***

Shrimp manufacturers across the globe are adding several value added products to their product lines. These value added products are gaining popularity in several countries such as United States, Europe and Japan, thereby enhancing the existing consumer base of shrimps. (*Source: IMARC Report*)

Our high-value added ready-to-cook and ready-to-eat products have historically offered higher margins *vis-à-vis* our other products. However, the preparation of high-value added products, such as Skewered and Butterfly variants or ready-to-eat products, requires multi-stage processing and significant resources. Over the years, we have focused on expanding our processing capabilities and range of high-value added products by installing modern equipment at our processing facilities. Going forth, we intend to continue to focus on the high-value added products. We believe that there is an opportunity to utilize our expanding processing capabilities to increase the volume of high-value added products in our product mix. Moreover, we are exploring possibilities to expand our range of high-value added products by introducing new products such as dusted and breaded frozen shrimp.

### ***Augmenting our Procurement Network***

In 2016, the United States represented the largest consumer of shrimps, accounting for 29.60% of the overall shrimp market. With the growing population, it is expected that the USA will maintain its per capita consumption of shrimp in the coming years. The demand of shrimp in Europe is constantly increasing with the increasing health consciousness, rising awareness of health benefits of shrimp, growing population, etc. Since the shrimp and value-

added shrimp are gaining popularity in Europe, the per capita consumption of shrimp is expected to increase in the coming years. (*Source: IMARC Report*)

We believe that as we grow, augmenting our procurement network will be vital to our ability to satisfy the anticipated increase in demand for frozen seafood products. Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. Going forth, we intend to continue to focus on augmenting our procurement network, including by way of entering into agreements with additional farmers so as to increase the cultivable land under contract-farming arrangements. Further, we intend to utilize a portion of the Net Proceeds from the Fresh Issue to set up a new processing facility. This facility is proposed to be set up in the Nellimarla Mandal, Vizianagaram District, which is another key district for aquaculture in Andhra Pradesh. We anticipate that the proximity of this facility to aqua-farms in the region will enable us to significantly expand our procurement network. Moreover, the proposed facility will also enable us to have greater access to aqua-farms situated in Orissa.

### ***Attract and Retain Talented Human Capital***

We believe that the continued success of our business depends significantly upon our human capital, especially as we continue to expand the scale and scope of our operations. Over the years, we have successfully recruited and retained talented employees from a variety of backgrounds, including procurement, processing, quality control, marketing and finance. We invest time and resources in training our employees, which we believe fosters mutual trust and improves our operating efficiency. Going forth, we intend to further strengthen our management team by recruiting qualified and experienced candidates. Further, we intend to continue to attract talented employees and retain them by undertaking various retention initiatives, such as performance based incentives, employee recognition programs and on-the-job training. The workforce at our processing facilities is required to undertake a host of complex tasks whilst continuously adhering our stringent quality standards. We intend to strengthen the workforce at our processing facilities by continuing to focus on improving health, safety and environment for our processing workforce, and provide various programs and benefits for their personal wellbeing and development. Further, we intend to strive to further reduce attrition and retain more of our skilled workers for our future expansion by providing them with better payment packages and a safer and healthier working environment.

### ***Enter into the Aqua-Feeds Business***

The Indian shrimp feed market reached a consumption volume of 799,190 Tons and production volume of 750,000 Tons in 2016-17, growing at a CAGR of 18.25% and 16.86% respectively at during 2009-10 to 2016-17. In consumption value terms, the Indian shrimp feed market reached a value of US\$ 799 Million exhibiting a CAGR of 23.7% during 2009-10 to 2016-17. The price of shrimp feed in Indian market grew at a CAGR of 4.08% during 2009-10 to 2016-17, reaching a value of US\$ 1.00 per kg in 2016-17. Andhra Pradesh currently dominates the Indian shrimp feed market accounting for 60.10% of the total Indian shrimp feed consumption in 2016-17. In consumption value terms, the shrimp feed market in Andhra Pradesh reached a value of US\$ 462 Million exhibiting a CAGR of 21.45% during 2009-10 to 2016-17. The shrimp feed market consumption and production in India is expected to grow at a CAGR of 12.70% and 12.34% during 2017-18 to 2022-23, reaching a volume of 1,710,874 Tons and 1,561,638 Tons respectively by 2022. The consumption and production is expected to grow at a CAGR of 16.42% and 16.05% during the same period, reaching a value of US\$ 2,067 Million and US\$ 1,611 Million respectively. (*Source: IMARC Report*)

We intend to utilize ₹ 430.00 million from the Net Proceeds of the Fresh Issue towards setting up an aqua-feed mill facility. For additional details in respect of the foregoing, see “*Objects of the Offer*”. We aim to leverage our existing procurement network and relationships to establish our sales network as we enter into the aqua-feeds business. We intend to initially market the produce from the aforesaid aqua-feed mill facility to the farmers that comprise our procurement network, including in particular, the farmers with whom we have entered into contract-farming arrangements. We believe that by successfully establishing a presence in the aqua-feeds business, we will achieve indirect backward integration by ensuring a presence in two key activities in the aquaculture-based processing value chain. Moreover, in light of the nature of aqua-feeds industry, we believe that we will be well-positioned to customize the products output at the proposed facility so as to cater to requirements of certain types of fish feed as well.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements. The Restated Financial Statements have been prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations and presented under the “Financial Statements” on page 190. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Summary of Significant Differences between Indian GAAP and Ind AS” on pages 190, 310 and 331 respectively.

### Restated Consolidated Summary Statement of Assets and Liabilities

(₹ in Millions)

	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share capital	887.35	34.13	34.13	34.13	34.13	34.13
	(b) Reserves and surplus	979.78	1,231.07	943.57	684.54	471.44	299.41
		<b>1,867.13</b>	<b>1,265.20</b>	<b>977.70</b>	<b>718.67</b>	<b>505.57</b>	<b>333.54</b>
<b>2</b>	<b>Minority Interest</b>	174.20	124.08	105.48	101.60	77.15	57.05
<b>3</b>	<b>Non-current liabilities</b>						
	(a) Long term borrowings	69.41	28.85	100.78	2.74	2.18	0.91
	(b) Deferred tax liabilities (Net)	0.12	0.37	10.01	17.32	33.18	31.39
	(c) Long term Provisions	4.98	3.64	2.38	1.54	1.13	1.00
		<b>74.51</b>	<b>32.86</b>	<b>113.17</b>	<b>21.60</b>	<b>36.49</b>	<b>33.30</b>
<b>4</b>	<b>Current liabilities</b>						
	(a) Short term borrowings	1,201.87	1,159.67	701.33	503.18	410.43	138.89
	(b) Trade payables						
	Dues to Micro, Small and Medium Enterprises	-	-	-	-	-	-
	Dues to Others	307.68	281.78	295.67	244.42	228.86	129.32
	(c) Other current liabilities	86.58	31.91	36.24	29.26	10.76	5.18
	(d) Short term provisions	141.54	84.27	71.88	39.57	34.32	3.78
		<b>1,737.67</b>	<b>1,557.63</b>	<b>1,105.12</b>	<b>816.43</b>	<b>684.37</b>	<b>277.17</b>
	<b>Total</b>	<b>3,853.51</b>	<b>2,979.77</b>	<b>2,301.47</b>	<b>1,658.30</b>	<b>1,303.58</b>	<b>701.06</b>
<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non - current assets</b>						
	<b>(a) Fixed assets:</b>						
	(i) Tangible assets	592.63	474.19	500.37	255.56	292.72	228.71
	(ii) Capital work-in-progress	79.93	101.91	-	59.79	0.29	-
		<b>672.56</b>	<b>576.10</b>	<b>500.37</b>	<b>315.35</b>	<b>293.01</b>	<b>228.71</b>
	(b) Goodwill on Consolidation	0.08	0.08	0.08	-	-	-
	(c) Non-current investments	210.75	384.54	390.32	262.12	189.40	130.10
	(d) Long term loans and advances	73.03	17.13	31.18	70.46	29.49	40.79
		<b>283.86</b>	<b>401.75</b>	<b>421.58</b>	<b>332.58</b>	<b>218.89</b>	<b>170.89</b>
<b>2</b>	<b>Current assets</b>						
	(a) Current investments	810.85	583.31	363.68	0.02	0.02	0.01
	(b) Inventories	266.90	117.80	63.43	27.83	33.44	4.60
	(c) Trade receivables	1,153.72	795.58	542.83	543.82	466.72	162.76
	(d) Cash and bank balances	346.66	296.91	306.63	352.41	182.98	79.74
	(e) Short term loans and advances	138.49	49.98	17.60	15.45	16.47	14.69
	(f) Other current assets	180.47	158.34	85.35	70.84	92.05	39.66
		<b>2,897.09</b>	<b>2,001.92</b>	<b>1,379.52</b>	<b>1,010.37</b>	<b>791.68</b>	<b>301.46</b>
	<b>Total</b>	<b>3,853.51</b>	<b>2,979.77</b>	<b>2,301.47</b>	<b>1,658.30</b>	<b>1,303.58</b>	<b>701.06</b>



**Restated Consolidated Statement of Profit and Loss**
*(₹ in Millions)*

	Particulars	Nine Months Ended December 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>I</b>	<b>Revenue</b>						
	1. Revenue from operations	6,032.04	5,220.43	3,499.87	3,633.87	3,236.56	1,423.12
	2. Other income	163.82	68.00	80.04	88.94	14.58	36.14
	<b>Total Revenue</b>	<b>6,195.86</b>	<b>5,288.43</b>	<b>3,579.91</b>	<b>3,722.81</b>	<b>3,251.14</b>	<b>1,459.26</b>
<b>II</b>	<b>Expenses</b>						
	1. Cost of Materials Consumed	4,352.02	3,892.10	2,577.95	2,718.63	2,468.72	1,049.79
	2. Changes in inventories of finished goods	(149.10)	(54.37)	(35.60)	5.61	(28.84)	1.74
	3. Manufacturing expenses	483.00	404.26	288.91	257.78	190.21	128.68
	4. Employee benefits expenses	107.95	95.35	65.78	58.84	51.07	19.36
	5. Finance cost	42.24	38.73	24.74	16.00	15.45	18.71
	6. Depreciation and amortization expenses	65.48	76.93	42.94	48.97	18.08	14.25
	7. Other expenses	322.84	365.16	267.54	290.72	272.36	117.89
	<b>Total expenses</b>	<b>5,224.43</b>	<b>4,818.16</b>	<b>3,232.26</b>	<b>3,396.55</b>	<b>2,987.05</b>	<b>1,350.42</b>
<b>III</b>	<b>Profit / (loss) before exceptional, extraordinary items and tax</b>	<b>971.43</b>	<b>470.27</b>	<b>347.65</b>	<b>326.26</b>	<b>264.09</b>	<b>108.84</b>
	Exceptional items / Prior period Items	-	-	-	-	-	-
<b>IV</b>	<b>Profit / (loss) before extraordinary items and tax</b>	<b>971.43</b>	<b>470.27</b>	<b>347.65</b>	<b>326.26</b>	<b>264.09</b>	<b>108.84</b>
	Extraordinary items	40.99	-	-	-	-	-
	Transferred to Pre - operative Expenses	-	1.80	0.05	1.04	0.54	0.03
<b>V</b>	<b>Profit / (loss) before tax</b>	<b>1,012.42</b>	<b>472.07</b>	<b>347.70</b>	<b>327.30</b>	<b>264.63</b>	<b>108.87</b>
<b>VI</b>	<b>Provision for CSR</b>	<b>7.66</b>	<b>6.35</b>	<b>4.68</b>	<b>3.31</b>	<b>-</b>	<b>-</b>
	Current tax	302.73	159.44	130.20	126.51	90.81	35.45
	Deferred tax Liability/(Asset)	(0.25)	(9.64)	(7.31)	(15.86)	1.79	(0.02)
	MAT Credit / (Asset)	(57.82)	(11.45)	-	-	-	-
<b>VII</b>	<b>Tax expenses</b>	<b>244.66</b>	<b>138.35</b>	<b>122.89</b>	<b>110.65</b>	<b>92.60</b>	<b>35.43</b>
	<b>Profit / (loss) after tax, as restated before adjustment for Minority Interest</b>	<b>760.10</b>	<b>327.37</b>	<b>220.13</b>	<b>213.34</b>	<b>172.03</b>	<b>73.44</b>
<b>VIII</b>	<b>Less: Share of Profit/(Loss) transferred to Minority Interest</b>	<b>108.99</b>	<b>15.86</b>	<b>(1.16)</b>	<b>0.40</b>	<b>-</b>	<b>-</b>
<b>IX</b>	<b>Share of Pre acquisition Profit/(Loss) transferred to Capital reserve / (Goodwill)</b>	<b>-</b>	<b>-</b>	<b>(0.08)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X</b>	<b>Add: Share in profit/(Loss) of subsidiary's associate</b>	<b>7.95</b>	<b>(32.30)</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XI</b>	<b>Profit for the year (after adjustment for Minority Interest)</b>	<b>659.06</b>	<b>279.21</b>	<b>221.53</b>	<b>212.94</b>	<b>172.03</b>	<b>73.44</b>
<b>XII</b>	<b>Basic and diluted EPS* (In ₹)</b>	<b>7.43</b>	<b>3.15</b>	<b>2.50</b>	<b>2.40</b>	<b>1.94</b>	<b>0.83</b>

\* Not Annualised for the nine months ended December 31, 2017

**Restated Consolidated Summary Statement of Cash Flows**

(₹ in Millions)

Particulars	Nine Months Ended December 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>A. Cash flows from operating activities</b>						
Profit / (loss) before tax, as restated	1,012.42	472.07	347.70	327.30	264.63	108.87
<b>Adjustments for:</b>						
Depreciation	65.48	76.93	42.94	48.97	18.08	14.25
Minority Interest	(108.99)	(15.86)	1.16	(0.40)	-	-
Loss on sale of fixed assets	-	-	-	1.17	-	-
Preliminary Exps.	0.41	0.55	0.55	-	-	-
Interest on Borrowings	30.09	26.74	17.12	11.22	10.66	14.17
Profit on sale of fixed assets	(0.13)	-	-	-	-	-
Extraordinary items	(40.99)	-	-	-	-	-
Interest income	(6.30)	(12.95)	(23.27)	(20.77)	(9.17)	(5.40)
Income from MF's/Bonds	(14.55)	(18.89)	(2.22)	-	-	-
<b>Operating cash flow before working capital changes</b>	<b>937.45</b>	<b>528.59</b>	<b>383.98</b>	<b>367.49</b>	<b>284.20</b>	<b>131.89</b>
Increase/(Decrease) in Trade Payables	25.90	(13.89)	51.25	15.56	99.54	11.25
(Increase)/Decrease in Inventories	(149.10)	(54.36)	(35.60)	5.60	(28.84)	(8.61)
(Increase)/Decrease in Trade Receivables	(358.13)	(252.76)	0.99	(77.10)	(303.96)	1.16
(Increase)/Decrease in other current assets	(22.54)	(73.54)	(15.06)	21.21	(52.38)	(1.44)
Increase/(Decrease) in Short Term Provisions	(1.99)	6.04	14.95	(3.14)	30.01	(0.30)
Increase/(Decrease) in Long Term Provisions	1.34	1.26	0.84	0.41	0.13	1.00
Increase/(Decrease) in Other Current Liabilities	54.68	(4.33)	6.97	18.50	5.59	(11.96)
(Increase)/Decrease in Short Term loans & advances	(30.70)	(20.92)	(2.14)	1.01	(1.78)	7.46
Cash generated from operations	<b>456.90</b>	<b>116.09</b>	<b>406.18</b>	<b>349.54</b>	<b>32.51</b>	<b>130.45</b>
<b>Less: Adjustment for Taxes:</b>						
Direct Taxes paid	251.14	159.36	115.67	121.42	90.29	43.56
CSR Payment	-	0.10	1.85	-	-	-
	<b>251.14</b>	<b>159.46</b>	<b>117.52</b>	<b>121.42</b>	<b>90.29</b>	<b>43.56</b>
<b>Net cash provided by / (used in) operating activities - (A)</b>	<b>205.76</b>	<b>(43.37)</b>	<b>288.66</b>	<b>228.12</b>	<b>(57.78)</b>	<b>86.89</b>
<b>B. Cash flows from investing activities</b>						
Interest income	6.30	12.95	23.27	20.77	9.17	5.40
(Increase)/Decrease in Current Investments	(213.00)	(200.73)	(361.45)	-	(0.01)	-
(Increase)/Decrease in Non Current Investments	173.45	(30.73)	(128.04)	(72.55)	(59.30)	(57.34)
Net Investment in Bank Deposits (Having Original Maturity of more than 3 Months)	31.13	85.20	31.85	(100.76)	(99.03)	-
Sale of fixed assets	0.30	0.01	-	22.50	-	-
Increase in Capital Advances	(53.02)	13.99	26.74	(40.87)	11.33	(11.59)
Purchase of fixed assets	(162.11)	(152.67)	(227.95)	(94.98)	(82.39)	(42.06)
<b>Net cash flow from / (used in) investing activities - (B)</b>	<b>(216.94)</b>	<b>(271.98)</b>	<b>(635.58)</b>	<b>(265.89)</b>	<b>(220.23)</b>	<b>(105.59)</b>
<b>C. Cash flows from financing activities</b>						
Proceeds From / (repayment of) Long Term Borrowings	40.56	(71.93)	98.04	0.56	1.27	(7.24)
Proceeds From / (repayment of) Short Term Borrowings	42.20	458.33	198.15	92.75	271.54	58.51
Subsidy Received	10.71	12.50	37.50	-	-	-
Share application money received	-	-	-	-	-	-
Change in Minority Interest	103.47	18.60	3.88	24.45	20.10	39.31
(Increase)/Decrease in Long Term loans & advances	(2.88)	0.06	12.54	(0.10)	(0.03)	(29.20)
Interest on Borrowings	(30.09)	(26.74)	(17.12)	(11.22)	(10.66)	(14.17)
Dividend paid	(59.73)	-	-	-	-	-

Particulars	Nine Months Ended December 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Tax paid on dividends	(12.16)	-	-	-	-	-
<b>Net cash flow from / (used in) financing Activities - (C)</b>	<b>92.08</b>	<b>390.82</b>	<b>332.99</b>	<b>106.44</b>	<b>282.22</b>	<b>47.21</b>
Net increase ( decrease ) in Cash and Cash Equivalents (A+B+C)	80.89	75.47	(13.93)	68.67	4.21	28.51
Cash and Cash equivalents at the beginning of the period / year	170.55	95.08	109.01	40.34	36.13	7.62
<b>Cash and Cash equivalents at the end of the period / year</b>	<b>251.44</b>	<b>170.55</b>	<b>95.08</b>	<b>109.01</b>	<b>40.34</b>	<b>36.13</b>

**Restated Standalone Summary Statement of Assets and Liabilities**
*(₹ in Millions)*

	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share capital	887.35	34.13	34.13	34.13	34.13	34.13
	(b) Reserves and surplus	744.76	1,195.19	907.38	684.38	471.44	299.41
		<b>1,632.11</b>	<b>1,229.32</b>	<b>941.51</b>	<b>718.51</b>	<b>505.57</b>	<b>333.54</b>
<b>2</b>	<b>Non-current liabilities</b>						
	(a) Long term borrowings	28.41	3.66	0.34	2.74	2.19	0.91
	(b) Deferred tax liabilities (Net)	8.11	7.29	11.79	17.32	33.18	31.39
	(c) Long term provisions	4.34	3.25	2.38	1.54	1.13	1.00
		<b>40.86</b>	<b>14.20</b>	<b>14.51</b>	<b>21.60</b>	<b>36.50</b>	<b>33.30</b>
<b>3</b>	<b>Current liabilities</b>						
	(a) Short term borrowings	694.63	717.30	593.11	503.18	410.43	138.89
	(b) Trade payables						
	Dues to Micro, Small and Medium Enterprises	-	-	-	-	-	-
	Dues to Others	193.91	210.48	272.28	242.17	228.86	129.32
	(c) Other current liabilities	44.04	17.63	11.47	18.52	10.76	5.18
	(d) Short term provisions	136.67	66.27	70.27	39.24	34.23	3.76
		<b>1,069.25</b>	<b>1,011.68</b>	<b>947.13</b>	<b>803.11</b>	<b>684.28</b>	<b>277.15</b>
	<b>Total</b>	<b>2,742.22</b>	<b>2,255.20</b>	<b>1,903.15</b>	<b>1,543.22</b>	<b>1,226.35</b>	<b>643.99</b>
<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non - current assets</b>						
	<b>(a) Fixed assets:</b>						
	(i) Tangible assets	365.27	229.84	225.32	250.52	287.92	228.71
	(ii) Intangible assets	-	-	-	-	-	-
	(iii) Capital work-in-progress	22.61	101.91	-	-	-	-
		<b>387.88</b>	<b>331.75</b>	<b>225.32</b>	<b>250.52</b>	<b>287.92</b>	<b>228.71</b>
	(b) Non current investments	285.65	442.30	411.22	260.84	134.30	73.67
	(c) Long term loans and advances	56.72	14.75	23.20	34.54	29.49	40.79
		<b>342.37</b>	<b>457.05</b>	<b>434.42</b>	<b>295.38</b>	<b>163.79</b>	<b>114.46</b>
<b>2</b>	<b>Current assets</b>						
	(a) Current investments	720.85	583.31	363.68	0.02	0.02	0.01
	(b) Inventories	86.51	34.42	28.58	27.83	33.44	4.60
	(c) Trade receivables	735.57	458.08	482.88	543.58	466.48	162.65
	(d) Cash and bank balances	305.51	256.32	275.55	345.55	167.95	79.72
	(e) Short term loans and advances	50.59	34.85	17.18	13.93	16.47	14.69
	(f) Other current assets	112.94	99.42	75.54	66.41	90.28	39.15
		<b>2,011.97</b>	<b>1,466.40</b>	<b>1,243.41</b>	<b>997.32</b>	<b>774.64</b>	<b>300.82</b>
	<b>Total</b>	<b>2,742.22</b>	<b>2,255.20</b>	<b>1,903.15</b>	<b>1,543.22</b>	<b>1,226.35</b>	<b>643.99</b>

**Restated Standalone Summary Statement of Profit and Loss**
*(₹ in Millions)*

	Particulars	Nine months ended December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I</b>	<b>Revenue</b>						
	1. Revenue from operations	3,792.26	3,999.42	3,434.43	3,633.92	3,236.56	1,423.12
	2. Other income	128.99	65.33	79.86	88.36	14.58	36.14
	<b>Total Revenue</b>	<b>3,921.25</b>	<b>4,064.75</b>	<b>3,514.29</b>	<b>3,722.28</b>	<b>3,251.14</b>	<b>1,459.26</b>
<b>II</b>	<b>Expenses</b>						
	1. Cost of Materials Consumed	2,624.14	2,925.93	2,495.54	2,719.13	2,468.72	1,049.79
	2. Changes in inventories of finished goods	(52.09)	(5.84)	(0.75)	5.61	(28.84)	1.74
	3. Manufacturing expenses	317.53	283.80	282.21	257.78	190.21	128.68
	4. Employee benefits expenses	66.15	67.41	62.68	58.84	51.07	19.37
	5. Finance cost	28.39	23.80	21.37	16.00	15.44	18.71
	6. Depreciation and amortization expenses	38.99	35.92	39.34	48.96	18.08	14.25
	7. Other expenses	197.83	296.77	261.55	289.26	271.83	117.85
	<b>Total expenses</b>	<b>3,220.94</b>	<b>3,627.79</b>	<b>3,161.94</b>	<b>3,395.58</b>	<b>2,986.51</b>	<b>1,350.39</b>
<b>III</b>	<b>Profit / (loss) before exceptional, extraordinary items and tax</b>	<b>700.31</b>	<b>436.96</b>	<b>352.35</b>	<b>326.70</b>	<b>264.63</b>	<b>108.87</b>
	Exceptional items / Prior period Items	-	-	-	-	-	-
<b>IV</b>	<b>Profit / (loss) before extraordinary items and tax</b>	<b>700.31</b>	<b>436.96</b>	<b>352.35</b>	<b>326.70</b>	<b>264.63</b>	<b>108.87</b>
	Extraordinary items	16.80	-	-	-	-	-
<b>V</b>	<b>Profit / (loss) before tax</b>	<b>717.11</b>	<b>436.96</b>	<b>352.35</b>	<b>326.70</b>	<b>264.63</b>	<b>108.87</b>
<b>VI</b>	<b>Provision for CSR</b>	<b>7.45</b>	<b>6.35</b>	<b>4.68</b>	<b>3.31</b>	<b>0.00</b>	<b>0.00</b>
	Current tax	244.87	147.29	130.20	126.32	90.81	35.45
	Deferred tax Liability/(Asset)	0.82	(4.49)	(5.53)	(15.87)	1.79	(0.02)
<b>VII</b>	<b>Tax expenses</b>	<b>245.69</b>	<b>142.80</b>	<b>124.67</b>	<b>110.45</b>	<b>92.60</b>	<b>35.43</b>
<b>VIII</b>	<b>Profit / (loss) after tax, as restated</b>	<b>463.97</b>	<b>287.81</b>	<b>223.00</b>	<b>212.94</b>	<b>172.03</b>	<b>73.44</b>
	Basic and diluted EPS*(In ₹)	5.23	3.24	2.51	2.40	1.94	0.83

\* Not Annualised for the nine months ended December 31, 2017

# Restated Standalone Summary Statement of Cash Flows

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A. Cash flows from operating activities</b>						
Profit / (loss) before tax, as restated	717.11	436.96	352.35	326.70	264.63	108.87
<b>Adjustments for:</b>						
Depreciation & Amortisation	38.99	35.92	39.34	48.96	18.08	14.25
Loss on sale of fixed assets	-	-	-	1.17	-	-
Profit on sale of Fixed Assets	(0.13)	-	-	-	-	-
Profit on sale of Investments	(16.80)	-	-	-	-	-
Interest on Borrowings	22.62	16.77	13.78	11.22	10.66	14.17
Interest income	(6.16)	(12.67)	(23.10)	(20.19)	(9.17)	(5.40)
Income from MF's/Bonds	(14.55)	(18.89)	(2.21)	-	-	-
<b>Operating cash flow before working capital changes</b>	<b>741.08</b>	<b>458.09</b>	<b>380.16</b>	<b>367.86</b>	<b>284.20</b>	<b>131.89</b>
Increase/(Decrease) in Trade Payables	(16.58)	(61.80)	30.11	13.31	99.54	11.25
(Increase)/Decrease in Inventories	(52.08)	(5.84)	(0.75)	5.61	(28.84)	(8.61)
(Increase)/Decrease in Trade Receivables	(277.49)	24.80	60.70	(77.10)	(303.83)	1.26
Increase in other current assets	(13.52)	(23.88)	(9.13)	23.87	(51.13)	(1.40)
(Increase)/Decrease in Short Term Provisions	3.07	(4.18)	13.48	(3.19)	29.75	(0.30)
Increase/(Decrease) in Long Term provisions	1.09	0.87	0.84	0.40	0.13	1.00
Increase/(Decrease) in Other Current Liabilities	26.41	6.15	(7.05)	7.76	5.59	(11.96)
(Increase)/Decrease in Short Term loans & advances	(15.74)	(17.66)	(3.26)	2.54	(1.78)	7.46
Cash generated from operations	<b>396.24</b>	<b>376.55</b>	<b>465.10</b>	<b>341.06</b>	<b>33.63</b>	<b>130.59</b>
<b>Less: Adjustment for Taxes:</b>						
Direct Taxes paid	184.99	153.36	115.47	121.42	90.09	43.56
CSR Payment	-	0.10	1.85	-	-	-
	184.99	153.46	117.32	121.42	90.09	43.56
<b>Net cash provided by / (used in) operating activities - (A)</b>	<b>211.25</b>	<b>223.09</b>	<b>347.78</b>	<b>219.64</b>	<b>(56.46)</b>	<b>87.03</b>
<b>B. Cash flows from investing activities</b>						
Interest income	6.16	12.67	23.10	20.19	9.17	5.40
Increase in Current Investments	(123.00)	(200.73)	(361.45)	-	(0.01)	-
Increase in Non-Current Investments	173.45	(31.08)	(150.38)	(126.52)	(60.64)	(18.15)
Net Investment in Bank Deposits	32.57	85.34	31.98	(99.21)	(99.03)	-
Sale of fixed assets	0.30	-	-	22.50	-	-
Increase in Capital Advances	(42.07)	9.18	(3.92)	(5.01)	11.33	(11.59)
Purchase of fixed assets	(95.27)	(142.35)	(14.14)	(35.24)	(77.28)	(42.06)
<b>Net cash flow from / (used in) investing activities - (B)</b>	<b>(47.86)</b>	<b>(266.97)</b>	<b>(474.81)</b>	<b>(223.29)</b>	<b>(216.46)</b>	<b>(66.40)</b>
<b>C. Cash flows from financing activities</b>						
Proceeds From / (repayment of) Long Term Borrowings	24.75	3.32	(2.40)	0.56	1.27	(7.24)
Proceeds From / (repayment of) Short Term Borrowings	(22.67)	124.19	89.92	92.75	271.54	58.51
Subsidy Received	10.71	-	-	-	-	-
(Increase)/Decrease in Long Term loans & advances	0.09	(0.74)	15.25	(0.04)	(0.03)	(29.20)
Interest on Borrowings	(22.62)	(16.77)	(13.78)	(11.22)	(10.66)	(14.17)
Dividend paid	(59.73)	-	-	-	-	-
Tax paid on dividends	(12.16)	-	-	-	-	-
<b>Net cash flow from / (used in) financing Activities - (C)</b>	<b>(81.63)</b>	<b>110.00</b>	<b>88.99</b>	<b>82.05</b>	<b>262.12</b>	<b>7.90</b>
Net increase ( decrease ) in Cash and Cash Equivalents (A+B+C)	81.76	66.12	(38.04)	78.40	(10.80)	28.53
Cash and Cash equivalents at the beginning of the period / year	131.79	65.67	103.71	25.31	36.11	7.58
<b>Cash and Cash equivalents at the end of the period / year</b>	<b>213.55</b>	<b>131.79</b>	<b>65.67</b>	<b>103.71</b>	<b>25.31</b>	<b>36.11</b>

## THE OFFER

The following table summarises details of the Offer:

Offer of Equity Shares <sup>(1)(3)</sup>	[●] Equity Shares aggregating up to ₹[●] million
<i>Of which:</i>	
Fresh Issue <sup>(1)</sup>	[●] Equity Shares aggregating up to ₹ 3,000 million.
	Our Company, in consultation with the BRLMs, is considering a Pre-IPO Placement of up to 7,000,000 Equity Shares for cash consideration aggregating up to ₹ 1,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.
Offer for Sale <sup>(2)</sup>	Up to 12,600,000 Equity Shares aggregating up to ₹[●] million
<i>Of which:</i>	
Offer for Sale by Dr. K.V. Prasad	Up to 4,500,000 Equity Shares aggregating up to ₹[●] million
Offer for Sale by Ms. K. Suryanarayanamma	Up to 900,000 Equity Shares aggregating up to ₹[●] million
Offer for Sale by Mr. K. Anand Kumar	Up to 3,600,000 Equity Shares aggregating up to ₹[●] million
Offer for Sale by Mr. K. Arun Kumar	Up to 3,600,000 Equity Shares aggregating up to ₹[●] million.
<i>The Offer consists of:</i>	
Employee Reservation Portion <sup>(3)</sup>	Up to [●] Equity Shares aggregating up to ₹[●] million
Net Offer	[●] Equity Shares aggregating ₹[●] million
<i>The Net Offer consists of:</i>	
A) QIB Portion <sup>(4)(5)(6)</sup>	[●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion <sup>(4)</sup>	Upto [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion <sup>(5)</sup>	Not less than [●] Equity Shares
C) Retail Portion <sup>(6)</sup>	Not less than [●] Equity Shares
Equity Shares outstanding prior to the Offer	88,735,400 Equity Shares
Equity Shares outstanding immediately after the Offer	[●] Equity Shares
Use of proceeds of the Offer	For details of the utilisation of the Net Proceeds, see “Objects of the Offer” on page 95. Our Company will not receive any proceeds from the Offer for Sale.

<sup>(1)</sup> The Fresh Issue has been authorised by our Board of Directors and our Shareholders, pursuant to their resolutions dated February 20, 2018 and February 23, 2018, respectively.

<sup>(2)</sup> The Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares, are eligible in accordance with the SEBI ICDR Regulations. The Selling Shareholders have by way of consent letters each dated February 23, 2018 consented to the offer of an aggregate of up to 12,600,000 Equity Shares in the Offer for Sale.

<sup>(3)</sup> Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation

and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer.

- (4) Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 372.
- (5) In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion).
- (6) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any Portion, except in the QIB Portion, would be allowed to be met with spill over from any other Portion or combination of categories at the discretion of our Company and the BRLMs and the Designated Stock Exchange on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Notes:

- (i) Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company.
- (ii) Allocation to all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see “Offer Procedure” on page 372.
- (iii) In case of undersubscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR. Further, a Bidder bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids. For further details, see “Offer Structure” on page 368.

For details further details see “Offer Procedure” and “Terms of the Offer” on pages 372 and 363 respectively.



## GENERAL INFORMATION

Our Company was originally incorporated as “Sandhya Marines Private Limited” on July 1, 1987, as a private limited company under the Companies Act, 1956 with the RoC. Pursuant to a special resolution of our Shareholders dated April 3, 1995, our Company was converted into a public limited company and our Company’s name was changed to “Sandhya Marines Limited” and consequent to conversion, a fresh certificate of incorporation dated December 22, 1995 was issued to our Company by the RoC.

For further details and details of changes in the registered office of our Company, please see “*History and Certain Corporate Matters*” on page 157 and for details of the business of our Company, please see “*Our Business*” on page 140.

### Registered and Corporate Office

#### **Sandhya Marines Limited**

D. No. 7-5-108/1, Plot No. 62 & 67,

IIInd Floor, Pandurangapuram,

Visakhapatnam – 530 003

Andhra Pradesh, India

**Tel:** +91 891 - 2566357

**Fax:** +91 891 - 2567226

**Email:** cs@sandhyamarines.com

**Website:** www.sandhyamarines.com

**Corporate Identity Number:** U05004AP1987PLC007578

**Registration Number:** 01 - 07578

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad, situated at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad – 500 068, Telangana, India.

### Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Dr. K.V. Prasad	Chairman and Managing Director	00788002	Plot No. 31, Balaji Bay Mount, Peda Rushikonda, Visakhapatnam – 530 045, Andhra Pradesh
Mr. K. Anand Kumar	Whole-Time Director	02888023	Flat No. 402, Vantage Apartments, Chinna Waltair, Visakhapatnam – 530 017, Andhra Pradesh, India
Mr. K. Arun Kumar	Whole-Time Director	02889117	Villa No. 41, Balaji Bay Mount Layout, Peda Rushikonda, Visakhapatnam – 530 045, Andhra Pradesh
Mr. M.Raghavendra Rao	Independent Director	01674292	B-5, APSEB Colony, Seethammadhara, Visakhapatnam – 530 013, Andhra Pradesh
Mr. Chitti Babu Battepati	Independent Director	00726454	Plot No.96A Dasapalla Hills, Visakhapatnam – 530 003, Andhra Pradesh
Ms. Chandana Sri Surapaneni	Independent Director	00470306	8-1-68, Doctors Colony, Gokulam Rahulam, Pedawaltair, LB Colony, Visakhapatnam – 530 017, Andhra Pradesh

For further details of our Directors, please see “*Our Management*” on page 164.

### Company Secretary and Compliance Officer

Mr. M.S.Sivanand is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

**Mr. M.S. Sivanand**  
**Sandhya Marines Limited**  
D. No. 7-5-108/1, Plot No. 62 & 67,  
IInd Floor, Pandurangapuram,  
Visakhapatnam – 530 003  
Andhra Pradesh, India  
**Tel:** +91 891 2566357  
**Fax:** +91 891 2567226  
**Email:** cs@sandhyamarines.com

#### **Chief Financial Officer**

Mr. K. Suresh is the Chief Financial Officer of our Company. His contact details are as follows:

**Mr. K. Suresh**  
**Sandhya Marines Limited**  
D. No. 7-5-108/1, Plot No. 62 & 67,  
IInd Floor, Pandurangapuram,  
Visakhapatnam – 530 003  
Andhra Pradesh, India  
**Tel:** +91 891 2566357  
**Fax:** +91 891 2576226  
**Email:** cfo@sandhyamarines.com

#### **Investor Grievances**

**Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the submission of ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidder DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Further, the investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

#### **Book Running Lead Managers**

**Karvy Investor Services Limited**  
Karvy House,  
46 Avenue 4, Street No.1,  
Banjara Hills,  
Hyderabad – 500 034  
**Tel:** +91 - 40 - 23428774  
**Fax:** +91 - 40 - 23374714  
**E-mail:** cmg@karvy.com  
**Website:** www.karvyinvestmentbanking.com  
**Investor grievance e-mail:** igmbd@karvy.com  
**Contact person:** Mr. P. Balraj/ Mr.Avinash Palivela  
**SEBI registration number:** INM000008365

**SBI Capital Markets Limited**  
202, Maker Tower E  
Cuffe Parade,  
Mumbai – 400 005  
**Tel:** +91 (22) 2217 8300  
**Fax:** +91 (22) 2218 8332  
**E-mail:** sml.ipo@sbicaps.com  
**Website:** www.sbicaps.com  
**Investor Grievance e-mail:** investor.relations@sbicaps.com  
**Contact Person:** Mr. Nikhil Bhiwapurkar/ Mr. Gitesh Vargantwar  
**SEBI registration number:** INM000003531

**Syndicate Members****[●]****Legal Advisor to the Offer****J. Sagar Associates**

Vakils House  
18 Sprott Road  
Ballard Estate  
Mumbai – 400 001  
Tel: +91 22 4341 8600  
Fax: +91 22 4341 8617

**Statutory Auditors of our Company****P. Lakshmana Rao & Co**

D. 29-26-21, 1st Floor,  
Jadagam Vari street, Suryaraopet,  
Vijayawada – 520 002  
Andhra Pradesh  
Tel: +91 866 - 2436293  
Fax: NA  
Email: plakshmanarao@yahoo.com  
Firm Registration Number: FRN001826S

P. Lakshmana Rao & Co, Chartered Accountants, by a certificate dated February 12, 2018 have confirmed that they hold a valid peer review certificate dated April 16, 2015 issued by the Peer Review Board of the ICAI, Chennai.

**Registrar to the Offer****Karvy Computershare Private Limited**

Karvy Selenium Tower B  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032  
Tel: +91 40 6716 2222  
Fax: +91 40 2343 1551  
E-mail: sandhyamarine.ipo@karvy.com  
Investor grievance E-mail: einward.ris@karvy.com  
Website: www.karvycomputershare.com  
Contact Person: M.Murali Krishna  
SEBI registration number: INR000000221

**Bankers to the Offer/Escrow Collection Banks****[●]****Refund Banks****[●]****Public Offer Account Banks****[●]****Bankers to our Company****HDFC Bank Limited**

Potluri Castle, Dwarakanagar,  
Visakhapatnam – 530 016,  
Andhra Pradesh  
Tel: +91 97036 16848  
Fax: NA  
Email: Sudhakar.vanjangi@hdfcbank.com  
Contact Person: Sudhakar Vanjangi

**Union Bank of India**

SME Vishakhapatnam Branch, 12-4-32, 1<sup>st</sup> Floor,  
Chandu's Plaza, Green Park Road,  
Visakhapatnam – 530 002,  
Andhra Pradesh, India  
Tel: +91 891 2718365/+91 891 2706762

**Yes Bank Limited**

Third Floor, Mayank Towers, Survey No. 31 (old),  
31/2 (New), Rajbhavan Road, Somajiguda,  
Hyderabad – 500 081, Telangana  
Tel: +91 9581002006  
Fax: 040 - 46730277  
Email: harihar.mohanty@yesbank.in  
Website: www.yesbank.in  
Contact Person: Harihar Mohanty

Fax: NA  
Email: ssivisakhapatnam@unionbankofindia.com  
Website: www.unionbankofindia.co.in

## **Designated Intermediaries**

### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For a list of branches of the SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

### **Registered Brokers/Registrar and Share Transfer Agents/ CDPs**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

For further details, please see “*Offer Procedure*” on page 372.

### **Credit Rating**

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

### **Trustees**

As the Offer is of Equity Shares, the appointment of trustees is not required.

### **Grading of the Offer**

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

### **Monitoring Agency**

Our Company has appointed [●] as the Monitoring Agency in relation to the Offer in accordance with Regulation 16 of the SEBI ICDR Regulations. The Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. The Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with details, for all such proceeds of the Fresh Issue that have not been utilised clearly specifying the purpose for which such Net Proceeds have been utilised in the interim. The Company will indicate deployment, if any, of unutilised Net Proceeds in the balance sheet of the Company for the relevant financial years subsequent to the listing.

### **Appraising Agency**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity is appointed for the Offer.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

P. Lakshmana Rao & Co., Chartered Accountants, have provided their written consent to be named as an ‘expert’ under Section 26 of the Companies Act, 2013 and for the inclusion of the reports each dated February 12, 2018 on the Restated Consolidated Financial Statements, Restated Standalone Financial Statements, respectively and the statement of special tax benefits dated February 12, 2018 in the form and context in which it appears in this Draft Red Herring Prospectus.

Sphurthi Entrepreneurs & Technocrats, Chartered Engineer, has provided their written consent to be named as an “expert” as defined under Section 2(38) and Section 26(1)(a)(v) of the Companies Act, 2013 in relation hereto.

The aforesaid consents have not been withdrawn at the time of delivery of this Draft Red Herring Prospectus to SEBI.

### Inter-se Allocation of Responsibilities among the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No.	Activity	Responsibility	Co-ordination
1	Capital structuring, positioning strategy and due diligence of the Company including its operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, including memorandum containing salient features of the Prospectus. Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC, and SEBI including finalisation of Prospectus and registering with the RoC	KARVY/SBICAP	KARVY
2	Drafting and approval of all statutory advertisement	KARVY/SBICAP	KARVY
3	Co-ordination of auditor deliverables	KARVY/SBICAP	KARVY
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. Co-ordination for the filing of media compliance report with SEBI	KARVY/SBICAP	SBICAP
5	Appointment of intermediaries, viz., Registrar to the Issue, advertising agency, printers, Bankers and monitoring agency (including coordinating all agreements to be entered with such parties)	KARVY/SBICAP	KARVY
6	Domestic institutional marketing of the Issue, which will cover, among others: <ul style="list-style-type: none"> <li>• Institutional marketing strategy</li> <li>• Finalising the list and division of domestic investors for one-to-one meetings</li> <li>• Finalising domestic roadshows and investor meeting schedule</li> </ul>	KARVY/SBICAP	SBICAP
7	International Institutional marketing of the Issue, which will cover, among others <ul style="list-style-type: none"> <li>• Institutional marketing strategy</li> <li>• Finalising the list and division of international investors for one-to-one meetings</li> <li>• Finalising international roadshows and investors meeting schedule</li> </ul>	KARVY/SBICAP	SBICAP
8	Preparation of the roadshows presentation, pricing presentation, roadshows script, and FAQs	KARVY/SBICAP	KARVY
9	Non-institutional and retail marketing of the Issue, which will cover, among others <ul style="list-style-type: none"> <li>• Finalising media, marketing, and public relations strategy</li> <li>• Finalising centers for holding conferences for brokers, etc.</li> <li>• Follow-up on the distribution of publicity and Issue material including forms, Prospectus and deciding on the quantum of the Issue material</li> <li>• Finalising Syndicate ASBA collection centers</li> </ul>	KARVY/SBICAP	KARVY
10	Co-ordination with Stock Exchanges for book building software, bidding terminals, mock trading and payment of 1% security deposit	KARVY/SBICAP	KARVY
11	Managing the book and finalisation of Issue Price in consultation with the Company	KARVY/SBICAP	SBICAP
12	Post Issue activities, which shall involve: <ul style="list-style-type: none"> <li>• Essential follow-up steps, advising the Company about the closure of the Issue based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc., including co-ordination with</li> </ul>	SBICAP	SBICAP

Sr. No.	Activity	Responsibility	Co-ordination
	various agencies connected with the intermediaries such as Registrar to the Issue <ul style="list-style-type: none"> <li>Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Issue</li> </ul>		
13	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	KARVY/SBICAP	SBICAP

### Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band which will be decided by our Company in consultation with the Selling Shareholders and BRLMs, and advertised in the Statutory Newspapers at least five Working Days prior to the Offer Opening Date and such advertisement shall be made available to Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with Selling Shareholders and BRLMs after the Offer Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Selling Shareholders;
3. the BRLMs;
4. the Syndicate Members;
5. the Registrar to the Offer;
6. the Escrow Collection Banks;
7. the SCSBs;
8. the CDPs;
9. the RTAs; and
10. the Registered Brokers.

The Offer is being made in terms of Rule 19(2)(b) of SCRR read with Regulation 41 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see “Offer Structure” and “Offer Procedure” on pages 368 and 372, respectively.

**All Bidders, except Anchor Investors, can participate in the Offer only through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs (other than Anchor Investors) bidding in the QIB Portion other than Anchor Investor Portion and Non-Institutional Investors bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees can revise their Bids during the Offer Period and withdraw their Bids until the Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

**The process of Book Building under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.**

For details on the method and procedure for Bidding, see “Offer Procedure” on page 372.

### Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please see “Offer Procedure – Part B – Basis of Allocation - Illustration of the Book Building and Price Discovery Process” on page 405.

Investors should note the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) final approval of the RoC after the Prospectus is filed with the RoC.

## Underwriting Agreement

After determination of the Offer Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)*

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned table will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations given by the Underwriters), resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data)

		Aggregate nominal Value	Aggregate Value at Offer Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	120,000,000 Equity Shares of face value of ₹ 10 each	1,200,000,000	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE OFFER</b>		
	88,735,400 Equity Shares of face value of ₹ 10 each	887,354,000	[●]
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
	Offer of [●] Equity Shares <sup>(a)</sup> aggregating up to ₹[●] million	[●]	[●]
	Which comprises:		
	Fresh Issue of [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 3,000 million*	[●]	[●]
	Offer for Sale of up to 12,600,000 Equity Shares of face value of ₹10 each	[●]	[●]
	Employee Reservation Portion of up to [●] Equity Shares	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares	[●]	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		1,709,000
	After the Offer		[●]

\* Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to 7,000,000 Equity Shares for cash consideration aggregating up to ₹ 1,500 million, at their discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.

- (a) Our Board has approved the Fresh Issue pursuant to the resolution passed at their meeting held on February 20, 2018, and our Shareholders have approved the Fresh Issue pursuant to a shareholders' resolution passed at the meeting held on February 23, 2018 under Section 62(1) (c) of the Companies Act, 2013.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholders have approved the transfer of the Equity Shares pursuant to the Offer for Sale as set out below:

Sr. No	Name of the Selling Shareholder	Date of letter of transmittal	Number of Equity Shares offered for sale
1.	Dr. K.V. Prasad	February 23, 2018	4,500,000
2.	Ms. K. Suryanarayanaamma	February 23, 2018	900,000
3.	Mr. K. Anand Kumar	February 23, 2018	3,600,000
4.	Mr. K. Arun Kumar	February 23, 2018	3,600,000

The Selling Shareholders have, severally and not jointly, specifically confirmed that the Equity Shares proposed to be offered and sold by each of them in the Offer are eligible for being offered for sale in the Offer in terms of Regulation 26(6) of the SEBI ICDR Regulations.



## Notes to Capital Structure

### 1. Share capital history of our Company

#### *History of Equity Share capital of our Company*

(a) The following is the history of the Equity Share capital of our Company:

Date of allotment/ transaction	Number of Equity shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for/ nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
July 1, 1987	30	100	100	Cash	Initial subscription to MoA <sup>(1)</sup>	30	3000
September 25, 1992	20,000	100	100	Cash	Further allotment <sup>(2)</sup>	20,030	2,003,000
March 19, 1993	8,650	100	100	Cash	Further allotment <sup>(3)</sup>	28,680	2,868,000
June 15, 1993	37,035	100	100	Cash	Further allotment <sup>(4)</sup>	65,715	6,571,500
December 1, 1993	35,535	100	100	Cash	Further allotment <sup>(5)</sup>	101,250	10,125,000
January 15, 1996	Pursuant to a resolution of our shareholders dated January 15, 1996, the face value per share was sub-divided from ₹100 to ₹10 and accordingly, 101,250 equity shares of our Company of face value of ₹100 each were split into 1,012,500 equity shares of face value of ₹10 each						
January 29, 1996	341,800	10	10	Cash	Further allotment <sup>(6)</sup>	1,354,300	13,543,000
January 18, 2002	1,418,600	10	10	Cash	Further allotment <sup>(7)</sup>	2,772,900	27,729,000
April 30, 2002	490,000	10	10	Cash	Further allotment <sup>(8)</sup>	3,262,900	32,629,000
February 10, 2004	150,000	10	10	Cash	Further allotment <sup>(9)</sup>	3,412,900	34,129,000
December 30, 2017	85,322,500	10	-	Other than cash	Bonus Issue <sup>(10)</sup>	88,735,400	887,354,000

- (1) Based on the original Memorandum of Association and minutes of the meeting of the Board dated July 01, 1987, subscription to the MOA by Dr. K.V. Prasad (10 equity shares), Mr. V.S.V.D. Prasad (10 equity shares) and Mr. P. Subba Rao (10 equity shares).
- (2) Based on minutes of the meeting of the Board dated September 25, 1992, 1,900 Equity Shares were allotted to Dr. K.V. Prasad; 1,750 Equity Shares were allotted to Ms. K. Suryanarayanamma; 1,000 Equity Shares were allotted to Ms. M. Lakshmi Bullema, 600 Equity Shares were allotted to Mr. M. Agastayya; 600 Equity Shares were allotted to Mr. K. Veerabhadra Rao; 750 Shares were allotted to Ms. K. Jhansi Lakshmi; 2,000 Equity Shares were allotted to Mr. K. Shyam Prasad and Mr. D. Venkateswara Rao each; 2,500 Equity Shares were allotted to Mr. K. Ravindra and Mr. Ch. Saibabu each; 1,000 Equity Shares were allotted to Mr. D. Hitesh and Mr. B. Bhaskara Raman each; 100 Equity Shares were allotted to Ms. Y. Ratna Kumari; 300 Equity Shares were allotted to Mr. M. Venkat Rao, Mr. M. Veeranna Chowdary, Mr. M. Rajendra Prasad and Mr. M. Amarendra, each; 500 Equity Shares were allotted to Mr. K. Ramana and Ms. P. Surya Kumari, each; 100 Equity Shares were allotted to Ms. M. Sarojini.
- (3) Based on minutes of the meeting of the Board dated March 19, 1993, 3,500 Equity Shares were allotted to Mr. K. Shyam Prasad; 2,500 Equity Shares each were allotted to Mr. A. Ravindra and Mr. Ch. Saibabu; and 150 Equity Shares were allotted to Ms. K. Jhansi Lakshmi.
- (4) Based on minutes of the meeting of the Board dated June 15, 1993, 37,035 Equity Shares were allotted as follows:  
1,400 Equity Shares in favour of Dr. K.V. Prasad; 450 Equity Shares in favour of Ms. K. Suryanarayanamma; 250 Equity Shares in favour of Ms. M. Lakshmi Bullema, 75 Equity Shares in favour of Mr. M. Agastayya; 750 Equity Shares in favour of Mr. V.S.V.D. Prasad; 650 Equity Shares in favour of Mr. K. Veerabhadra Rao; 4,300 Equity Shares in favour of Mr. K. Shyam Prasad; 1,550 Equity Shares in favour of Mr. A. Ravindra; 5,000 Equity Shares in favour of Mr. Ch. Saibabu; 500 Equity Shares in favour of Mr. B. Bhaskar Raman; 425 Equity Shares in favour of Ms. Y. Ratna Kumari; 100 Equity Shares each in favour of Mr. M. Venkat Rao, Mr. M. Veeranna Chowdary, Mr. M. Rajendra Prasad and Mr. M. Amarendra; 25 Equity Shares in favour of Ms. M. Sarojini; 1,000 Equity Shares in favour of Mr. K. Venkateswarlu; 1,125 Equity Shares each in favour of Mr. A. Rajendra Prasad and Mr. M. Venkateswara Rao; 250 Equity Shares each in favour of Mr. K. Rama Murthy, Mr. K.V. Ramana and Mr. K. Poornachandra Rao; 600 Equity Shares each in favour of Mr. P. Narasimha Rao and Mr. P. Amarendra Chowdary; 650 Equity Shares each in favour of Ms. P.V.V. Padmavathi and Ms. P. Annapoorna; 260 Equity Shares in favour of Mr. K. Subbamma; 3,100 Equity Shares in favour of Mr. Mahipal; 9,400 Equity Shares in favour of Mr. K. Rangaiah Babu; and 2,000 Equity Shares in favour of Mr. P. Venkat Rao.
- (5) Based on minutes of the meeting of the Board dated December 1, 1993, 35,535 Equity Shares were allotted as follows:

1,460 Equity Shares in favour of Dr. K.V. Prasad; 1,000 Equity Shares in favour of Ms. K. Suryanarayanamma; 500 Equity Shares each in favour of Mr. C. Padma Raju and Mr. C.S. Prasad, 100 Equity Shares in favour of Mr. M. Agastayya; 4,190 Equity Shares in favour of Ms. K. Jhansi Lakshmi; 4,090 Equity Shares in favour of Mr. K. Shyam Prasad; 125 Equity Shares in favour of Mr. M. Ramana; 6,280 Equity Shares in favour of Mr. K. Rangaiah Babu; 3,120 Equity Shares in favour of Mr. A. Srikrishna; 2,180 Equity Shares in favour of Ms. K. Neelima; 1,000 Equity Shares each in favour of Mr. K. Peda Veeraiah, K. China Veeraiah, Mr. P. Rajendra Prasad; Mr. K. Lakshmaiah and Mr. K. Raghava Rao; 2,490 Equity Shares in favour of Mr. K. Vinay; 500 Equity Shares in favour of Mr. P. Gopi Krishna and 4000 Equity Shares in favour of Ms. P. Lakshmi Rajyam.

- (6) Based on minutes of the meeting of the Board dated January 29, 1996, 341,800 Equity Shares were allotted as follows:

4,000 Equity Shares each in favour of Mr. M. Agastayya and Ms. Merla Veerajyalakshmi; 58,300 Equity Shares in favour of Mr. A. Ravindra; 58,400 Equity Shares in favour of Mr. Ch. Saibabu; 5,000 Equity Shares each in favour of Mr. B. Bhaskar Raman, Mr. M. Venkat Rao, Mr. M. Rajendra Prasad, Mr. M. Amarendra, Mr. P. Venkat Rao and Mr. M. Veeraiah Chowdary; Ms. M. Sarojini, Mr. Marni Krishna Rao and Mr. Vasireddy Veeraju; 25,100 Equity Shares in favour of Mr. Mahipal; 62,600 Equity Shares in favour of Mr. A. Giridhara Gopal; 4,000 Equity Shares each in favour of Mr. Ch. V. Rama Rao, Mr. M. Mallikarjun and Ms. Vijaya Subba Lakshmi; 29,900 Equity Shares in favour of Mr. M. Veeranna Chowdary; 2,830 Equity Shares each in favour of Mr. Ch. Venkataratnam and Mr. Gade Aravaraju; 7,500 Equity Shares in favour of Mr. G. Dorababu; 2,840 Equity Shares in favour of Mr. G. Venkata Ratnam; 2,000 Equity Shares in favour of Ms. M. Madhavi; 3,200 Equity Shares in favour of Mr. Merla Sriramachandra Murthy; 2,550 Equity Shares in favour of Mr. Marni Veer Raju; 2,250 Equity Shares in favour of Mr. M. Bhaskar Chowdary; 3,000 Equity Shares in favour of Mr. Nekkanti Seshagiri Rao; 7,500 Equity Shares each in favour of Mr. Palakurthy Ranga Rao, Mr. Pathula Veeraju and Pekabathula Venkata Raju; and 1,000 Equity Shares in favour of Mr. Pathuki Veeraju.

- (7) Based on minutes of the meeting of the Board dated January 18, 2002, 1,418,600 Equity Shares were allotted as follows:

134,000 Equity Shares in favour of Mr. K. Anand Kumar; 18,000 Equity Shares in favour of Dr. K.V. Prasad; 139,000 Equity Shares in favour of Ms. K. Suryanarayanamma; 90,000 Equity Shares in favour of Ms. N. Sunanda; 10,200 Equity Shares in favour of Mr. Pinabothu Srinivasa Murthy; 10,200 Equity Shares in favour of Mr. Rajababu Kurre; 50,000 Equity Shares in favour of Mr. K. Veerabhadra Rao; 60,000 Equity Shares in favour of Ms. K. Jhansi Lakshmi; 587,800 Equity Shares in favour of Mr. K. Shyam Prasad; 71,800 Equity Shares in favour of Mr. A. Ravindra; 187,000 Equity Shares in favour of Mr. Ch. Saibabu; and 60,600 Equity Shares in favour of Mr. A. Giridhara Gopal.

- (8) Based on minutes of the meeting of the Board dated April 30, 2002, 490,000 Equity Shares were allotted as follows:

230,000 Equity Shares in favour of Dr. K.V. Prasad; 20,000 Equity Shares in favour of Mr. P. Subba Rao; 10,000 Equity Shares in favour of Mr. K. Veerabhadra Rao; 14,000 Equity Shares in favour of Mr. K. Venkateswarlu; 8,500 Equity Shares in favour of Mr. K. Ramamurthy; 5,000 Equity Shares in favour of Mr. K.V. Ramana; 20,000 Equity Shares each in favour of Mr. P. Amarendra Chowdary and Ms. P.V.V. Padmavathi; 10,000 Equity Shares each in favour of Mr. K. China Veeraiah and Mr. K. Raghava Rao; 15,000 Equity Shares in favour of Ms. K. Krishna Kumari; 8,000 Equity Shares in favour of Ms. K. Prameela Devi; 6,000 Equity Shares in favour of Ms. K. Sarada; 4,000 Equity Shares each in favour of Mr. K. Balakrishna and Mr. Kunam Venkat Rao; 5,000 Equity Shares each in favour of Mr. Kunam Nageswara Rao, Mr. Kunam Veerabhadra Rao, Mr. Meda Veerarabrahmam and Ms. K. Lakshmi Samrajyam; 12,500 Equity Shares in favour of Mr. Mannam Subbarao; 10,000 Equity Shares each in favour of Mr. M. Pitchaiah Sarma, Mr. Polineni Raghavulu, Mr. Polineni Seshagiri and Mr. M. Srinivasa Rao; 7,500 Equity Shares in favour of Mr. Gurram Venkateswarlu; 12,000 Equity Shares in favour of Mr. Jandhyam Nageswara Rao; and 13,500 Equity Shares in favour of Mr. K. Chandra Sekhar Rao.

- (9) Based on minutes of the meeting of the Board dated February 10, 2004, 150,000 Equity Shares were allotted in favour of Dr. K.V. Prasad

- (10) Bonus Allotment of 85,322,500 Equity Shares in the ratio of 25:1 (25 Equity Shares for every one Equity Share held by the Shareholders) to the existing Shareholders, authorised by the Shareholders through a shareholders' resolution dated December 28, 2017.

**(b) Equity Shares issued for consideration other than cash**

Except as stated below, no Equity Shares have been issued by our Company for consideration other than cash on the date of this Draft Red Herring Prospectus.

Date of allotment	Number of equity shares	Face Value (₹)	Issue price per equity share (₹)	Reason for allotment	Allottees	Benefits accrued to our Company
December 30, 2017	85,322,500	10	-	Bonus Issue in the ratio 25:1	Existing Shareholders of our Company as on December 28, 2017 <sup>(1)</sup>	-

**Notes**

- (1) Bonus Allotment of 85,322,500 Equity Shares in the ratio of 25:1 (25 Equity Shares for every one Equity Share held by the Shareholders) to the existing Shareholders, authorised by the Shareholders through a shareholders' resolution dated December 28, 2017.

**(c) History of Build up, Contribution and Lock-in of Promoters' Shareholding**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 82,752,800 Equity Shares, constituting 93.25% of the issued, subscribed and paid-up Equity Share capital of our Company.

**(d) Capital build-up of our Promoters' equity shareholding in our Company:**

Details of the build up of the equity shareholding of our Promoters in our Company are as follows:

Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre-Offer capital (%)	% of post-Offer capital (%)
Dr. K.V. Prasad	July 1, 1987	10	100	10.00	Cash	Initial subscription to the MoA	0.00	[●]
	September 25, 1992	1,900	100	10.00	Cash	Further allotment	0.02	[●]
	June 15, 1993	1,400	100	10.00	Cash	Further allotment	0.02	[●]
	December 1, 1993	1,460	100	10.00	Cash	Further allotment	0.02	[●]
	Pursuant to shareholders resolution dated January 15, 1996, the face value per share was sub-divided from ₹100 to ₹10 and accordingly, 4,770 equity shares of face value of ₹100 each were split into 47,700 equity shares of ₹10 each							
	January 18, 2002	18,000	10	10.00	Cash	Further allotment	0.02	[●]
	April 30, 2002	230,000	10	10.00	Cash	Further allotment	0.26	[●]
	February 10, 2004	150,000	10	10.00	Cash	Further allotment	0.17	[●]
	March 30, 2006	125,000	10	42.00	Cash	Transfer from Mr. Ch. Sai Babu	0.14	[●]
	March 30, 2006	24,000	10	42.00	Cash	Transfer from Mr. K. Venkateswarlu	0.03	[●]

Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre- Offer capital (%)	% of post- Offer capital (%)
	March 30, 2006	11,000	10	42.00	Cash	Transfer from Mr. K. Rama Murthy	0.01	[●]
	March 30, 2006	2,500	10	42.00	Cash	Transfer from Mr. K. Poorna Chandra Rao	0.00	[●]
	March 30, 2006	20,000	10	42.00	Cash	Transfer from Mr. K. China Veeraiah	0.02	[●]
	March 30, 2006	10,000	10	42.00	Cash	Transfer from Mr. K. Lakshmaiah	0.01	[●]
	March 30, 2006	20,000	10	42.00	Cash	Transfer from Mr. K. Raghava Rao	0.02	[●]
	March 30, 2006	90,000	10	42.00	Cash	Transfer from Ms. N. Sunanda	0.10	[●]
	March 30, 2006	6,000	10	42.00	Cash	Transfer from Ms. K. Sarada	0.01	[●]
	March 30, 2006	4,000	10	42.00	Cash	Transfer from Mr. Konijeti Bala Krishna	0.00	[●]
	March 30, 2006	4,000	10	42.00	Cash	Transfer from Mr. Kunam Venkata Rao	0.00	[●]
	March 30, 2006	5,000	10	42.00	Cash	Transfer from Mr. Kunam Nageswara Rao	0.01	[●]
	March 30, 2006	5,000	10	42.00	Cash	Transfer from Mr. Kunam Veerabhadra Rao	0.01	[●]
	March 30, 2006	10,000	10	42.00	Cash	Transfer from Mr. Mellacheruvu Pitchaiah Sarma	0.01	[●]
	March 31, 2009	12,500	10	48.00	Cash	Transfer from Ms. M. Lakshmi Bullemma	0.01	[●]
	March 31, 2009	110,900	10	48.00	Cash	Transfer from Ms. K. Jhansi Lakshmi	0.12	[●]
	March 31, 2009	11,250	10	48.00	Cash	Transfer from Mr. A. Rajendra Prasad	0.01	[●]
	March 31, 2009	31,200	10	48.00	Cash	Transfer from Mr. A. Srikrishna	0.04	[●]
	March 31, 2009	21,800	10	48.00	Cash	Transfer from Mr. K. Neelima	0.02	[●]
	March 31, 2009	10,000	10	48.00	Cash	Transfer from Mr. K. Peda Veeraiah	0.01	[●]

Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre- Offer capital (%)	% of post- Offer capital (%)
	March 31, 2009	24,900	10	48.00	Cash	Transfer from Mr. K. Vinay	0.03	[•]
	March 31, 2009	5,000	10	48.00	Cash	Transfer from Mr. P. Gopi Krishna	0.01	[•]
	March 31, 2009	10,200	10	48.00	Cash	Transfer from Mr. Penubothu Srinivasa Murthy	0.01	[•]
	March 31, 2009	10,200	10	52.00	Cash	Transfer from Mr. Rajababu Kurre	0.01	[•]
	March 31, 2010	420,000	10	52.00	Cash	Transfer from Mr. K. Shyam Prasad	0.47	[•]
	December 31, 2010	100	10	52.00	Cash	Transfer from Mr. P. Subba Rao	0.00	[•]
	December 31, 2010	11250	10	52.00	Cash	Transfer from Mr. M. Venkateswara Rao	0.01	[•]
	November 18, 2016	33,200	10	N.A.	Gift	Gift from Mr. A. Giridhara Gopal	0.04	[•]
	December 6, 2017	(15,000)	10	N.A.	Gift	Gift to Ms. K. Akanksha	(0.02)	[•]
	December 6, 2017	(100)	10	N.A.	Gift	Gift to Mr. C.S. Prasad	(0.00)	[•]
	December 6, 2017	(15,000)	10	N.A.	Gift	Gift to Ms. K. Sai Priyamvada	(0.02)	[•]
	December 6, 2017	(85,000)	10	N.A.	Gift	Gift to Ms. K. Nivedita	(0.10)	[•]
	December 6, 2017	(85,000)	10	N.A.	Gift	Gift to Ms. K. Sruti	(0.10)	[•]
	December 30, 2017	32,365,000		N.A.	Other than Cash	Bonus Issue	36.47	[•]
	<b>Sub Total (A)</b>	<b>33,659,600</b>					<b>37.93</b>	[•]
Ms. K. Suryanarayanamma	September 25, 1992	1,750	100	10.00	Cash	Further allotment	0.02	[•]
	June 15, 1993	450	100	10.00	Cash	Further allotment	0.01	[•]
	December 1, 1993	1,000	100	10.00	Cash	Further allotment	0.01	[•]
	Pursuant to shareholders resolution dated January 15, 1996, the face value per share was sub-divided from ₹100 to 10 and accordingly, 3,200 equity shares of face value of ₹100 each were split into 32,000 equity shares of face value of ₹10 each							
	January 18, 2002	139,000	10	10.00	Cash	Further allotment	0.16	[•]
	August 18, 2004	5,000	10	41.00	Cash	Transfer from Ms. P. Surya Kumari	0.01	[•]

Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre-Offer capital (%)	% of post-Offer capital (%)
	August 18, 2004	6,500	10	41.00	Cash	Transfer from Ms. P. Annapoorna	0.01	[●]
	August 18, 2004	5,000	10	41.00	Cash	Transfer from Mr. C. Padma Raju	0.01	[●]
	August 18, 2004	40,000	10	41.00	Cash	Transfer from Ms. P. Lakshmi Rajyam	0.05	[●]
	August 18, 2004	2,830	10	41.00	Cash	Transfer from Mr. Ch. Venkataratnam	0.00	[●]
	August 18, 2004	2,830	10	41.00	Cash	Transfer from Mr. Gade Aravaraju	0.00	[●]
	December 30, 2017	5,829,000	10	-	Other than Cash	Bonus Issue	6.57	[●]
	<b>Sub Total (B)</b>	<b>6,062,160</b>					<b>6.83</b>	<b>[●]</b>
Mr. K. Anand Kumar	January 18, 2002	134,000	10	10.00	Cash	Further allotment	0.15	[●]
	August 18, 2004	5,000	10	41.00	Cash	Transfer from Mr. C.S. Prasad	0.01	[●]
	August 18, 2004	4,000	10	41.00	Cash	Transfer from Mr. Ch. V. Rama Rao	0.00	[●]
	August 18, 2004	7,500	10	41.00	Cash	Transfer from Mr. G. Dorababu	0.01	[●]
	August 18, 2004	1,840	10	41.00	Cash	Transfer from Mr. G. Venkata Ratnam	0.00	[●]
	August 18, 2004	5,000	10	41.00	Cash	Transfer from Mr. M. Veeraiah Chowdary	0.01	[●]
	August 18, 2004	2,250	10	41.00	Cash	Transfer from Mr. M. Bhaskar Chowdary	0.00	[●]
	August 18, 2004	7,500	10	41.00	Cash	Transfer from Mr. Pekabathula Venkata Raju	0.01	[●]
	August 18, 2004	7,500	10	41.00	Cash	Transfer from Mr. Pathula Veeraju	0.01	[●]
	March 30, 2006	72,500	10	42.00	Cash	Transfer from Mr. K. Veerabhadra Rao	0.08	[●]
	March 30, 2006	59,000	10	42.00	Cash	Transfer from Mr. Ch. Saibabu	0.07	[●]
	March 30, 2006	7,500	10	42.00	Cash	Transfer from Mr. K.V. Ramana	0.01	[●]

Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre- Offer capital (%)	% of post- Offer capital (%)
	March 30, 2006	2,600	10	42.00	Cash	Transfer from Ms. K. Subbamma	0.00	[●]
	March 30, 2006	56,100	10	42.00	Cash	Transfer from Mr. Mahipal	0.06	[●]
	March 30, 2006	10,000	10	42.00	Cash	Transfer from Mr. P. Rajendra Prasad	0.01	[●]
	March 30, 2006	55,000	10	42.00	Cash	Transfer from Ms. K. Krishna Kumari	0.06	[●]
	March 30, 2006	8,000	10	42.00	Cash	Transfer from Ms. K. Prameela Devi	0.01	[●]
	March 30, 2006	5,000	10	42.00	Cash	Transfer from Ms. K. Lakshmi Samrajyam	0.01	[●]
	March 30, 2006	12,500	10	42.00	Cash	Transfer from Mr. Mannam Subbarao	0.01	[●]
	March 30, 2006	5,000	10	42.00	Cash	Transfer from Mr. Meda Veearabrahmam	0.01	[●]
	March 30, 2006	10,000	10	42.00	Cash	Transfer from Mr. M. Srinivasa Rao	0.01	[●]
	March 30, 2006	7,500	10	42.00	Cash	Transfer from Mr. Gurram Venkateswarlu	0.01	[●]
	March 30, 2006	12,000	10	42.00	Cash	Transfer from Mr. Jandhyam Nageswara Rao	0.01	[●]
	March 30, 2006	10,000	10	42.00	Cash	Transfer from Mr. Polineni Raghavulu	0.01	[●]
	March 30, 2006	10,000	10	42.00	Cash	Transfer from Mr. Polineni Seshagiri	0.01	[●]
	March 30, 2006	13,500	10	42.00	Cash	Transfer from Mr. K. Chandra Sekhar Rao	0.02	[●]
	March 30, 2007	20,000	10	49.00	Cash	Transfer from Mr. P. Subba Rao	0.02	[●]
	March 30, 2007	26,000	10	49.00	Cash	Transfer from Mr. P. Amarendra Chowdary	0.03	[●]
	March 31, 2011	165,000	10	54.00	Cash	Transfer from Mr. K. Shyam Prasad	0.19	[●]
	February 18, 2014	33,900	10	150.00	Cash	Transfer from Mr. M. Veeranna Chowdary	0.04	[●]

Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre- Offer capital (%)	% of post- Offer capital (%)
	February 18, 2014	4,000	10	150.00	Cash	Transfer from Ms. M. Vijaya Subba Lakshmi	0.00	[●]
	February 18, 2014	6,500	10	150.00	Cash	Transfer from Mr. M. Agastayya	0.01	[●]
	November 18, 2017	45,000	10	450.00	Cash	Transfer from Mr. A. Giridhara Gopal	0.05	[●]
	December 30, 2017	20,779,750	10	-	Other than Cash	Bonus Issue	23.42	[●]
	<b>Sub Total (C)</b>	<b>21,610,940</b>					<b>24.35</b>	<b>[●]</b>
Mr. K. Arun Kumar	March 30, 2006	7,600	10	42.00	Cash	Transfer from Mr. V.S.V.D. Prasad	0.01	[●]
	March 30, 2006	20,000	10	42.00	Cash	Transfer from Mr. B. Bhaskara Raman	0.02	[●]
	March 30, 2006	25,000	10	42.00	Cash	Transfer from Mr. P. Venkat Rao	0.03	[●]
	March 30, 2007	26,500	10	49.00	Cash	Transfer from Ms. P. Veera Venkata Padmavathi	0.03	[●]
	March 31, 2010	195,600	10	52.00	Cash	Transfer from Mr. A. Ravindra	0.22	[●]
	March 31, 2010	161,400	10	52.00	Cash	Transfer from Mr. Ch. Saibabu	0.18	[●]
	March 31, 2011	141,700	10	54.00	Cash	Transfer from Mr. K. Shyam Prasad	0.16	[●]
	March 31, 2011	156,800	10	54.00	Cash	Transfer from Mr. K. Rangaiah Babu	0.18	[●]
	February 18, 2014	5,250	10	150.00	Cash	Transfer from Mr. M. Agastayya	0.01	[●]
	February 18, 2014	9,000	10	150.00	Cash	Transfer from Mr. M. Venkat Rao	0.01	[●]
	February 18, 2014	9,000	10	150.00	Cash	Transfer from Mr. M. Rajendra Prasad	0.01	[●]
	February 18, 2014	9,000	10	150.00	Cash	Transfer from Mr. M. Amarendra	0.01	[●]
	February 18, 2014	6,250	10	150.00	Cash	Transfer from Mr. K. Ramana	0.01	[●]
	February 18, 2014	3,750	10	150.00	Cash	Transfer from Ms. M. Sarojini	0.00	[●]
	February 18, 2014	2,000	10	150.00	Cash	Transfer from Ms. M. Madhavi	0.00	[●]



Name of the Promoter	Date of allotment/ transfer and when the Equity Shares were made fully paid up	Number of equity shares allotted/ transferred	Face value (₹)	Issue/ Acquisition /Transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of pre-Offer capital (%)	% of post-Offer capital (%)
	November 18, 2017	45,000	10	450.00	Cash	Transfer from Mr. A. Girdhara Gopal	0.05	[•]
	December 30, 2017	20,596,250	10	-	Other than Cash	Bonus Issue	23.21	[•]
	<b>Sub Total (D)</b>	<b>21,420,100</b>					<b>24.14</b>	[•]
	<b>Total (A+B+C+D)</b>	<b>82,752,800</b>					<b>93.25</b>	[•]

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held and/or transferred by or to our Promoters have been held jointly with one or more persons as on the respective dates of their acquisition or transfer. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

***(e) Shareholding of our Promoters and Promoter Group***

Details of the Equity Shares held by our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the shareholder	Pre-Offer		Post-Offer <sup>#</sup>	
		Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
(A) Promoters					
1.	Dr. K.V. Prasad	33,659,600	37.93	[●]	[●]
2.	Ms. K. Suryanarayanamma	6,062,160	6.83	[●]	[●]
3.	Mr. K. Anand Kumar	21,610,940	24.35	[●]	[●]
4.	Mr. K. Arun Kumar	21,420,100	24.14	[●]	[●]
Sub-total		82,752,800	93.25	[●]	[●]
(B) Promoter Group					
1.	Ms. K. Nivedita	2,210,000	2.49	[●]	[●]
2.	Ms. K. Sruti	2,210,000	2.49	[●]	[●]
3.	Ms. K. Priyamvada	390,000	0.44	[●]	[●]
4.	Ms. K. Akanksha	390,000	0.44	[●]	[●]
5.	Ms. K. Sreshta	390,000	0.44	[●]	[●]
6.	Mr. K. Jairam	390,000	0.44	[●]	[●]
7.	Mr. C.S.Prasad	2,600	Negligible	[●]	[●]
Sub-total		5,982,600	6.75	[●]	[●]
Total (A+B)		88,735,400	100.00	[●]	[●]

<sup>#</sup> Details shall be incorporated in the Prospectus.

The Equity Shares held by our Promoters and other members of our Promoter Group shall be dematerialised prior to listing of Equity Shares on the Stock Exchanges.

**(f) Details of Promoters' contribution locked in for three years:**

Pursuant to Regulations 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Offer paid up capital of our Company held by our Promoters, shall be considered as the minimum Promoters' contribution and locked-in for a period of three years from the date of commencement of commercial production of the later of the proposed objects of setting up a new shrimp processing unit and setting up an aqua-feed mill facility ("**Promoters' Contribution**") and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Promoters' Contribution would be created as per applicable law and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Our Promoters have consented to the inclusion of such number of Equity Shares held by them, in aggregate, as may constitute 20% of the post-Offer Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations. Details of the Promoters' Contribution are as provided below:

Name	Number of Equity Shares	Date of allotment / transfer	Face value (₹)	Issue / acquisition price per Equity Share (₹)	Nature of transaction	% of pre-Offer capital	% of post-Offer capital*
Dr. K.V. Prasad	[●]	[●]	10	-	[●]	[●]	[●]
Ms. K. Suryanarayanamma	[●]	[●]	10	-	[●]	[●]	[●]
Mr. K. Anand Kumar	[●]	[●]	10	-	[●]	[●]	[●]
Mr. K. Arun Kumar	[●]	[●]	10	-	[●]	[●]	[●]
<b>Total</b>	[●]					[●]	[●]

\* To be incorporated upon finalisation of the Offer Price.

Our Promoters have confirmed to the Company and the BRLMs that the acquisition of the Equity Shares forming part of the Promoters' contribution have been financed from personal funds and no loans or financial assistance from any banks or financial institution has been availed by for this purpose.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as 'promoters', as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution under the SEBI ICDR Regulations. In this computation, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transactions; or (b) arising from bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;
- Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and
- Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- Our Company has not been formed by the conversion of a partnership firm into a company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm.
- The Equity Shares held by our Promoters and other members of our Promoter Group shall be dematerialised prior to listing of Equity Shares on the Stock Exchanges.

**2. Details of share capital locked-in for one year:**

Except for the Promoters' Contribution, which shall be locked-in as above, and excluding the shares being offered through Offer for Sale, the entire pre-Offer capital of our Company shall be locked in for a period of one year from the date of Allotment.

**3. *Other requirements in respect of lock-in:***

In terms of the SEBI ICDR Regulations, Equity Shares held by the Promoters and subjected to lock-in requirements, may be pledged with any scheduled commercial bank or public financial institution as collateral security if the loan has been granted by such bank or institution if the Equity Shares are locked-in for one year in terms of the SEBI ICDR Regulations and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by the Promoters and subject to lock-in may be transferred to and among the Promoters, members of the Promoter Group or to any new promoter or person in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired. Further, in terms of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer and subject to lock-in, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI Takeover Regulations, as applicable.

The Offered Shares which will be transferred by the Selling Shareholders in the Offer for Sale shall not be subject to lock-in. However, any unsubscribed portion of Equity Shares offered by the Selling Shareholders in the Offer for Sale would also be locked-in as required under the SEBI ICDR Regulations.

**4. *Lock-in of Equity Shares allotted to Anchor Investors:***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

## 5. Shareholding Pattern of our Company

The table below presents the equity shareholding of our Company as on the date of this Draft Red Herring Prospectus:

Category y (I)	Category of shareholde r (II)	Nos. of shareholder s (III)	No. of fully paid up equity shares held (IV)	No. of Part ly paid -up equi ty shar es held (V)	No. of shares underlyin g Depositor y Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholdin g as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)		No. of Shares underlying outstandin g convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerial ised form* (XIV)
								No of voting rights				No. (a)	As a % of total Shar es held (b)	No . (a)	As a % of total Shares held (b)	
								Class – Equity Shares	Total as a % of (A+B+ C)							
(A)	Promoters and Promoter Group	11	88,735,400	0	0	88,735,400	100	88,735,400	100	0	100	0	0	0	0	
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	N.A.	0		
(C)	Non Promoter- Non Public	0	0	0	0	0	0	0	0	0	0	0	N.A.	0		
(C1)	Shares underlying DRs	0	0	0	0	0	N.A.	0	0	0	0	0	N.A.	0		
(C2)	Shares held by employee trusts	0	0	0	0	0	0	0	0	0	0	0	N.A.	0		
	Total	11	88,735,400	0	0	88,735,400	100	88,735,400	100	0	100	0	0	0		

\* The Equity Shares held by our Promoters and other members of our Promoter Group shall be dematerialised prior to listing of Equity Shares on the Stock Exchanges.

Our Company will file the shareholding pattern, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before the commencement of trading of the Equity Shares.

**6. Shareholding of our Directors and/or Key Management Personnel and/or Selling Shareholders**

Except as set forth below, none of our Directors or Key Management Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
1.	Dr. K.V. Prasad	33,659,600	37.93	[●]	[●]
2.	Mr. K. Anand Kumar	21,610,940	24.35	[●]	[●]
3.	Mr. K. Arun Kumar	21,420,100	24.14	[●]	[●]

In addition to the shareholding of our Directors and KMPs, as disclosed above, who are also Selling Shareholders in the Offer, the shareholding of Ms. K. Suryanarayanamma one of the Selling Shareholders is as follows:

Sr. No.	Name	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
1.	Ms. K. Suryanarayanamma	6,062,160	6.83	[●]	[●]

7. As on the date of this Draft Red Herring Prospectus, our Company had 11 shareholders.

**8. Equity Shares held by the top 10 Shareholders:**

(a) Our top 10 Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) of Pre- Offer Capital
1.	Dr. K.V. Prasad	33,659,600	37.93
2.	Mr. K. Anand Kumar	21,610,940	24.35
3.	Mr. K. Arun Kumar	21,420,100	24.14
4.	Ms. K. Suryanarayanamma	6,062,160	6.83
5.	Ms. K. Nivedita	2,210,000	2.49
	Ms. K. Sruti	2,210,000	2.49
6.	Ms. K. Akanksha	390,000	0.44
	Mr. K. Jairam	390,000	0.44
	Ms. K. Priyamvada	390,000	0.44
	Ms. K. Sreshta	390,000	0.44
7.	Mr. C.S. Prasad	2,600	Negligible
	<b>Total</b>	<b>88,735,400</b>	<b>100.00</b>

(b) Our top 10 Shareholders and the number of Equity Shares held by them 10 days prior to filing of this Draft Red Herring Prospectus were as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) of Pre- Offer Capital
1.	Dr. K.V. Prasad	33,659,600	37.93
2.	Mr. K. Anand Kumar	21,610,940	24.35
3.	Mr. K. Arun Kumar	21,420,100	24.14
4.	Ms. K. Suryanarayanamma	6,062,160	6.83
5.	Ms. K. Nivedita	2,210,000	2.49
	Ms. K. Sruti	2,210,000	2.49
6.	Ms. K. Akanksha	390,000	0.44
	Mr. K. Jairam	390,000	0.44
	Ms. K. Priyamvada	390,000	0.44
	Ms. K. Sreshta	390,000	0.44
7.	Mr. C.S. Prasad	2,600	Negligible
	<b>Total</b>	<b>88,735,400</b>	<b>100.00</b>

- (c) Our top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus were as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares Held	Percentage (%) Equity Share Capital
1.	Dr. K.V. Prasad	1,461,500	42.82
2.	Mr. K. Anand Kumar	786,190	23.04
3.	Mr. K. Arun Kumar	778,850	22.82
4.	Ms. K. Suryanarayanamma	233,160	6.83
5.	Mr. Giridhara Gopal	123,200	3.61
6.	Mr. D. Venkateswara Rao	20,000	0.59
7.	Mr. Hitesh Chenchu Ram	10,000	0.29
	<b>Total</b>	<b>3,412,900</b>	<b>100.00</b>

9. Except for 85,322,500 Equity Shares allotted on December 30, 2017 by way of a Bonus Issue, our Company has not issued any Equity Shares in the last two years preceding the date of filing of this Draft Red Herring Prospectus.
10. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares from any person.
11. As on the date of filing of this Draft Red Herring Prospectus, the BRLMs or their respective associates, determined as per the definition of 'associate company' under Companies Act, 2013, do not hold any Equity Shares. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiary, for which they may in the future receive customary compensation.
12. Our Company has not issued any Equity Shares out of revaluation reserves.
13. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.
14. As on the date of this Draft Red Herring Prospectus, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares.
15. Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of 7,000,000 Equity Shares for cash consideration aggregating to ₹ 1,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.
16. Other than the proposed Pre-IPO Placement, if any, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or refund of application monies.
17. Over-subscription to the extent of 10% of the Fresh Issue can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot while finalising the Basis of Allotment.
18. Neither our Promoter, nor any of the members of our Promoter Group, our Directors, or their immediate relatives have purchased or sold any securities of our Company or our Subsidiary, during a period of six months preceding the date of filing the Draft Red Herring Prospectus with SEBI. However, in the preceding six months from the date of filing of this Draft Red Herring Prospectus, one of our Promoters, Dr. K.V. Prasad, has been gifted Equity Shares by another member of the Promoter Group, and has himself gifted shares to other members of the Promoter Group. For details see, “– *Capital build-up of our Promoters' equity shareholding in our Company*” herein above.
19. Except for the sale of Equity Shares in the Offer by the Selling Shareholders, our Promoters and the members of our Promoter Group will not participate in the Offer. The Selling Shareholders are

collectively offering an aggregate of up to 12,600,000 Equity Shares for sale in the Offer. Other than such offer, the Selling Shareholders will not submit Bids, or otherwise participate in this Offer.

20. There have been no financing arrangements whereby the Promoter Group, the Directors or their relatives have financed the purchase of our Equity Shares by any other person other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
21. In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion). Such number of Equity Shares representing 5% of the QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation, in accordance with the SEBI ICDR Regulations, to Retail Individual Investors, subject to valid Bids being received at or above the Offer Price. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.
22. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
23. There have been no allotments of Equity Shares of our Company pursuant to any schemes approved under Sections 391 to 394 of the Companies Act, 1956.
24. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories.
25. The Equity Shares allotted and/or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.
26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
27. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
28. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Selling Shareholders, our Subsidiary, the Directors, the Promoters or the members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

- 29.** Our Company has not made any public issue or rights issue of any kind or class of securities in the last ten years.
- 30.** Except as disclosed in “- *History of Equity Share Capital of our Company*” hereinabove, our Company has not issued any Equity Shares in the last one year preceding the date of filing of this Draft Red Herring Prospectus, which may have been issued at a price that is lower than the Offer Price.
- 31.** Our Company shall comply with such disclosures and accounting norms as may be specified by SEBI from time to time.
- 32.** As on the date of this DRHP, our Company does not have any existing employee stock option scheme or plan.



## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 3,000 million by our Company and an Offer for Sale of up to 12,600,000 Equity Shares, aggregating up to ₹[●] million by the Selling Shareholders.

### Offer for Sale

Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Other than the listing fees (which shall be borne by our Company), all expenses in relation to the Offer will be shared among our Company and the Selling Shareholders in proportion to the Equity Shares being offered or sold by them, respectively, pursuant to the Offer and in accordance with applicable laws. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer.

### Fresh Issue

The Net Proceeds from the Fresh Issue will be utilised towards the following objects:

1. Setting up of a new shrimp processing unit;
2. Setting up of a new aqua-feed mill facility;
3. Setting up of a new corporate office;
4. Repayment / Pre-payment, in full or part, of certain indebtedness; and
5. General corporate purposes.

The main objects and the objects ancillary to the main objects of our MoA enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which funds are being raised by us through the Offer; and (iii) activities undertaken for which loans were raised and which are proposed to be pre-paid from the Net Proceeds.

### Requirement of Funds

The details of the proceeds of the Offer are summarised in the table below:

S. No.	Particulars	Amount* (In ₹ million)
(a)	Gross proceeds of the Offer	[●]
(b)	Less: Proceeds of the Offer for Sale	[●]
(c)	Less: Offer Expenses to be borne by the Company**	[●]
(d)	Net Proceeds of the Fresh Issue (“Net Proceeds”)	[●]
	<b>Total</b>	[●]

\* To be finalized upon determination of Offer Price.

\*\* Other than the listing fees (which shall be borne by our Company), all expenses in relation to the Offer will be shared among our Company and the Selling Shareholders in proportion to the Equity Shares being offered or sold by them, respectively, pursuant to the Offer and in accordance with applicable laws. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer.

## Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Particulars	Amount (In ₹ million)
Setting up of a new shrimp processing unit	920.00
Setting up of a new aqua-feed mill facility	430.00
Setting up of a new corporate office	90.00
Repayment / Pre-payment in full or in part of certain indebtedness of our Company	589.80
General corporate purposes	[●]*
<b>Total Net Proceeds</b>	<b>[●]</b>

*\* To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the ROC. The amount shall not exceed 25% of the gross proceeds of the Fresh Issue.*

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the BRLMs or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Further, given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay some of its existing borrowings / take additional borrowings prior to Allotment. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management.

In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals.

## Means of Finance

We propose to fund the requirements of the objects detailed above entirely from the Net Proceeds. Accordingly, Paragraph VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue) does not apply.

We operate in a highly competitive and dynamic industry and may have to revise our estimates from time to time on account of changes in external circumstances or costs, or changes in other financial conditions, business or strategy. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements may be financed through our internal accruals and/or incremental debt, as required.

Certain of the activities proposed to be financed out of the Net Proceeds are already underway and are currently being funded out of our internal accruals, which shall be replenished subsequently by the resources mobilised from the Net Proceeds. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, due to any reason, the same shall be utilized (in part or full) in the subsequent period as may be determined by our Company, in accordance with applicable law. If the actual utilization towards any of the objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required, and general corporate purposes, to the extent that the total amount to be utilized towards the general corporate purposes will not exceed 25% of the Gross Proceeds of the Fresh Issue in compliance with the SEBI ICDR Regulations. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

## Schedule of Implementation and Deployment of Funds

The Net Proceeds are currently expected to be deployed in accordance with the schedule as stated below:

(In ₹ million)

Sr. No.	Particulars	Total estimated cost	Amount to be funded from the Net Proceeds	Amount deployed till February 19, 2018*	Estimated Utilisation	
					Financial Year 2019	Financial Year 2020
1.	Setting up of a new shrimp processing unit	920.00	920.00	31.95	657.16	230.89
2.	Setting up of a new aqua-feed mill facility	430.00	430.00	32.50	397.50	-
3.	Setting up of a new corporate office	90.00	90.00	34.93	55.07	-
4.	Repayment / Pre-payment in full or in part of certain indebtedness of our Company	589.80	589.80	-	589.80	-
5.	General corporate purposes**	[●]	[●]	-	[●]	[●]
<b>Total</b>		[●]	[●]	99.38	[●]	[●]

\* As certified by our Statutory Auditor by way of their certificate dated February 19, 2018.

\*\* The amount utilised towards general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

### Details of the Objects of the Fresh Issue

#### 1. Setting up of a new shrimp processing unit.

With a view to expand our processing capacity, we intend to utilize ₹ 920 million from the Net Proceeds to set up a new shrimp processing unit with a proposed capacity of 12,155 MTPA at Nellimarla Mandal, Vizianagaram District in Andhra Pradesh with capabilities for Ready-to-cook and Ready-to-eat products. The new facility will enable us in expanding our range of high-value added products.

The following table provides the estimated expenses related to setting up a new processing facility:

Sl. No.	Particulars	Total estimated cost (In ₹ million)
(i)	Land	109.92
(ii)	Buildings & civil works	288.46
(iii)	Plant & machinery	469.35
(iv)	Contingency expenses	52.27
<b>Total</b>		<b>920.00</b>

#### i. Land

The total area of land required for the proposed shrimp processing facility is estimated to be approximately 51.13 acres.

The following are the details of the land acquired / proposed to be acquired by us:

The Company has entered into an agreement to sale with seven vendors namely Janapala Suresh, Sana Swapna, Pydi Prudhvi Raj, Pydi Srinivasa Rao, Pydi Sujatha, Pydi Appadu Dora and Janapala Sravani on February 16, 2018 for land admeasuring 51 acres and 13 cents (approximately) situated at Mandal – Nellimarla, District - Vizianagaram against the total consideration of ₹ 109.92 million excluding registration fee. Pursuant to the agreement to sale dated February 16, 2018, the Company has paid ₹ 31.95

million to the vendors towards the part payment for acquisition of the land and the balance ₹ 77.97 million shall be paid within five months from the date of the agreement. Post payment of the balance amount, the vendors have agreed to enter into a sale deed in respect of the said land.

## ii. Buildings and civil works

The building and civil works includes construction of factory building of approximately 11,658 sq. mts. including ground plus two floors, cold storage, laboratory, roads, quarters block, canteen, overhead tank, rest areas, compound wall etc. In relation to the same, we have received a quotation from Sphurthi Entrepreneurs & Technocrats by way a letter dated on February 17, 2018 for an estimated cost of approximately ₹ 288.46 million, the summary of which is as follows:

Sl. No.	Particulars	Amount* (In ₹ million)
1.	Buildings and civil works (main factory buildings and non-factory buildings)	205.06
2.	Infrastructure (including internal roads, toilets, canteen, electrical works and deposits to authorities)	83.40
<b>Total</b>		<b>288.46</b>

*\*Unless otherwise specified, the charges towards, taxation, freight, handling and packaging have been included in the cost.*

## iii. Plant & machinery

We propose to utilise ₹469.33 million towards purchase of plant and machinery which includes among others. We are yet to place orders for plant and machinery. We have received quotations from various vendors for the estimated cost of approximately ₹469.33 million, the summary of which (including approximate units to be purchased or acquired, to the extent applicable) is as follows:

### A. Imported plant & machinery

Description	Date of quotation	Supplier	Indicative quantity	Unit cost in Foreign Currency (in USD)*	Unit cost (In ₹ million)	Total amount (In ₹ million)**
Freezing Equipment (IQF & Freezing plates )	December 27, 2017.	Glory Co. Ltd	2	603,500	39.23	78.46
Panels with Double Tongue and Groove Joint	January 18, 2018.	Emirates Industrial Panel	-	834,650	-	54.25
Crown Double Deep Reach Truck (together with battery and charger)	February 8, 2018.	Godrej & Boyce Manufacturing Company Limited	3	31,540	2.59	7.62
Evaporating condensers	January 24, 2018.	Evapco	4	44,700	2.91	11.64
<b>Total (A1)</b>						<b>151.97</b>
Description	Date of quotation	Supplier	Indicative quantity	Unit cost in Foreign Currency (in ₹)*	Unit cost (In ₹ million)	Total amount (In ₹ million)*
Steam cooker and pre cooker	January 8, 2018.	Cabinplant A/s	1	156,300	12.50	12.50
Ammonia Pumps	December 28, 2017.	Hermatic Pumps Singapore Pte. Ltd.	-	38,770	-	3.10

Description	Date of quotation	Supplier	Indicative quantity	Unit cost in Foreign Currency (in USD)*	Unit cost (In ₹ million)	Total amount (In ₹ million)**
Condensing Units for Frozen Stores	January 24, 2018.	Southern Refrigeration Systems Pvt. Ltd	-	140,196	-	11.21
<b>Total (A2)</b>						<b>26.81</b>
Description	Date of quotation	Supplier	Indicative quantity	Unit cost in Foreign Currency (in ¥)*	Unit cost (In ₹ million)	Total amount (In ₹ million)*
Metal detector system (including installation charges)	January 4, 2018.	Ishida India Pvt. Ltd.	1	1,975,389	1.21	1.21
Multi Head Weigher System (including installation charges)	January 14, 2018.	Ishida India Pvt. Ltd.	-	32,440,000	-	19.84
<b>Total (A3)</b>						<b>21.05</b>
<b>Total (A)</b>						<b>199.83</b>

\* Amounts have been converted at an exchange rate of ₹ 65.00 per USD, ₹ 80.00 per Euro and ¥ 0.60 per Rupee.

\*\* Unless otherwise specified, the charges towards, taxation, freight, handling and packaging have been included in the cost.

#### B. Domestic plant & machinery

Description	Date of quotation	Supplier	Indicative quantity	Unit cost (In ₹ million)*	Total amount (In ₹ million)*
SS items (including table top stands, foot rests, trolleys, grading machines, soaking table and block section)	December 27, 2017.	Jeya Industries and Engineerings Private Limited	-	-	37.82
Control Panels, refrigerant piping and installation	January 24, 2018.	Southern Refrigeration	-	-	18.67
SS drain	January 24, 2018.	Indian Fisheries Process Equipments	-	-	3.10
Pressure Vessels for Refrigeration systems	January 5, 2018.	Sacred Heart Refrigeration and Engg. Works	-	-	2.89
Screw Compressor Packages	January 24, 2018.	Frick India Limited	2	17.71	35.42
500 KVA Generators	January 8, 2018.	Abhishek Power Systems	5	2.89	14.46
Video Jet Batch Coding printer	January 6, 2018.	Videojet Technologies (I) Pvt Ltd	2	0.53	1.06
Printing Conveyor – 0.5 HP motor	January 7, 2018.	LR Industries	2	0.24	0.47
Laboratory general Items	January 9, 2018.	Amaravati Scientific	-	-	0.06
Laboratory Equipment	January 9, 2018.	Hari Scientific	-	-	0.62

Description	Date of quotation	Supplier	Indicative quantity	Unit cost (In ₹ million)*	Total amount (In ₹ million)*
Media & Chemical Items	February 8, 2018.	Pavan Surgical Systems	-	-	0.15
Water treatment plant	January 3, 2018. .	A & M Technologies	-	-	5.78
RO system	January 3, 2018. .	A & M Technologies	-	-	4.93
Boiler	January 3, 2018.	A & M Technologies	1	0.99	0.99
Crates	January 5, 2018.	Supreme Industries Ltd	-	-	3.76
Electronic Weighing Machines	January 3, 2018.	Essae Teraoka Pvt. Ltd	-	-	1.72
Wooden Pallets	January 9, 2018.	D'Cruz & Stanes	3,600	-	3.93
Plastic Pallets	January 11, 2018. .	Nilkamal Limited	100	-	0.55
ICU Trucks	January 5, 2018.	Vishnu Carriers	20	1.59	31.78
Insulated Sandwich Containers	January 6, 2018.	Suraksha Transport Systems	20	0.46	9.20
Valves	January 5, 2018. ,	PM Refrigeration Pvt Ltd	-	-	10.25
VFD Modules	January 18, 2018. .	ABB India Limited	-	-	4.51
Techno – Transformer	January 18, 2018.	PETE – Hammond Power Solutions Pvt Ltd	2	3.25	6.49
Flake Ice Maker – 25TPD Capacity	January 8, 2018.	Push Engineering Pvt. Ltd.	3	1.57	4.70
Tube Ice Maker – 40TPD Capacity	January 8, 2018.	Chirag Ice Factory Pvt. Ltd.	3	4.42	13.25
MCC and PLC Panel	January 17, 2018. .	Vinayak Automation	-	-	7.00
Ice maker for Pre Processing area	January 4, 2018. .	Omega Ice Hill	1	8.71	8.71
HT Yard	January 6, 2018. .	Mahesh Electrical Engineering Works	-	-	8.72
Electrical Cables	January 6, 2018.	Mahesh Electrical Engineering Works	1	4.27	4.27
Metaflex doors (together with installation cost)	January 22, 2018.	Metaflex Doors India Limited	-	-	12.60
Centrifuge with buckets and bench mixer	February 8, 2018	Febris Life Sciences	1	0.90	0.90
Dicromat	October 24, 2017.	Febris life Sciences	1	0.83	1.43
Moisture analyser			1	0.29	
Accupoint Advanced Reader			1	0.24	
Accupoint Advanced Sampler			1	0.02	
Accupoint Advanced Sampler			1	0.02	
Clean Do swabs			1	0.03	
Rack storage	January 27, 2018.	Godrej & Boyce Manufacturing Company Limited	-	-	9.33

Description	Date of quotation	Supplier	Indicative quantity	Unit cost (In ₹ million)*	Total amount (In ₹ million)*
<b>(B) Total</b>					<b>269.52</b>
<b>(C) Grand Total = (A) + (B)</b>					<b>469.35</b>

\* Unless otherwise specified, the charges towards, taxation, freight, handling and packaging have been included in the cost.

(1) Including travelling charges and salaries for technicians for erection and after service sales

(2) Including erection and commissioning charges

#### iv. Contingency expenses

We have estimated our contingency expenses in relation to the setting up of the new shrimp processing unit to be ₹ 52.29 million, which is 5.68% of the estimated cost of the new shrimp processing unit.

## 2. Setting up of a new aqua-feed mill facility.

With a view to enhancing the ingredients available for production of high quality shrimp, we intend to utilize ₹ 430.00 million from the Net Proceeds to set up a new aqua-feed mill facility with a proposed capacity of 33,600 MTPA at Pollapalli Village, Palakole Mandal, West Godavari District in Andhra Pradesh. We aim to leverage our existing procurement network and relationships to establish our sales network as we enter into the aqua-feeds business. We intend to initially market the produce from the aforesaid aqua-feed mill to the farmers that comprise our procurement network, including in particular, the farmers with whom we have entered into contract-farming arrangements. We believe that by successfully establishing a presence in the aqua-feeds business, we will achieve indirect backward integration by ensuring a presence in two key activities in the aquaculture-based processing value chain.

The following table provides the estimated expenses related to setting up a new aqua-feed mill facility:

Sl. No.	Particulars	Total estimated cost (In ₹ million)
(i)	Land	80.00
(ii)	Buildings & civil works	182.94
(iii)	Plant & machinery	148.48
(iv)	Contingency expenses	18.58
<b>Total</b>		<b>430.00</b>

#### i. Land

The total area of land required for the proposed aqua-feed mill facility is estimated to be approximately 13.90 acres.

The following are the details of the land acquired / proposed to be acquired by us:

The Company proposes to acquire land (together with certain existing sheds, buildings and warehouses) situated at Mandal – Palakole, District – West Godavari for the proposed project. The Company has entered into an agreement to sale with Maharaja Paper Industries Private Limited (“MPIPL”) on November 27, 2017 for land admeasuring 13 acres and 90 cents against the total consideration of ₹ 80 million excluding registration fee. Pursuant to the agreement to sale dated November 27, 2017, the Company has paid ₹ 32.50 million to MPIPL towards the part payment for acquisition of the land and the balance ₹ 47.50 million shall be paid on or before April 7, 2018. Post payment of the balance amount, MPIPL have agreed to enter into a sale deed in respect of the said land.

#### ii. Buildings and civil works

The building and civil works includes construction of factory building of approximately 6,197 sq. mts. including ground plus two floors, compound wall etc. In relation to the same, we have received a quotation from Sphurthi Entrepreneurs & Technocrats by way a letter dated January 27, 2018 for an estimated cost of approximately ₹ 182.94 million, the summary of which is as follows:

Sl. No.	Particulars	Amount* (In ₹ million)
1.	Buildings and civil works	110.70
2.	Infrastructure (including internal roads, boiler chimney bottom and deposit for electrical connections)	72.24
<b>Total</b>		<b>182.94</b>

\* Unless otherwise specified, the charges towards, taxation, freight, handling and packaging have been included in the cost.

### iii. Plant & machinery

We propose to utilise ₹ 148.48 million towards purchase of plant and machinery which includes among others, pellet mill systems, boilers and generators. We are yet to place orders for plant and machinery. We have received quotations from various vendors for the estimated cost of approximately ₹ 148.48 million, the summary of which is as follows:

Description	Date of quotation	Supplier	Indicative quantity	Unit cost	Total amount (In ₹ million)*
PM – 53F Pellet Mill System	December 29, 2017.	IDAH Co. Ltd.	1	US\$ 1,600,000**	122.72
Machine Erection	January 6, 2018.	Sri Sai Engineering Works	-	₹ 15,000,000	15.00
Boiler	December 22, 2017.	Thermax	1	₹ 3,175,000	3.84
Generator 750 KVA	January 19, 2018	Abhishek Powers Systems	1	₹ 5,428,000	5.43
Generator 250 KVA	January 19, 2018	Abhishek Powers Systems	1	₹ 1,486,800	1.49
<b>Total</b>					<b>148.48</b>

\* Unless otherwise specified, the charges towards, taxation, freight, handling and packaging have been included in the cost

\*\* Amount has been converted at an exchange rate of ₹ 65.00 per USD.

### iv. Contingency expenses

We have estimated our contingency expenses in relation to the setting up of the new aqua-feed mill facility to be ₹ 18.58 million, which is 4.32% of the estimated cost of the new aqua-feed mill facility.

### 3. Setting up of a new corporate office.

Our existing corporate office is located at D.No-7-5-108/1, Plot No. 62 & 67, IInd Floor, Pandurangpuram, Vishakhapatnam – 530 003, Andhra Pradesh. With a view to having greater operational efficiencies and housing of an expanding work force, we propose to set-up a new corporate office in Vishakhapatnam.

The total cost towards land, building and civil works, and furniture and fixtures has been estimated based on the certificate dated January 31, 2018 from Satya Associates. The following table depicts the break-down of the estimated expenses related to setting up of our new corporate office at Vishakhapatnam:

Sl. No.	Particulars	Total estimated cost (In ₹ million)
1.	Land with stamp duty (444 sq. yards and 389 sq. yards as per agreement to sell)	34.92
2.	Building and civil works	44.08
3.	Furniture and fixtures	4.50



Sl. No.	Particulars	Total estimated cost (In ₹ million)
4.	Contingency	6.50
	<b>Total</b>	<b>90.00</b>

As per the certificate of our Statutory Auditors dated February 19, 2018, our Company has deployed ₹ 34.93 million towards the purchase of land for our new corporate office.

#### *Land*

The total area of land required for the proposed corporate office is estimated to be approximately 0.17 acres. The following are the details of the land acquired by our Company:

Sl. No.	Interest	Description of the Property	Salient Features
1.	Freehold	<b>Location:</b> Land admeasuring 0.09 acres, plot no: 401 and 401 A, survey no. 139/1, 141/1, 143/2 and 156/1 Chinagadili Village within the limits of Greater Visakhapatnam Municipal Corporation.	<b>Document:</b> Sale Deed dated June 5, 2017  <b>Vendors:</b> 1. Patchala Srinivasa Rao 2. Nadimpalli Venkata Surya Kumari and 3. Lakshmikara Avula  <b>Vendee:</b> M/s. Sandhya Marines Limited  <b>Consideration:</b> ₹ 12.92 million (including Stamp duty and registration charges)
2.	Freehold	<b>Location:</b> Land admeasuring 0.08 acres, plot no: 402, survey no. 139/1, 141/1, 143/2 and 156/1 Chinagadili Village within the limits of Greater Visakhapatnam Municipal Corporation.	<b>Document:</b> Sale Deed dated November 11, 2017  <b>Vendors:</b> Alluri Venkata Ramana  <b>Vendee:</b> M/s. Sandhya Marines Limited  <b>Consideration:</b> ₹ 21.50 million (including Stamp duty and registration charges)

#### *Buildings & civil works*

As per the certificate dated January 31, 2018, Satya Associates, Chartered Engineers, have certified the estimated cost to be incurred towards construction of the corporate office as follows:

Sl. No.	Particulars	Amount* (In ₹ million)
1	Buildings and civil works	40.67
2	Infrastructure	3.41
	<b>Total</b>	<b>44.08</b>

*\* Unless otherwise specified, the charges towards, taxation, freight, handling and packaging have been included in the cost*

#### *Furniture and fixtures*

Our Company would be incurring an amount of ₹ 4.50 million towards furniture and fixtures.

## Contingency expenses

Our Company has estimated contingency expenses toward construction of corporate office is ₹ 6.50 million, which is 7.22% of the estimated cost of the new corporate office.

### 4. Repayment / Pre-payment in full or in part of certain indebtedness of our Company.

Our Company has entered into various financing arrangements with banks which include term loans for the purpose of financing capital expenditure and working capital requirements which are secured in nature. As on January 31, 2018, the aggregate amount of borrowings outstanding on a standalone basis, under our various financing arrangements was ₹702.89 million, comprising of fund based borrowings which includes term loans of ₹22.91 million, vehicle loans of ₹22.23 million and working capital loans of ₹566.89 million and comprising of non-fund based borrowings of ₹90.86 million. For details of our indebtedness, see “*Financial Indebtedness*” and “*Financial Statements*” on pages 336 and 190, respectively.

We intend to utilize up to ₹ 589.80 million from the Net Proceeds towards repayment/prepayment in full or part, of certain such loans, availed by our company. We believe such repayment or prepayment of the loan facilities will reduce our debt to equity ratio and our finance costs. This would also improve our ability to raise further resources in the future to fund our potential business development opportunities.

Brief details of the terms of the loan facilities which have been identified for repayment/prepayment out of the Net Proceeds are set out below.

#### A. Term loan of ₹ 25 million availed from HDFC Bank Limited

Our Company has availed term loan facilities from HDFC Bank Limited aggregating to a total of ₹ 25.00 million pursuant to a sanction letter dated March 23, 2017 and the loan agreement dated March 28, 2017. The relevant terms of the facility are set out below

Particulars	Details
Amount Sanctioned	₹ 25.00 million
Purpose	To finance for setting up of Integrated Cold Chain Project under the Scheme of Integrated Cold Chain and Value Addition Infrastructure
Tenor	Repayable in 12 quarterly instalments with 6 months moratorium
Interest Rate	7.95% per annum
Prepayment Penalty	As mutually agreed between HDFC Bank Limited and Company
Amount outstanding as of January 31, 2018	₹22.91 million

#### B. Packing credit and Foreign bills Negotiation/Purchase/Discounting facilities amounting to ₹ 750 million availed from Union Bank of India

Our Company has availed term loan facilities from Union Bank of India aggregating to a total of ₹ 750.00 million pursuant to a sanction letter dated December 5, 2017 and the loan agreement dated December 30, 2017. The relevant terms of the facility are set out below

Particulars	Details
Amount Sanctioned	Packing Credit Loan of ₹ 350.00 million and FDBP Loan of ₹ 400.00 million
Purpose	Working Capital
Tenor	Repayable on demand
Interest Rate	1 YMCLR + 0.15
Prepayment Penalty	-
Amount outstanding as of January 31, 2018	₹460.78 million

#### C. Packing Credit Foreign Currency Loan of ₹ 150 million availed from Yes Bank Limited

Our Company has availed over draft facility from Yes Bank Limited aggregating to a total of ₹ 150.00 million pursuant to an original facility letter dated February 26, 2016, the addendum facility letter dated May 23, 2016

and the master loan agreement dated February 29, 2016. The relevant terms of the facility are set out below

Particulars	Details
Amount Sanctioned	₹ 150.00 million
Purpose	Working Capital Loan
Tenor	Repayable on demand
Interest Rate	LIBOR + 0.9%
Prepayment Penalty	-
Amount outstanding as of January 31, 2018	₹106.11 million

As per the certificate dated February 12, 2018 issued by our Statutory Auditors, the amounts drawn down under above-mentioned loans have been utilized towards purposes for which such loans have been sanctioned.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts under the loan facilities identified above may vary from time to time. In addition, we may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from existing facilities. In such cases, we may utilize the Net Proceeds towards repayment/ pre-payment of such additional indebtedness which will be selected based on various commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, any conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings, receipt of consents for pre-payment from the respective lenders and applicable law governing such borrowings.

Some of our loan agreements provide for the levy of pre-payment penalties or premiums. We will take such provisions into consideration while deciding the loans to be pre-paid from the Net Proceeds. Payment of such prepayment penalty, if any, shall be out of the Net Proceeds or internal accruals of our Company.

## 5. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

### Offer expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of the Offer include, among others, listing fees, underwriting and lead management fees, selling commissions, SCSBs' commissions/ fees, printing and distribution expenses, advertisement expenses and legal fees and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses for the Offer, except for listing fees (which shall be paid by our Company), shall be shared amongst the Selling Shareholders and our Company, in proportion to the Equity Shares being offered by them in the Offer for Sale.

The estimated break-up of the Offer expenses are as follows:

Activity	Estimated expenses*	As a % of the total estimated Offer expenses*	As a % of the total Offer size*
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Brokerage and selling commission payable to Syndicate Members and	[●]	[●]	[●]

Activity	Estimated expenses*	As a % of the total estimated Offer expenses*	As a % of the total Offer size*
SCSB, Registered Brokers, RTAs and CDPs**			
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs*	[●]	[●]	[●]
Others (listing fees, legal fees, SEBI and Stock Exchanges processing fees, etc.)	[●]	[●]	[●]
<b>Total Estimated Expenses</b>	[●]	[●]	[●]

\* Will be incorporated at the time of filing of the Prospectus.

\*\* Shall be finalized prior to filing of the Red Herring Prospectus.

Any payments made by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale in the Offer.

### Deployment of Funds

The details of the amount spent by our Company as of February 19, 2018 towards the Objects of the Issue and as certified by P. Lakshmana Rao & Co., Chartered Accountants, our Statutory Auditors, vide certificate dated February 19, 2018 are provided in the table below:

*(In ₹ million)*

Deployment of Funds	Amount
Advance for Purchase of Land for setting up of Processing Plant	31.95
Advance for Purchase of Land for setting up of Feed Facility	32.50
Purchase of Land for Corporate Office	34.93
Issue Related Expenses	3.22
<b>Total</b>	<b>102.61</b>

*(In ₹ million)*

Sources of Funds	Amount
Internal Accruals	102.61
<b>Total</b>	<b>102.61</b>

### Interim use of proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including any other short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds.

### Monitoring Utilization of Funds

In terms of Regulation 16 of the SEBI ICDR Regulations, we propose to appoint a monitoring agency to monitor the utilization of the Net Proceeds prior to the filing of the Red Herring Prospectus with the RoC. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet

for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

### **Variation in Objects of the Offer**

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of Chapter VI A of the SEBI ICDR Regulations.

### **Appraising Agency**

None of the Objects of the Offer for which the Net Proceeds will be utilized have been appraised by any agency.

### **Other Confirmations**

No second-hand machinery or material is proposed to be purchased from the Net Proceeds. Further, all of the plant and machinery that is proposed to be purchased from the Net Proceeds will be in a ready-to use condition. We have not entered into any definitive agreements with the suppliers of such plant, machinery or material and there can be no assurance that the same suppliers would be engaged to eventually supply the plant, machinery and material at the same costs. The quantity of the plant, machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the plant, machinery and material at our existing and future projects, according to the business requirements of such projects, which are dynamic, which may evolve with the passage of time and based on the estimates of our management. Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or key managerial employees. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoters, Directors, Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the Offer. Further, we confirm that our Company, Promoters, members of our Promoter Group, and our Group Companies, are not related to the entities that have provided quotations for the purchase of capital equipment by our Company, as stated above.

## BASIS FOR OFFER PRICE

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections titled “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 140, 14 and 190, respectively, of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Established Reputation as a Supplier of Quality Seafood Products;
- Global Revenue Base with a Growing Presence in the US Market;
- Experienced Promoters and Management Team;
- Strategically Located Processing Facilities with Modern Equipment;
- Strong Procurement Network; and
- Track Record of Robust Financial Performance and Profitability.

For further details, see chapter titled “*Our Business*” on page 140 of this Draft Red Herring Prospectus.

### Quantitative Factors

Information presented in this section is derived from the Restated Consolidated Financial Statements and Restated Standalone Financial Statements prepared in accordance with the Indian GAAP, Companies Act and the SEBI ICDR Regulations.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Earnings Per Share (“EPS”) (as adjusted for changes in capital, if any):

Financial Year	Standalone		Consolidated	
	Basic and Diluted EPS (in ₹)	Weight	Basic and Diluted EPS (in ₹)	Weight
March 31, 2015	2.40	1	2.40	1
March 31, 2016	2.51	2	2.50	2
March 31, 2017	3.24	3	3.15	3
Weighted Average	2.86		2.81	
Nine Months ended December 31, 2017*	5.23		7.43	

\*Not Annualised

#### Note:

1. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding for the year.
2. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding for the year and potential Equity shares if any for diluted EPS.
3. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
4. Earnings per share calculations are in accordance with Accounting Standard 20 – Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014)
5. The face value of the Equity Share of the Company is ₹ 10 each.

6. The above statement should be read with significant accounting policies and notes on Restated Financial information as appearing in the Restated Financial Information.

## 2. Price / Earning (P/E) Ratio in relation to Offer Price of ₹ [●] per Equity Share:

Particulars	Standalone	Consolidated
a) P/E ratio based on basic EPS for the year ended March 31, 2017 at the lower end of the price band	[●]	[●]
b) P/E ratio based on diluted EPS for the year ended March 31, 2017 at the lower end of the price band	[●]	[●]
c) P/E ratio based on basic EPS for the year ended March 31, 2017 at the higher end of the price band	[●]	[●]
d) P/E ratio based on diluted EPS for the year ended March 31, 2017 at the higher end of the price band	[●]	[●]
<b>e) Industry P /E Multiple*</b>		
• Highest		122.27
• Lowest		51.13
• Industry Composite		87.19

\*The Industry high and low has been considered based on the standalone financials from the Industry Peer Set consisting of Apex Frozen Foods Limited, Avanti Feeds Limited, The Waterbase Limited and Zeal Aqua Limited. The Industry composite has been calculated as the arithmetic average standalone P/E of the Industry peer set provided below. For further details, please see "Comparison with Listed Industry Peers" provided below.

## 3. AVERAGE RETURN ON NET WORTH ("RoNW"):

Financial	Standalone		Consolidated	
	RoNW (%)	Weight	RoNW (%)	Weight
March 31, 2015	29.64	1	29.64	1
March 31, 2016	23.69	2	23.57	2
March 31, 2017	23.41	3	22.90	3
Weighted Average	24.54		24.25	
Nine Months ended December 31, 2017*	28.62		36.48	

\*Not Annualised

**Return on net worth (%)** = Profit after tax as restated \* 100 / Net worth at the end of the year / period i.e., March 31 of the respective years.

**Net Worth** = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss + Other Reserves created out of profits but does not include revaluation reserve.

## 4. Minimum return on increased net worth after the Offer required for maintaining pre-offer EPS at March 31, 2017

Particulars	At the Lower end of the Price Band		At the Higher end of the Price Band	
	Standalone	Consolidated	Standalone	Consolidated
Basic EPS (%)	[●]	[●]	[●]	[●]
Diluted EPS (%)	[●]	[●]	[●]	[●]

## 5. NET ASSET VALUE ("NAV") PER EQUITY SHARE:

Financial Year	Standalone	Consolidated
	NAV per share (in ₹)	NAV per share (in ₹)
March 31, 2017	13.85	13.74
Nine Months ended December 31, 2017	18.27	20.36

Financial Year	Standalone	Consolidated
	NAV per share (in ₹)	NAV per share (in ₹)
NAV after the Offer	[●]	[●]
Offer Price	[●]	[●]

*Net Asset Value per Equity Share = Net Worth as per the Restated Financial Information / Number of Equity Shares outstanding as at the end of year/period. Number of Shares for previous years have been adjusted with the Bonus shares issued on December 30, 2017*

## 6. PEER GROUP COMPARISON

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates i.e. aquaculture, whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Name of the Company	Standalone / Consolidated	Revenue from operations (in ₹ million)	Face Value (₹)	EPS (₹) ** (Basic)	P/E Ratio ***	RoNW (%) ****	NAV Per Share (₹) ****
<b>Peer Group*</b>							
Apex Frozen Foods Limited	Standalone^^	6,991.15	10	10.17	69.64	25.70	39.56
Avanti Feeds Limited	Standalone	26,541.90	2	43.01	56.11	34.37	125.14
	Consolidated	27,326.60	2	47.20	51.13	36.71	128.56
The Waterbase Limited^^	Standalone^^	3,215.51	10	3.00	105.72	10.33	29.03
<u>Zeal Aqua Limited</u>	Standalone^^	1,745.54	10	4.22	122.27	4.83	87.45
<b>The Company</b>							
Sandhya Marines Limited^	Standalone	3,999.42	10	3.24	[●]#	23.41	13.85
	Consolidated	5,220.43	10	3.15	[●]#	22.90	13.74

\*Source: Respective peer group company's annual reports for the financial year ended March 31, 2017 / regulatory filings with BSE

\*\*Basic earnings per share for peer group is based on the respective peer group company's annual report / regulatory filings with BSE for the financial year ended March 31, 2017.

\*\*\*The P/E figures for the peers is computed based on the closing price on the BSE website (available at [www.bseindia.com](http://www.bseindia.com)) as on February 23, 2018, divided by basic EPS based on the respective peer groups regulatory filings with the BSE Limited for the financial year ended March 31, 2017

\*\*\*\*The RONW and NAV per share for the peers have been computed based on the respective peer group company's annual report / regulatory filings with BSE for the financial year ended March 31, 2017 as follows:

*Return on net worth (%) = Net profit after tax \* 100 / Net worth at the end of the financial year i.e., March 31, 2017*

*Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year i.e., March 31, 2017*

*Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss + Other Reserves created out of profits but does not include revaluation reserve. The net worth is calculated as at March 31, 2017*

^ As adjusted for changes in capital



*^^ As per Ind AS Financials*

*^^^ The Peer Group Company has only one set of financials i.e. standalone financial statements*

*# Based on the Offer Price of ₹ [●], to be determined on conclusion of book building process and the basic EPS of our Company.*

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. Investor should read the above mentioned information along with the section titled “*Risk Factors*” on page 14 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled “*Financial Statements*” on page 190 of this Draft Red Herring Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled “*Risk Factors*” on page 14 of this Draft Red Herring Prospectus and an investor may lose all or part of his investment.

## STATEMENT OF SPECIAL TAX BENEFITS

To  
The Board of Directors  
**Sandhya Marines Limited**  
D.NO.7-5-108/1, Plot No.62 & 67  
IInd Floor, Pandurangapuram  
Visakhapatnam - 530 003  
Andhra Pradesh

**Re: Statement of possible tax benefits available to Sandhya Marines Limited (“the Company”) and its shareholders on proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) by the Company (the “Issue”) prepared in accordance with the requirement in Schedule VIII Part A – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended (“the Regulations”).**

Dear Sirs,

We, M/s P Lakshmana Rao & Co, the statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “**IT Act**”), and to the shareholders of the Company under the IT Act, presently in force in India, in the enclosed statement at **Annexure**.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure** is for your information and for inclusion in the draft red herring prospectus, the red herring prospectus and the prospectus “**Offer Documents**), as amended or supplemented thereto or any other written material in connection with the proposed Issue and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Statement.

This Statement is intended solely for your information and for the inclusion in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the proposed Issue by the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Sincerely,

**For M/s P. Lakshmana Rao & Co,**  
**Chartered Accountants**  
**Firm Registration No: 001826S**

**P. Lakshmana Rao**  
**Partner**  
**(Membership No. 024159)**

**Place: Visakhapatnam**  
**Date: February 12, 2018**

## **ANNEXURE TO STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

*Outlined below are the possible Special tax benefits available to the Company and its shareholders under the tax laws in force in India (i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.*

### **SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

#### **Tax holiday under section 80IB of the Income Tax Act**

The following specific tax benefits may be available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws on certain eligible projects / contracts:

In accordance with and subject to the conditions specified in Section 80-IB of the Act, the Company may be entitled for a deduction of profits or gains derived from any enterprise carrying on business of processing, preservation and packing of marine products for hundred per cent of the profits and gains derived for five assessment years and, thirty per cent of the profits and gains derived from the operation of such business in a manner that the total period of deduction does not exceed ten consecutive assessment years.

However, the aforesaid deduction is not available while computing Minimum Alternative Tax ('MAT') liability of the Company under Section 115JB of the Act. Nonetheless, such MAT paid/ payable on the adjusted book profits of the Company computed in terms of the provisions of Act, read with the Companies Act, 2013 would be eligible for credit against tax liability arising in succeeding years under normal provisions of Act as per Section 115JAA of the Act to the extent of the difference between the tax as per normal provisions of the Act and MAT in the year of set-off. Further, such credit would not be allowed to be carried forward and set off beyond 15 Assessment Years immediately succeeding the Assessment Year in which such credit becomes allowable.

### **SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY**

There are no Special tax benefits available to the shareholders of the Company.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information contained in this section is derived from “Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022” by IMARC, publicly available information, as well as government and industry publications and sources. Neither we, the BRLMs nor any other person connected with the Offer has independently verified this information.*

*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business”.*

#### **The Global Economy**

Global economic activity continues to firm up. Global output is estimated to have grown by 3.7 percent in 2017, which is 0.1 percentage point faster than projected in the fall and ½ percentage point higher than in 2016. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage point to 3.9 percent. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes. (**Source:** “World Economic Outlook Update, January 2018” by International Monetary Fund)

#### **The Indian Economy**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India’s GDP increased 7.1 per cent in 2016-17 and is expected to reach a growth rate of 7 per cent by September 2018.

India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus. The tax collection figures between April-June 2017 Quarter show an increase in Net Indirect taxes by 30.8 per cent and an increase in Net Direct Taxes by 24.79 per cent year-on-year, indicating a steady trend of healthy growth.

India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report. Moody’s upgraded India’s sovereign rating after 14 years to Baa2 with a stable economic outlook. India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF). The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19. (**Source:** Indian Brand Equity Foundation website at [www.ibef.org/economy/indian-economy-overview](http://www.ibef.org/economy/indian-economy-overview))

## The Global Shrimp Industry

### Overview

Shrimps are one of the most common and popular types of seafood consumed worldwide. The demand of shrimps has been high due to their nutritional value and health benefits as they are low in fat, high in protein and a moderate source of omega-3 fatty acids. The trend towards consumption of healthy and low-fat foods and the demand for marine proteins in both developed and developing countries are currently driving the growth of the shrimp market.

The consumption of shrimp is associated with numerous health benefits as they are high in calcium, iodine, vitamin D, vitamin B3, zinc, protein and omega-3s but low in saturated fat. In addition, they offer numerous health benefits such as improved bone and brain health, weight management, lowered risk of cardiovascular disease, relieved eye fatigue, lowered blood pressure and enhanced overall health. On account of these benefits, there is a high demand for shrimp across the world, particularly in China, which is known as the world's largest market for seafood. Although, seafood has always been a large part of the Chinese food culture, a rapidly burgeoning middle class is also contributing to the augmented consumption in the region.

The global shrimp production volume reached 4.35 Million Tons in 2016 growing at a CAGR of 2.95% during 2009-2016. In 2016, the market reached a volume of 4.35 Million Tons. This can be attributed to the easy availability of shrimps and their high nutritional content. The demand for shrimps has been growing significantly over the years as a result of the increasing health consciousness among consumers along with rising disposable incomes and improving standards of living.

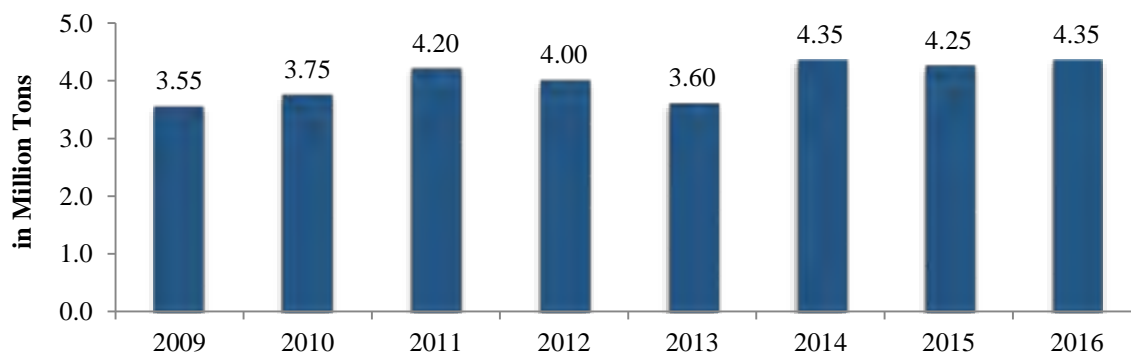
### Global: Shrimp Market: Key Industry Highlights, 2017 and 2022

Particulars	2017	2022	CAGR 2017-2022
Global Shrimp Market- Volume (in Million Tons)	4.50	5.60	4.50%
Global Shrimp Market- Value (in Billion US\$)	53.42	78.30	7.95%

Overall, the demand for shrimps is expected to remain steady during 2017-2022 exhibiting a CAGR of 4.50% and reaching a volume of 5.60 Million Tons by 2022.

The global farmed shrimp production has reached a volume of 4.35 Million Tons in 2016 growing at a CAGR of 2.95% during 2009-2016. The trend, however, remained quite fluctuating during the past five years as a result of the EMS disease (Early Mortality Syndrome) that originated in China in 2009. This decline was mainly in the markets of China, Thailand, Vietnam and Mexico.

### Global: Shrimp Market: Production Volume (in Million Tons), 2009-2016

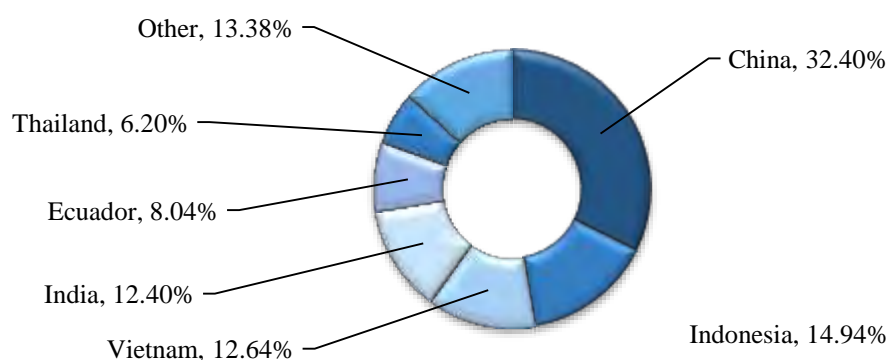


(Source: FAO and GOAL)

Note: The data is for Aquaculture Shrimp

In 2016, the global production of farmed shrimp was dominated by China that accounted for 32.40% of the total global production. China was followed by Indonesia (14.94%), Vietnam (12.64%), India (12.40%), Ecuador (8.04%) and Thailand (6.20%).

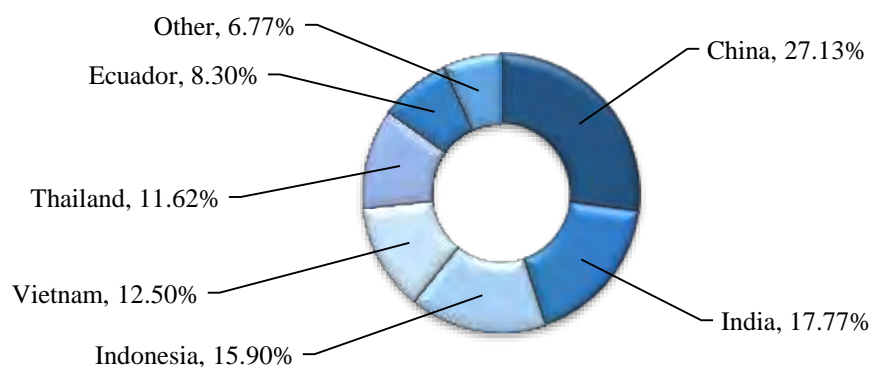
**Global: Shrimp Market: Breakup by Region (in %), 2016**



*Source: FAO and GOAL 2016*

In 2022, China is expected to remain the largest producer in the global farmed shrimp market, accounting for 27.13% of the overall production. China is expected to be followed by India (17.77%), Indonesia (15.90%), Vietnam (12.50%), Thailand (11.62%) and Ecuador (8.30%).

**Global: Shrimp Market: Breakup by Region (in %), 2022**



*(Source: IMARC Estimates)*

### **Major Shrimp Consuming Regions**

The United States of America has the highest per capita consumption of shrimp in the world. Shrimp is the most popular seafood accounting for around one-third of the total seafood consumption in the USA. Moreover, the United States currently represents the biggest importer of shrimp in the world. With the growing population, it is expected that the USA will maintain its per capita consumption of shrimp in the coming years.

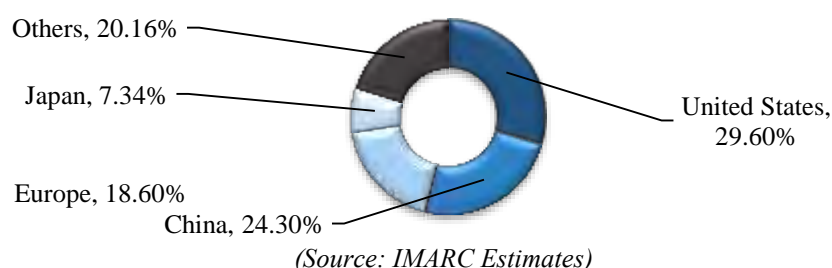
Japan once had the highest per capita consumption of shrimp but the trend has been declining over the past few years. Weak Japanese Yen, high prices of shrimp, rise in the consumption of meat and dairy products, are some of the factors which are expected to decline the per capita consumption of shrimp in Japan.

Europe is the third largest importer of shrimps in the world. The demand of shrimp in Europe is constantly increasing with the increasing health consciousness, rising awareness of health benefits of shrimp, growing population, etc. Since the shrimp and value-added shrimp are gaining popularity in Europe, the per capita consumption of shrimp is expected to increase in the coming years.

In 2016, China is the leading producer of shrimp and the also largest exporter of shrimp in the world. But the domestic shrimp consumption in China has increased at a rate 123% during 2005-2015. The consumption of shrimp is more in China than its production. This increasing trend of shrimp consumption in China is expected to grow in the coming years due to the growing economy, increasing disposable income, changing dietary habits, etc. With the booming demand of shrimps for the domestic consumption, China is expected to become the top importer of shrimp in the world in the coming years.

In 2016, the United States represented the largest consumer of shrimps, accounting for 29.60% of the overall shrimp market. The United States was followed by China (24.30%), Europe (18.60%) and Japan (7.34%).

**Global: Shrimp Market: Consumption Breakup by Country (in %), 2016**

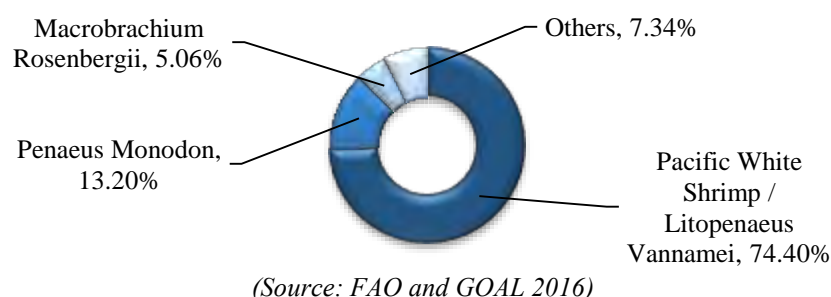


**Market Breakup by Species**

Based on species, the market is segmented into Pacific White Shrimp / *Litopenaeus Vannamei*, *Penaeus Monodon* (or Black Tiger Shrimp) and *Macrobrachium Rosenbergii*.

In 2016, Pacific White Shrimp / *Litopenaeus Vannamei* represented the species with the highest production accounting for 74.40% of the total global volumes. Pacific White Shrimp / *Litopenaeus Vannamei* was followed by *Penaeus Monodon* (or Black Tiger Shrimp) (13.20%), *Macrobrachium Rosenbergii* (5.06%) and other species (7.34%).

**Global: Shrimp Market: Production Breakup by Species (in %), 2016**

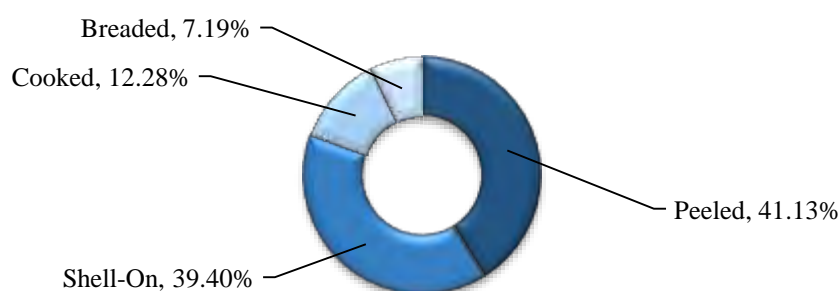


On the basis of sizes available, the market has been categorized into various segments such as <21, 21-25, 26-30, 31-40, 41-50, 51-60, 61-70 and >70.

**Imports of Processed Shrimp: Breakup by Type**

In 2016, peeled shrimp dominated the global imports market accounting for 41.13% of the total global imports. Peeled shrimps were followed by shell-on (39.40%), cooked (12.28%) and breaded (7.19%).

**Global: Shrimp Imports Market: Breakup by Processed Shrimp Type (in %), 2016**

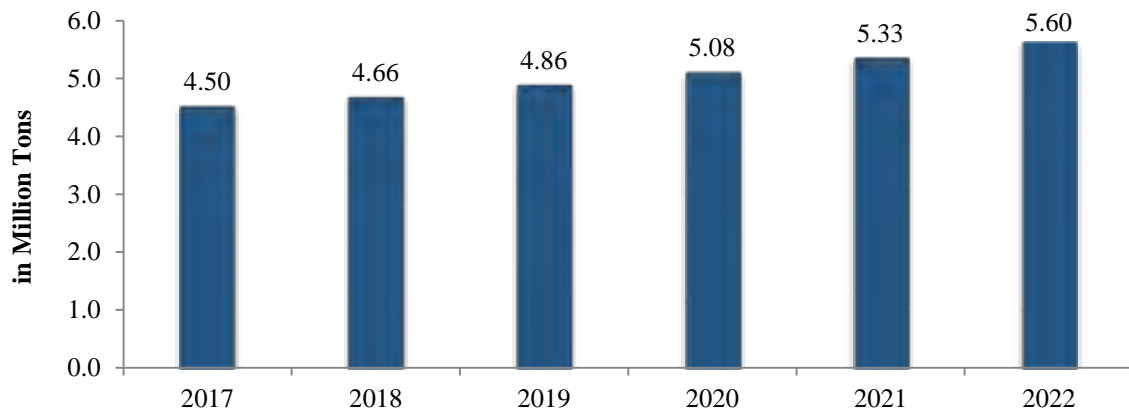


(Source: U.S Census and USDOC)

### Market Forecast

Looking forward, the global farmed shrimp production is expected to recover again in 2017 and grow continuously during the forecast period reaching a volume of 5.60 Million Tons by 2022, growing at a CAGR of 4.50% during 2017-2022.

**Global: Shrimp Market Forecast: Production Volume (in Million Tons), 2017-2022**



(Source: FAO, GOAL and IMARC Estimates)

### SWOT Analysis

#### Strengths

- **Health Benefits:** A major catalyst driving the demand of shrimps are its numerous health and nutritional benefits. Some of the health benefits associated with the shrimps have been provided below:
  - Shrimp contain astaxanthin, a carotenoid nutrients that can act as a potent antioxidant and protects skin from premature aging.
  - They are also loaded with selenium, which activates the enzymes needed for healthy muscle metabolism and also activates the enzymes that fight cancer growth.
  - They serve as an excellent source of carbohydrate free food which can lead to weight loss.
- **High Margins:** As a result of its strong demand and export potential, shrimp farming currently represents a high margin business for manufacturers. Our analysis find that average gross profits for manufacturers comes at around 21%-22%.
- **Product Variety:** Currently, shrimp of various species such as Pacific White Shrimp / *Litopenaeus Vannamei*, *penaeus Monodon* etc. are being produced by the shrimp farmers. Moreover, shrimps of these species are available in number of sizes such as 41-50, 51-60, 30-40, etc. Such vast presence of different kinds of shrimp caters to the taste and preferences of a large number of consumers.
- **Value Addition:** Shrimp manufacturers across the globe are adding several value added products to their product lines. These value added products are gaining popularity in several countries such as United States, Europe and Japan, thereby enhancing the existing consumer base of shrimps.

#### Weaknesses

- **High Entry and Exit Barrier:** The shrimp industry is a capital intensive industry often associated with high investments on plant and machinery. Such investments can run into millions of dollars. Moreover, manufacturers are also required to achieve economies of scale to remain profitable. This results in high entry and exit barriers for firms.
- **Infrastructure Challenges:** Shrimps are perishable in nature and their storage and transportation requires controlled temperatures. In order to preserve their quality and enhance their shelf life, shrimps require a



strong cold chain and road infrastructure. Major shrimp producing regions, however, currently lack the same. Insufficient cold chain infrastructure coupled with poor roads annually leads to significant losses for the shrimp industry. It is estimated that 20%-30% of the total fish production in these countries is wasted due to the lack of a proper infrastructure.

- **Seasonality of Raw Material:** Shrimp are seasonal in nature which lead the fisherman and companies to maintain a stock of shrimps at almost half of the inventory level. As the harvesting seasons are different for the different parts around the world, some shrimpers choose to import shrimps from other regions with greater abundance of shrimps.
- **Price Fluctuation:** The availability of shrimps in the market is largely dependent on climatic conditions of a country. The climate change can hamper the production of the shrimps. Additionally, poaching and cyclones constitute other impediments, simultaneously resulting in higher input costs. This create a negative impact on the operating margins of farmers.

### *Opportunities*

- **Strong Economic Growth and Rising Disposable Income in Shrimp Producing Regions:** Several shrimp producing regions such as China, India, etc. has been growing continuously over the past few decades leading to a continuous growth in both urban and rural disposable incomes in these countries. As the demand for seafood products is income elastic, a continuous increase in the number of consumers with higher disposable incomes is expected to create a positive impact on the growth of the shrimp processing industry in short term.
- **Government Initiatives in Major Shrimp Producing Countries:** The governments in major shrimp producing regions has acknowledged the seafood sector as a high priority industry and is currently promoting it with a number of fiscal reliefs and incentives. For instance, in India, government bodies such as MPEDA (Marine Products Exports Development Authority) is supporting shrimp culture through cluster farming approach. More than 10,000 farmers have been organized into aqua societies which help farmers access credit, quality seeds, feeds and other inputs, reducing the burden of diseases and improving product quality. Similar initiatives is also being taken in other countries such as Vietnam, Thailand, China, etc. This move is expected to attract new investors to invest in the shrimp industry.
- **Changing Dietary Habits in Untapped Markets:** The shrimp market has traditionally been an export oriented market in untapped market such as India with only a small share of the total production consumed domestically. Over the last few years, however, the domestic shrimp market in these countries has started booming up. The demand, which was largely metro-centric only a few years ago, is now spreading to tier-II and tier-III cities. With the high growth in disposable incomes, domestic consumption is expected to increase continuously in the near term.

### *Threats*

- **Unpredictable Production due to Climate Influence:** Shrimp farming sector has a low level of preparedness to meet the extreme climatic events. Natural disasters like typhoons have hit the shrimp aquaculture areas causing extensive damage to the hatcheries and farms. For example, Typhoons and cyclones caused serious damage to the farming industry in southern China in July, 2014 and in India in October, 2014.
- **Absence of Quality Control in Major Producing Countries:** Absence of the adequate infrastructure and internal quality controls has resulted in the production of poor quality shrimps. Industry requires the introduction of better techniques and management practices to reduce diseases and increase the domestic and export consumption.

### *Performance by Key Regions*

In 2016, the global production of farmed shrimp was dominated by China that accounted for 32.40% of the total global production. China was followed by Indonesia (14.94%), Vietnam (12.64%), India (12.40%), Ecuador (8.04%) and Thailand (6.20%). The market volumes during the forecast period have been provided in the table below:

**Global: Shrimp Market Forecast: Breakup by Region (in Million Tons), 2017-2022**

Major Shrimp Producing Region	2017	2018	2019	2020	2021	2022
China	1.43	1.45	1.46	1.48	1.50	1.52
Vietnam	0.57	0.60	0.62	0.65	0.67	0.70
India	0.60	0.67	0.74	0.81	0.90	1.00
Indonesia	0.69	0.72	0.76	0.80	0.85	0.89
Ecuador	0.37	0.38	0.40	0.42	0.44	0.46
Thailand	0.31	0.36	0.42	0.49	0.56	0.65

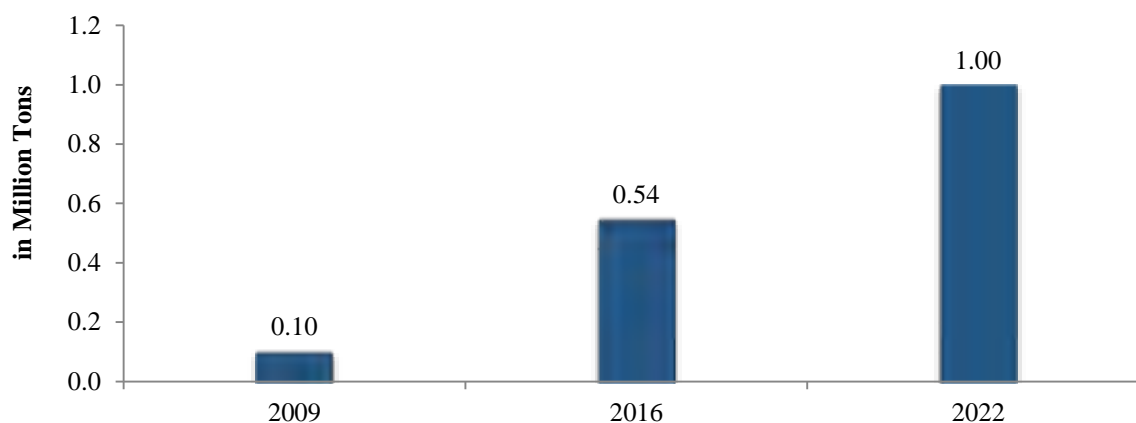
*(Source: IMARC Estimates)*

### India

In 2016, India represented the fourth-largest market for shrimps, accounting for a share of 12.40%. The market reached a production volume of 0.54 Million Tons in 2016, exhibiting a CAGR of 27.77% during 2009-2016. The market has benefitted from the rise in the demand for disease-free and healthy shrimp as the production in other major South Asian countries has been hit by diseases and increase in labour costs. In line with this, shrimp production in the country has increased over the past several years. India has now also come to represent the largest shrimp exporter to the US and European Union.

Looking forward, the shrimp production in India is expected to reach a volume of 1.00 Million Tons by 2022, growing at a CAGR of 10.82% during 2016-2022.

**India: Shrimp Market: Volume Trends (in Million Tons), 2009, 2016 and 2022**



*(Source: IMARC Estimates)*

### The Indian Shrimp Industry

#### Overview

India has emerged as one of the leading seafood suppliers in the world, due to a long coast line and favorable weather conditions. In India, there is a tradition of extensive culture of shrimp in large water bodies. According to a study, although the shrimp production potential is enormous for the country, around 12 lakh hectares available for brackish water, only 1.4 lakh hectares has been brought under shrimp cultivation.

**India: Area Under Aquaculture Production: Present Status and Future Potential**

Sr. No.	State	Estimated Potential Brackish Water Area (in Ha)	Area Under Culture (in Ha), 2015-16	Area Under Culture (in %), 2015-16	Expected Area Under Culture by 2022-23 (in Ha)	Area Under Culture (in %), 2022-23
1	West Bengal	4,05,000	58,285	14.39%	87,994	21.73%
2	Gujarat	3,76,000	4,552	1.21%	7,834	2.08%

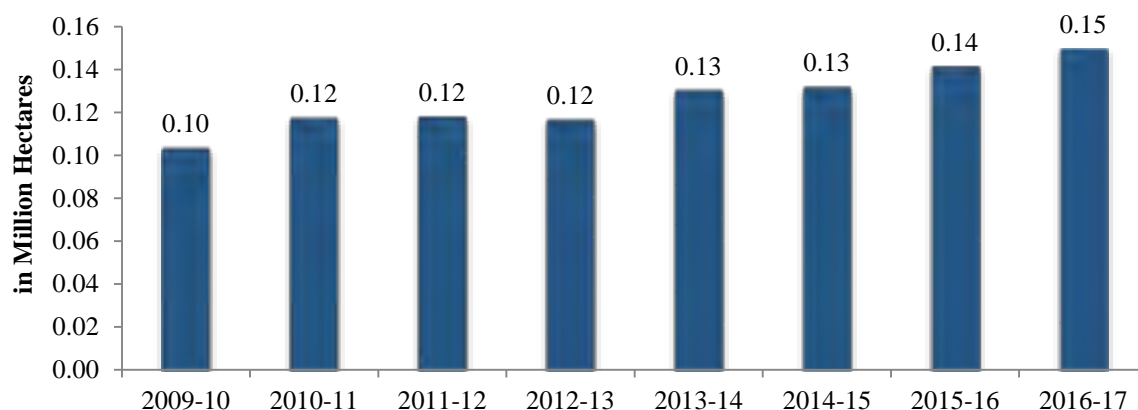
Sr. No.	State	Estimated Potential Brackish Water Area (in Ha)	Area Under Culture (in Ha), 2015-16	Area Under Culture (in %), 2015-16	Expected Area Under Culture by 2022-23 (in Ha)	Area Under Culture (in %), 2022-23
3	Andhra Pradesh	1,50,000	42,462	28.31%	61,274	40.85%
4	Maharashtra	80,000	1,413	1.77%	2,360	2.95%
5	Kerala	65,000	12,622	19.42%	11,765	18.10%
6	Tamil Nadu	56,000	8,263	14.76%	14,559	26.00%
7	Orissa	31,600	10,778	34.11%	17,878	56.58%
8	Goa	18,500	10	0.05%	9	0.05%
9	Karnataka	8,000	2,281	28.51%	2,903	36.29%
	<b>Total</b>	<b>11,90,100</b>	<b>1,40,666</b>	<b>11.82%</b>	<b>2,06,576</b>	<b>17.36%</b>

(Source: MPEDA, Primary Research and IMARC Estimates)

#### **Area under Shrimp Cultivation: Current and Historical Market Trends**

The figure below gives the historical statistics of the land area developed for shrimp culture in India. During 2009-10 to 2016-17, the total area under cultivation has increased at a CAGR of 5.47% and reached 0.15 Million Hectares in 2016-17.

#### **India: Shrimp Production: Area under Shrimp Cultivation (in Million Hectares), 2009-10 to 2016-17**



(Source: MPEDA and IMARC Estimates)

#### **Shrimp Industry as a Part of Seafood Market**

India is one of the largest exporters of shrimp in the world. The trend of high prices for shrimp, globally, in recent years have helped in making the industry more lucrative. In the total Indian exports of seafoods, frozen shrimp represented the largest category. Frozen shrimps contributed for 40% of the marine export volumes and nearly 66% in the export values. The frozen shrimp Indian exports in 2016-17 were valued at US\$ 2.9 Billion. This represented a CAGR of 18.6% during 2009-10 and 2016-17.

#### **India: Frozen Shrimp Market: Export Volumes and Values, 2009-10 - 2016-17**

Type	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Quantity in Tons	130,553	151,465	189,125	228,620	301,435	357,505	373,866	389,106
Value in Billion US\$	0.88	1.26	1.74	1.80	3.21	3.71	3.10	2.90

(Source: MPEDA)

## Market Overview

### India: Shrimp Market: Key Industry Highlights, 2017-18 and 2022-23

Particulars	2017-18	2022-23	CAGR 2017-18 to 2022-23
India Shrimp Market- Volume (in Million Tons)	0.60	1.00	10.61%
India Shrimp Market- Value (in Billion US\$)	3.06	5.79	13.62%

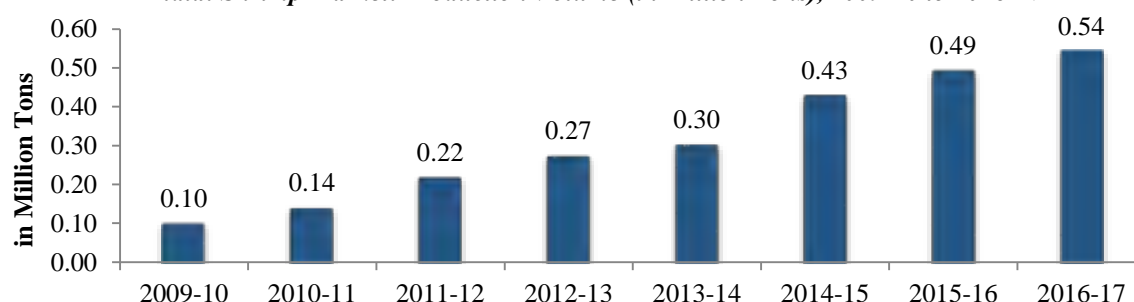
Major Shrimp Producing States	Share in 2016-17 (in %)
Andhra Pradesh	60.34%
West Bengal	14.58%
Tamil Nadu & Pondicherry	9.17%
Gujarat	7.13%
Orissa	6.02%
Maharashtra	1.63%

## Market Performance

In 2016-17, India's shrimp production reached volume of 0.54 Million Tons growing at a CAGR of around 27.77% during 2009-10 to 2016-17. The following factors have driven this market during the last few years:

- Price of Post Larvae's has dropped by 50%.
- Weather is a key factor in India, as shrimp farming is concentrated in a 500-mile area along coast.
- Strong dollar value, lower fuel and other input costs in India have been proved to be beneficial to the farmers.
- Increase in large scale processing facilities for the production of value added items has helped in achieving a significant growth in the shrimp aquaculture industry in India.

### India: Shrimp Market: Production Volume (in Million Tons), 2009-10 to 2016-17

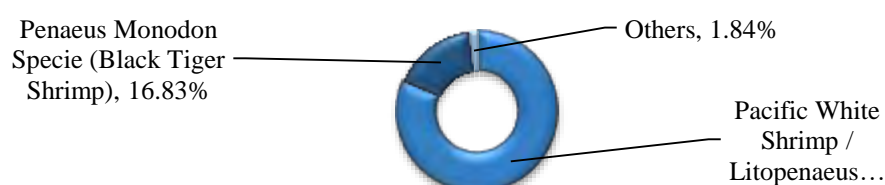


(Source: MPEDA, FAO and IMARC Estimates)

## Market Breakup by Species

India historically used to farm mainly the *Penaeus Monodon* (or Black Tiger Shrimp) specie, which has higher production costs but lower yields than Pacific White Shrimp / *Litopenaeus Vannamei* specie. India started farming Pacific White Shrimp / *Litopenaeus Vannamei* species in 2009 following stiff competition from the countries like Thailand and China in the global market. In 2016-17, Pacific White Shrimp / *Litopenaeus Vannamei* specie production accounted for 81.33% of the total country's production. Around 16.83% was accounted by the *Penaeus Monodon* (Black Tiger Shrimp) specie.

### India: Shrimp Market: Production Breakup by Species (in %), 2016-17

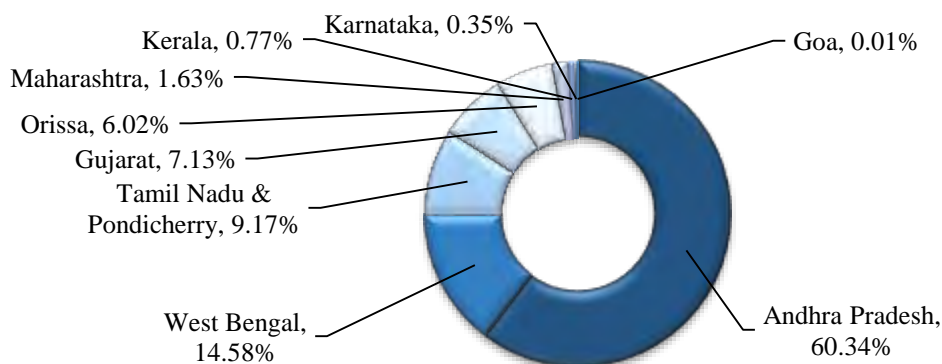


(Source: MPEDA)

### **Market Breakup by States**

Andhra Pradesh dominates in the shrimp production in the country with 60.34% share in the total production. Andhra Pradesh was followed by West Bengal (14.58%), Tamil Nadu & Pondicherry (9.17%), Gujarat (7.13%), Orissa (6.02%) and Maharashtra (1.63%).

**India: Shrimp Market: Production Breakup by States (in %), 2016-17**

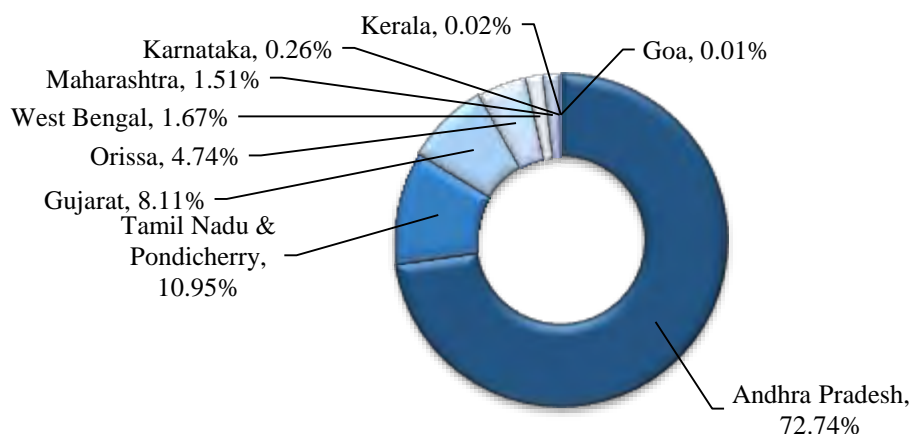


(Source: MPEDA and IMARC Estimates)

### **Pacific White Shrimp / Litopenaeus Vannamei Production by States**

In India, Andhra Pradesh is the state with the largest Pacific White Shrimp / Litopenaeus Vannamei specie production accounting for 72.74% of the total country's production. Andhra Pradesh was followed by Tamil Nadu & Pondicherry (10.95%), Gujarat (8.11%), Orissa (4.74%) and West Bengal (1.67%).

**India: Pacific White Shrimp / Litopenaeus Vannamei Shrimp Market: Production Breakup by State (in %), 2016-17**



(Source: MPEDA)

### **Anti-dumping Duty and Duty-drawback on Indian Shrimp Exports**

The table below gives the anti-dumping margin imposed on shrimp exports in USA:

**Shrimp Export Market: Anti-dumping Duty Imposed in USA on Imported Frozen Warm water Shrimp**

Sr. No.	Country	Anti-Dumping Duty Margin (in %)
1.	Thailand	0.81%
2.	India	0.84%

Sr. No.	Country	Anti-Dumping Duty Margin (in %)
3.	Vietnam	25.76%
4.	China	112.81%

(Source: US Government)

The seafood industry is a highly regulated industry. Various accreditations and certifications (viz. Hazard Analysis Critical Control Point (HACCP) approvals, British Retail Consortium (BRC) and Best Aquaculture Practices (BAP) certifications) are mandatorily to be obtained by shrimp processing units to enable themselves to export the products to various global markets. Countries, particularly, USA and European Union have stringent quality requirements and the manufacturing facilities of indigenous units have to be approved by the respective authorities of the countries.

#### ***Duty Drawback on Shrimps in India***

As per the latest notification issued by the Ministry of Finance, Government of India (w.e.f. 1st October, 2017), the duty drawback on shrimp products has been provided in the table below:

#### **India: Duty Drawback on Shrimp Product**

Sr.No.	Tariff Item	Description	Unit	Drawback Rate	Drawback cap per unit in Rs.
1.	030601	Shrimp/prawn in frozen form other than Accelerated Freeze Dried (AFD)	Kg	2.7%	21.6
2.	030602	Accelerated Freeze Dried (AFD) shrimp /prawn	Kg	2.1%	57.2

(Source: Government of India)

#### ***Reward Rate for Shrimp Industry under Merchandise Exports from India Scheme (MEIS)***

The latest reward rate for shrimp industry under merchandise exports from India scheme published by the ministry of commerce and industry under Appendix 3B has been provided in the table below:

#### ***India: Shrimp Industry: Reward Rate Under MEIS***

Sr.No.	HS Code	ITC (HS) Code	Description	MEIS-Reward Rate (in %)		
				Country Group A	Country Group B	Country Group C
<b>1.</b>	<b>030616</b>		<b>Coldwater shrimps and prawns (Pandalus spp, Crangon crangon)</b>			
a)		03061610	Accelerated Freeze Dried(Afd)	5	5	5
b)		03061690	Other	5	5	5
<b>2.</b>	<b>030617</b>		<b>Other shrimps and prawns:</b>			
a)		03061711	Accelerated Freeze Dried(Afd)	5	5	5
b)		03061719	Other Scampi	5	5	5
c)		03061790	Other Shrimps And Prawns	5	5	5
<b>3.</b>	<b>030626</b>		<b>Coldwater shrimps and prawns (Pandalus spp, Crangon crangon)</b>			
a)		03062600	Cold-Water Shrimps And Prawns (Pandalus Spp., Crangon Crangon)	5	5	5
<b>4.</b>	<b>030627</b>		<b>Other shrimps and prawns</b>			
		03062710	Powdered	5	5	5
<b>5.</b>	<b>16052</b>		<b>Shrimps and prawns</b>			
	160521		Not in airtight container			

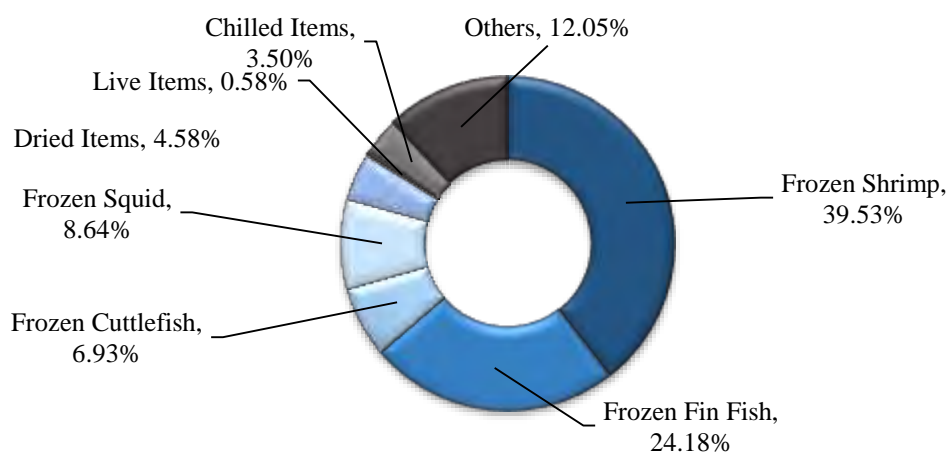
Sr.No.	HS Code	ITC (HS) Code	Description	MEIS-Reward Rate (in %)		
				Country Group A	Country Group B	Country Group C
		16052100	Not In Airtight Container	5	5	5
	160529		Other			
		16052900	Other Shrimps And Prawns	5	5	5

(Source: Ministry of Commerce and Industry, Government of India)

#### **Indian Marine Exports: Breakup by Product Type**

In 2015-16, frozen shrimps dominated the total marine products exports from India and accounted for 39.53% of the total export volumes. Frozen shrimp was followed by Frozen Fin Fish (24.18%), Frozen Cuttlefish (6.93%) and Dried Items (8.64%).

#### **India: Marine Exports Market: Breakup by Product Type (in %), 2015-16**

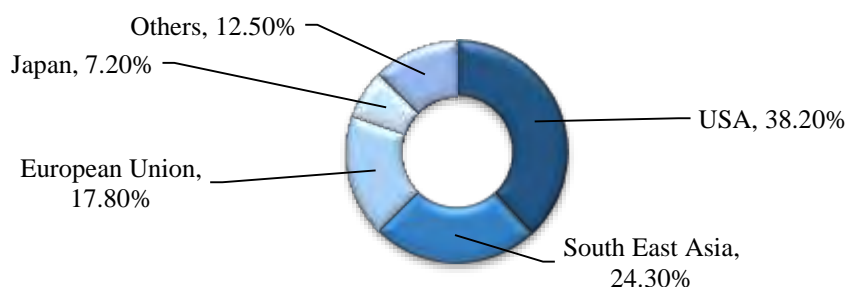


(Source: MPEDA)

#### **Indian Shrimps Exports: Breakup by Country**

India is a primary source of frozen shrimps for the United States market that accounted for 38.20% share in the total export volumes in 2016-17. The United States was followed by the South-East Asia (24.30%), European Union (17.80%) and Japan (7.20%).

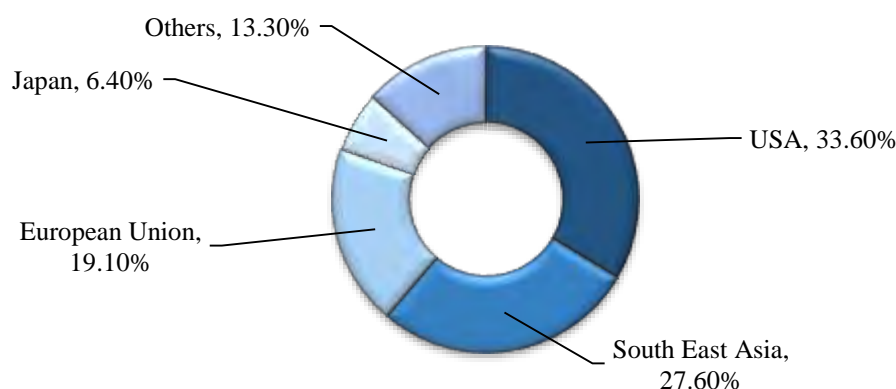
#### **India: Frozen Shrimp Market: Export Volume Breakup by Country (in %), 2016-17**



(Source: USDA)

By 2022-23, the United States is expected to remain the largest importer of shrimp from India, accounting for 33.60% of the overall exports from India. The United States is expected to be followed by South-east Asia (27.60%), European Union (19.10%) and Japan (6.40%).

**India: Frozen Shrimp Market Forecast: Export Volume Breakup by Country (in %), 2022-23**



(Source: IMARC Estimates)

**India: Frozen Shrimp Exports: Export Breakup by Country (in Tons), 2016-17 and 2022-23**

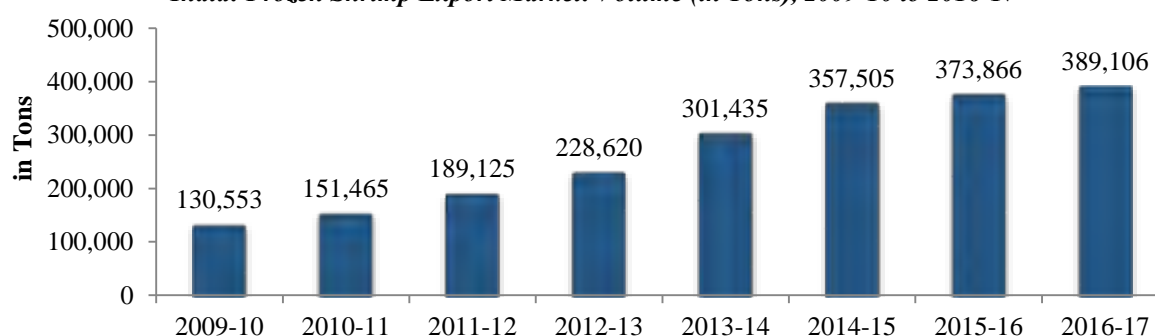
Country	Quantity (in Tons), 2016-17	Quantity (in Tons), 2022-23
United States	148,638	263,564
South-East Asia	94,553	216,499
European Union	69,261	149,824
Japan	28,016	50,203

(Source: USDA and IMARC Estimates)

**Indian Frozen Shrimp Exports Market**

The Indian frozen shrimp exports market reached a volume 389,106 Tons in 2016 growing at a CAGR of 16.88% during 2009-10 to 2016-17. By 2022-23, the Indian frozen shrimp exports are expected to reach a volume of 784,418 Tons.

**India: Frozen Shrimp Export Market: Volume (in Tons), 2009-10 to 2016-17**



(Source: MPEDA and IMARC Estimates)

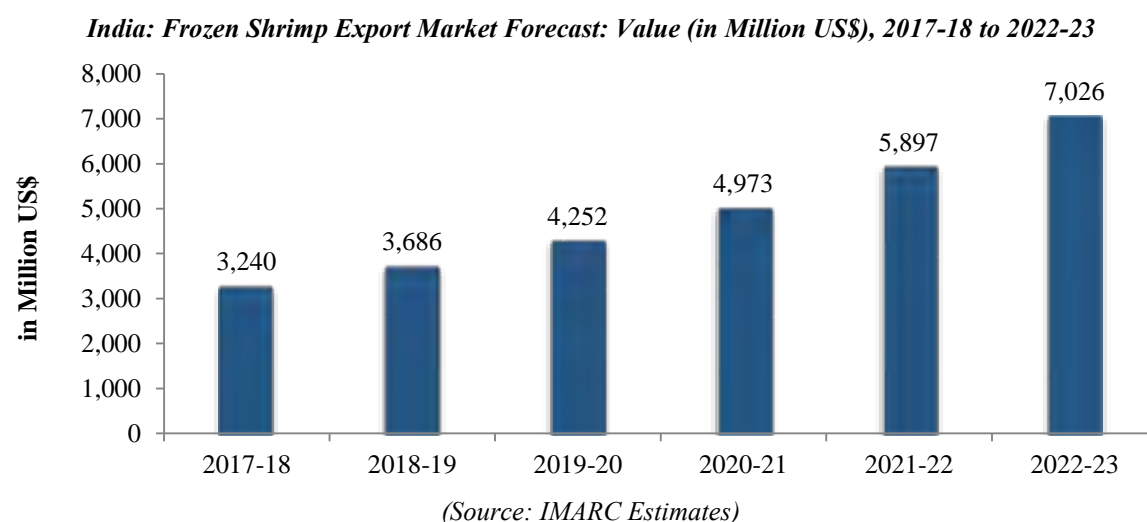
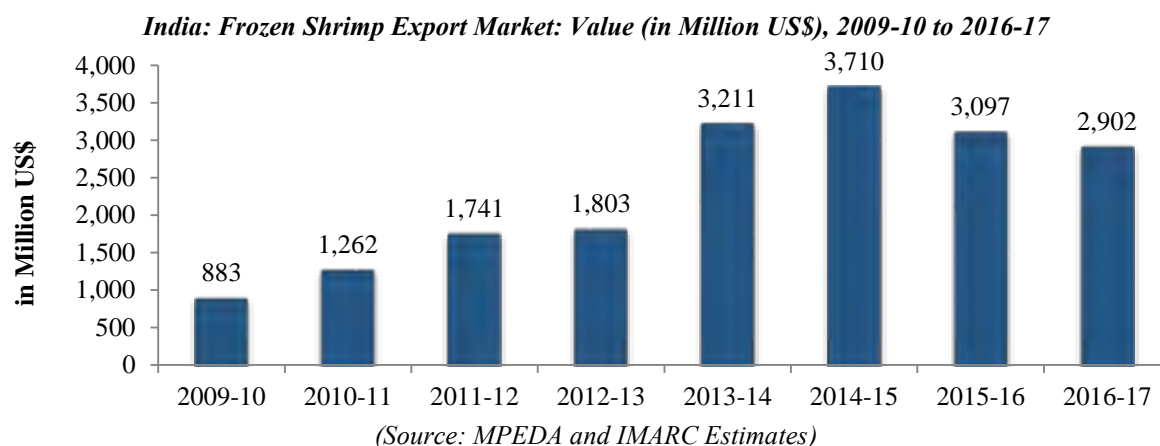
**India: Frozen Shrimp Export Market Forecast: Volume (in Tons), 2017-18 to 2022-23**



(Source: IMARC Estimates)

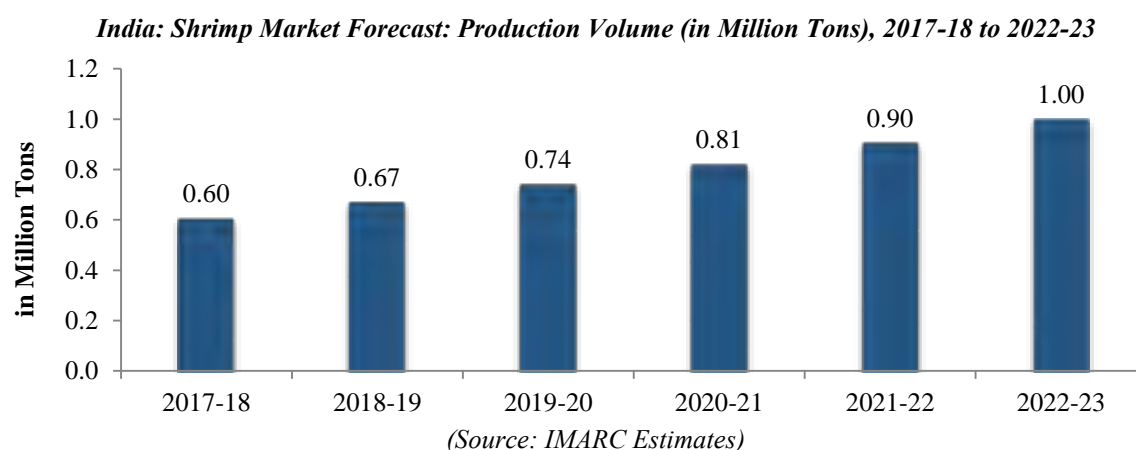


The Indian frozen shrimp exports market reached a value of US\$ 2,902 Million in 2016-17, growing at a CAGR of 18.5% during 2009-10 to 2016-17. By 2022-23, the Indian frozen shrimp exports are expected to reach a value of US\$ 7,026 Million.



### Market Forecast

Looking forward, the Indian shrimp production is expected to grow at a CAGR of around 10.61% during 2017-18 to 2022-23, reaching 1.00 Million Tons by 2022-23. The shrimp processing industry in India is currently export oriented, but with changing dietary patterns, increasing disposable incomes and growth in the retail industry, the domestic sales are also expected to increase in the coming years.



### ***Andhra Pradesh Shrimp Market***

In 2016-17, the total shrimp production in Andhra Pradesh has reached a volume of 326,099 tons, growing at a CAGR of 31.13% during 2008-09 to 2016-17. High margin in the industry and initiatives by the state government are some of the major factors catalyzing the growth of shrimp production in the state.

The state government, over the past few years, has made the registration procedure easy for aqua ponds, which has significantly reduced the time for getting permissions for digging ponds. This has resulted in many farmers, especially in Nellore, East and West Godavari districts, coming forward to convert their agriculture fields into aqua ponds. Moreover, some of the big and experienced farmers in aqua field are also making huge investments in the sector and purchasing the agriculture lands to convert aqua ponds. For instance, in Konaseema area, there are owners of nearly 500 acres of agriculture fields who are ready to switch to aqua cultures.

#### **India: Andhra Pradesh Shrimp Market: Area Under Culture and Production, 2008-09 – 2016-17**

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Area Under Culture (Ha)	46,475	36,841	45,658	42,887	35,266	52,366	40,445	42,462	45,209
Production (in Tons)	37,292	42,951	66,631	126,941	159,089	213,543	279,727	300,278	326,099

(Source: MPEDA and IMARC Estimates)

Note: \*Includes area under cultivation for Scampi as well.

#### ***India: Andhra Pradesh Shrimp Market: Area Under Culture and Production, 2017-18 to 2022-23***

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Area Under Culture (Ha)	47,921	50,602	53,314	56,021	58,697	61,274
Production (in Tons)	355,446	388,984	427,097	471,372	522,021	580,625

(Source: IMARC Estimates)

Note: \*Includes area under cultivation for Scampi as well.

### ***Pacific White Shrimp / Litopenaeus Vannamei Market***

The introduction of Pacific White Shrimp / Litopenaeus Vannamei in 2009 spurred growth in shrimp production during the last few years and displaced sales of the other major shrimp species, tiger shrimp (Penaeus Monodon). Farming of tiger shrimp declined once it was found to be susceptible to disease.

In 2016-17, the production of Pacific White Shrimp / Litopenaeus Vannamei rose to around 320,140 Tons, which was 98 percent of the total shrimp production in Andhra Pradesh. The Vannamei species is preferred due to its superior traits such as fast growth rate, disease resistance, lower feed requirements, and higher survival rate.

#### ***India: Andhra Pradesh Pacific White Shrimp / Litopenaeus Vannamei Shrimp Market: Area under Culture and Production, 2008-09 to 2016-17***

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Area Under Culture (Ha)	-	264	2,739	7,128	20,198	49,764	37,560	39,800	42,108
Production (in Tons)	-	1,655	16,913	75,385	133,135	210,639	276,077	295,332	320,140

(Source: MPEDA and IMARC Estimates)

#### ***India: Andhra Pradesh Pacific White Shrimp / Litopenaeus Vannamei Market: Area Under Culture and Production, 2017-18 to 2022-23***

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Area Under Culture (Ha)	44,382	46,601	48,838	51,036	53,179	55,200
Production (in Tons)	348,632	381,404	418,781	462,335	512,267	570,153

(Source: IMARC Estimates)

### ***Initiatives by Government of Andhra Pradesh***

The Government of Andhra Pradesh has identified the Fisheries sector as a Growth Engine for social economic development of the new State of Andhra Pradesh. The Vision 2029 Programme promotes the rational exploitation and utilization of the State's fishery resources in a manner consistent with the overall goal of sustainable development. In this context a comprehensive fisheries policy is indispensable and therefore the Government of Andhra Pradesh has considered it necessary to specifically to undertake a Fisheries Policy with a view to determining the nature and scope of current priorities; the role and contribution of the Fisheries Sector to meet

these priorities; the strengths; potentials and constraints of the sector and the requirements to make the sector more responsive to the current demands on it.

The Government of Andhra Pradesh accords top priority to Fisheries Development and its intervention for marine, brackish water, Inland fisheries, reservoirs development and ornamental fishery trade, with a view to enhance the fish production to 42 lakh tones in the next five years from the present level of 19.64 lakh tones and to double the exports value from the present level of about ₹ 16,000 Crores.

Under the Fisheries Policy 2015-2020, the Government approved the following fiscal benefits covering the categories of (a) Processing Units (b) Aquaculture Pond/ Farm (c ) Feed Manufacturing Units/Fishery related Equipment Manufacturing (d) Aqua Labs/ Disease Diagnostic Labs Promotion.

#### *Processing Units*

- For shrimp processing units including cold chain maintenance, Capital subsidy of 50% inclusive of land cost with upper ceiling limit of ₹ 5 crores, will be provided. The cost of land should not exceed 15% of the total project cost on sub-registrar value.
- Interest subvention of 6% will be provided on bank loan subject to maximum of ₹ 2.5 Crores for 5 year period to aqua processing units, ice plants and cold storages.
- Reefer vans: For purchase of Reefer vans, a subsidy of 50% with maximum of ₹ 10.00 Lakhs per vehicle will be provided from 2016-17 onwards.
- Cold storage at ports/ Fishing harbours with subsidy will be permitted on par with industrial policy.
- Aquaculture processing units will be incentivized by providing 100% stamp duty exemption in land registration/lease of land/, mortgage deed/Bank documentation/ Hypothecation etc.
- Power subsidy will also be permitted to fish/prawn/shrimp processing unit and ice plants from the date of commencement of commercial production and will be on par with industrial policy from 2016-17.

#### *Aquaculture Ponds/Farms*

- Financial assistance will be extended for farm mechanization like pumps and aerators with 50% subsidy. Solar pumps, solar lights and solar based aerators will be given on 60% subsidy to the prawn and shrimp farms up to maximum of 2 ha per farmer per annum.
- Scale of finance by banks will be as per reasonable requirement for pond culture.
- All subsidy schemes of Government of India/ Government of Andhra Pradesh/ NFDB/ MPEDA will also be accessed appropriately.
- Power will be supplied to Shrimp and Prawn culture farms at Rs.3.75 ps/ unit for a maximum of 2 hectares per aqua-farmers/ shrimp farmers from the year 2016-17.

#### *Feed Manufacturing Units/fishery related equipment manufacturing*

- Incentives will be provided to feed manufacturing units, aerator manufacturing, fish processing equipment on par with industrial policy.
- Interest subvention of 6% per annum up to a maximum of ₹ 2.00 Crores will be provided to the Fish Feed Manufacturing units only for Five Years. This policy will be reviewed after one year.

#### *Aqua Labs/Disease diagnostics lab Promotion*

- All private labs in the State will be graded under technical supervision of State Institute of Fisheries technology (SIFT), Kakinada. SIFT will act as State referral lab for all private labs. The technicians of

these labs will be continuously monitored to upgrade their skills as per the technical requirements of Aquaculture sector.

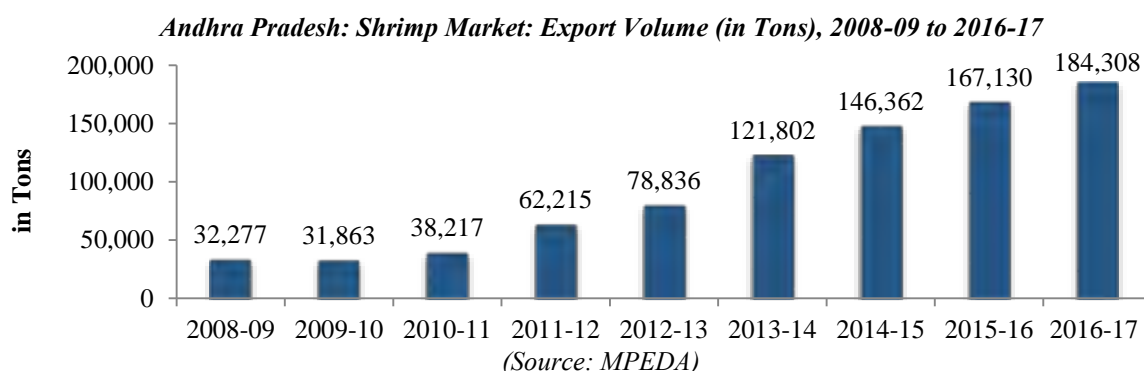
- Water and soil analysis labs will be promoted in all major aquaculture districts for conducive water management. One lab for every 500 ha area is proposed with a unit cost of maximum of Rs.10.00 lakhs. The financial assistance of 50 % on the unit cost will be extended by Government and the balance of 50% to be borne by the concerned entrepreneur/ stakeholder.
- Quality control / Antibiotic residue testing labs will be promoted through private sector in the districts of East Godavari, Krishna and Prakasam. The unit cost of the lab will be ₹ 2.00 Crores of which the Government assistance will be 40%.

#### ***Tax Concession***

- For micro & small enterprises, 100% of net VAT/CST/SGST will be reimbursed for a period of 5 years from the date of commencement of commercial production.
- For medium industries, 75% of net VAT/CST/SGST will be reimbursed for a period of 7 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- For large Industry unit, 50% of net VAT/CST or SGST will be reimbursed for a period of 7 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- Government of India provides 100% deduction in expenditure (This deduction is allowed only for the investment made in the previous year and prior to commencement of its operations) for setting up and operating a cold chain facility.
- Government of India also provides 100% tax exemption for the first 5 years' of operation, and after that, at the rate of 25% of the profits being exempted from tax (30% in case of a company) for new units engaged in processing of marine products.

#### ***Exports from Andhra Pradesh***

In 2016-17, shrimp exports from Andhra Pradesh reached a volume of 184,308 tons, growing at a CAGR of 24.33% during 2008-09 to 2016-17.



#### ***Major Exporters***

In 2017, Sandhya Marines and its group of companies (one of the leading exporters from India) together accounted for around 4.9% of the total Andhra Pradesh shrimp export volumes. Out of the total Indian export volumes, the share of the company was 2.3%.

## The Indian Shrimp Feed Industry

The Indian shrimp feed market reached a consumption volume of 799,190 Tons and production volume of 750,000 Tons in 2016-17, growing at a CAGR of 18.25% and 16.86% respectively at during 2009-10 to 2016-17. In consumption value terms, the Indian shrimp feed market reached a value of US\$ 799 Million exhibiting a CAGR of 23.7% during 2009-10 to 2016-17. In production value terms, the Indian shrimp feed market reached a value of US\$ 641 Million exhibiting a CAGR of 21.35% during 2009-10 to 2016-17. The price of shrimp feed in Indian market grew at a CAGR of 4.08% during 2009-10 to 2016-17, reaching a value of US\$ 1.00 per kg in 2016-17. Andhra Pradesh currently dominates the Indian shrimp feed market accounting for 60.10% of the total Indian shrimp feed consumption in 2016-17. Andhra Pradesh was followed by West Bengal (14.10%), Tamil Nadu & Pondicherry (9.50%), Gujarat (7.00%), Orissa (6.40%) and Maharashtra (1.50%). Looking forward, the shrimp feed market consumption and production in India is expected to grow at a CAGR of 12.70% and 12.34% during 2017-18 to 2022-23, reaching a volume of 1,710,874 Tons and 1,561,638 Tons respectively by 2022. In value terms, the consumption and production is expected to grow at a CAGR of 16.42% and 16.05% during the same period, reaching a value of US\$ 2,067 Million and US\$ 1,611 Million respectively.

### Market Overview

#### India: Shrimp Feed Market: Key Industry Highlights, 2017-18 and 2022-23

Particulars	2017 -18	2022 -23	CAGR 2017-18 to 2022-23
Indian Shrimp Feed Market- Consumption Volume (in Tons)	941,015	1,710,874	12.70%
Indian Shrimp Feed Market- Consumption Value (in Million US\$)	966	2,067	16.42%

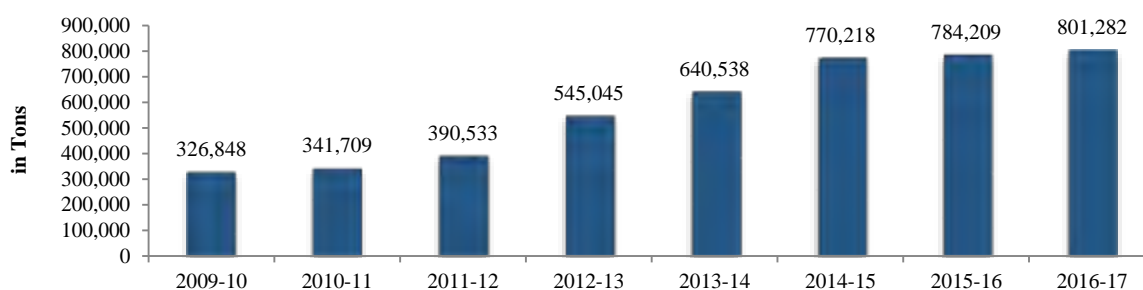
Particulars	2017 -18	2022 -23	CAGR 2017-18 to 2022-23
Indian Shrimp Feed Market- Production Volume (in Tons)	872,700	1,561,638	12.34%
Indian Shrimp Feed Market- Production Value (in Million US\$)	766	1,611	16.02%

Region	2017-18 (in Tons)	2022 -23(in Tons)	CAGR 2017-18 to 2022-23
Andhra Pradesh	557,368	922,161	10.59%
West Bengal	131,232	225,835	11.47%
Tamil Nadu & Pondicherry	90,900	179,642	14.60%
Gujarat	71,025	188,196	21.52%
Orissa	61,700	126,605	15.46%
Maharashtra	14,808	34,217	18.24%
India	<b>941,015</b>	<b>1,710,874</b>	<b>12.70%</b>

### Production Capacity Trends

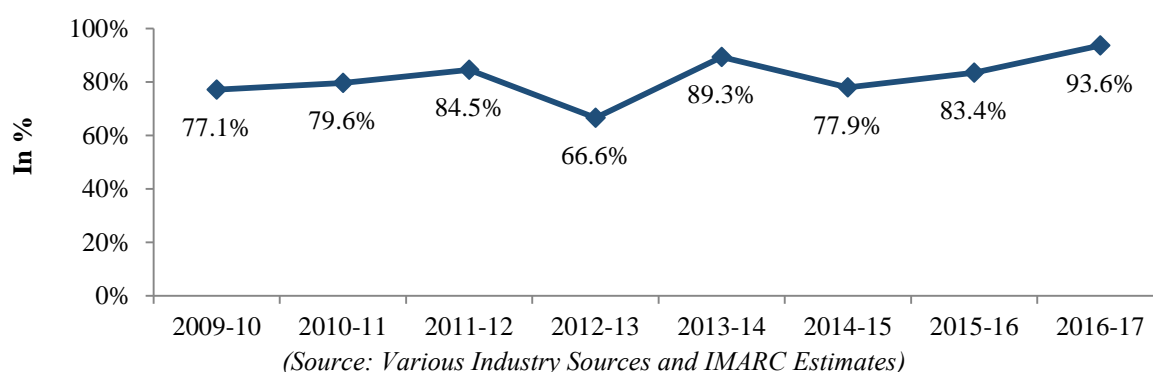
The production capacity of shrimp feed in India has reached a volume of around 801,282 Tons in 2016-17, growing at a CAGR of around 13.7% during 2009-10 to 2016-17. Currently, the capacity utilisation of shrimp feed in the country stands at around 93.6%.

#### India: Shrimp Feed Market: Production Capacity Trend (in Tons), 2009-10 to 2016-17



(Source: Various Industry Sources and IMARC Estimates)

**India: Shrimp Feed Market: Capacity Utilisation (in %), 2009-10 to 2016-17**

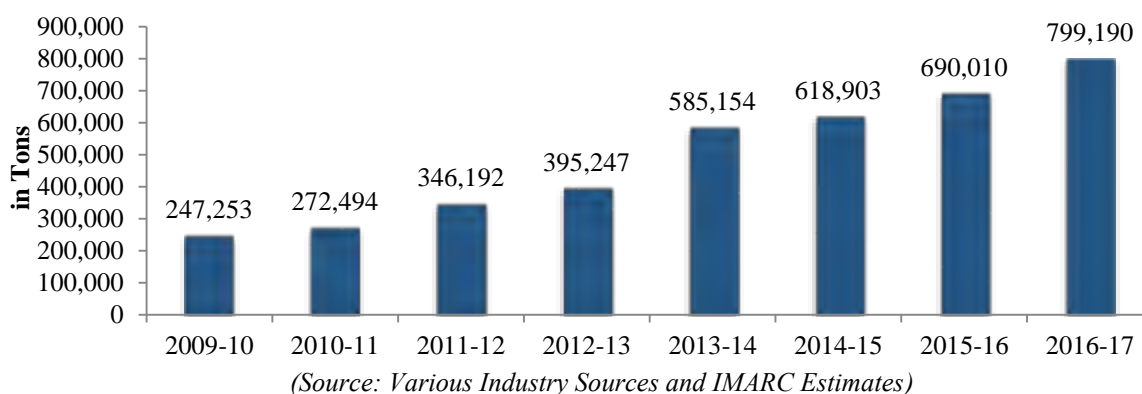


### Volume Trends

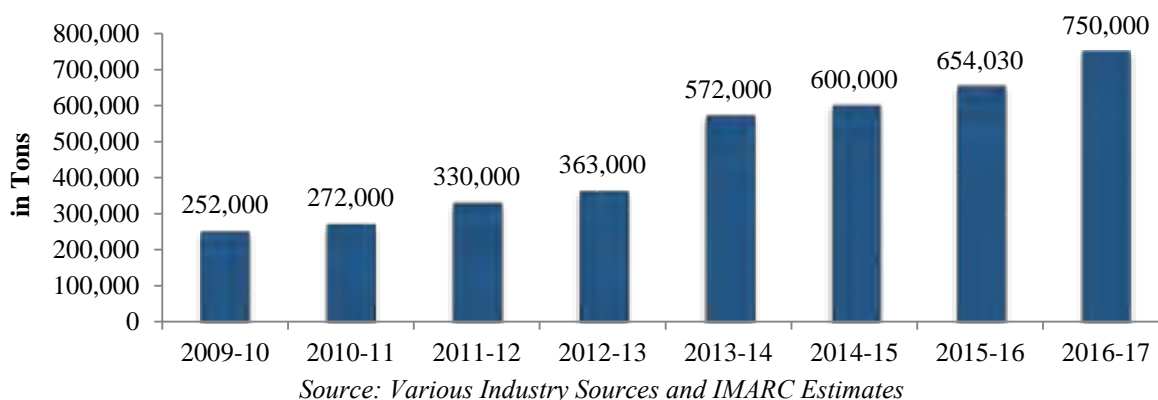
The Indian shrimp feed market reached a consumption volume of 799,190 Tons in 2016-17, growing at a CAGR of 18.25% during 2009-10 to 2016-17. The production on the other hand reached a volume of 750,000 Tons in 2016-17 growing at a CAGR of 16.86% during the same period. Some of the key drivers that have catalyzed this market growth are:

- The country has a long coastline of 8,129 km in addition to vast inland water resources and hence offers scope for large exploitation of marine wealth.
- The subsidies and assistance provided by the government for development of aquaculture has increased the shrimp production resulting in increased consumption of shrimp feed.

**India: Shrimp Feed Market: Consumption Volume (in Tons), 2009-10 to 2016-17**



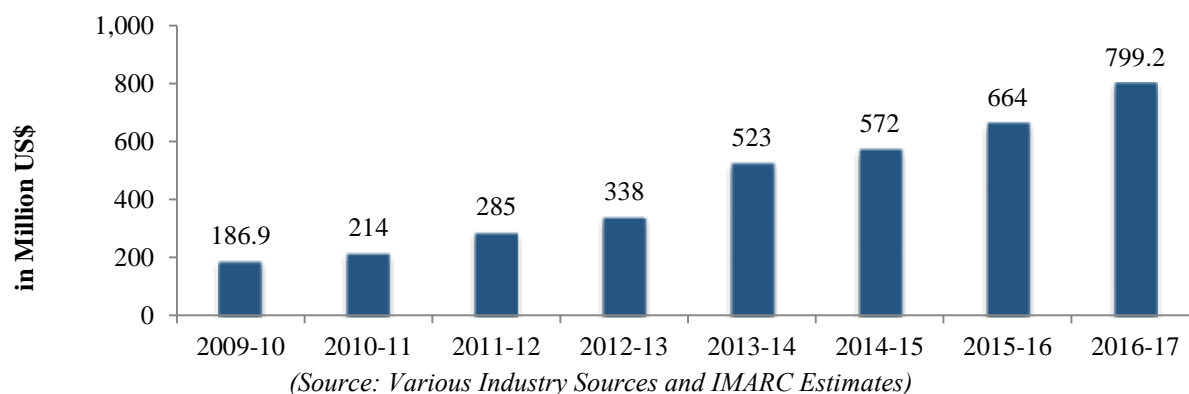
**India: Shrimp Feed Market: Production Volume (in Tons), 2009-10 to 2016-17**



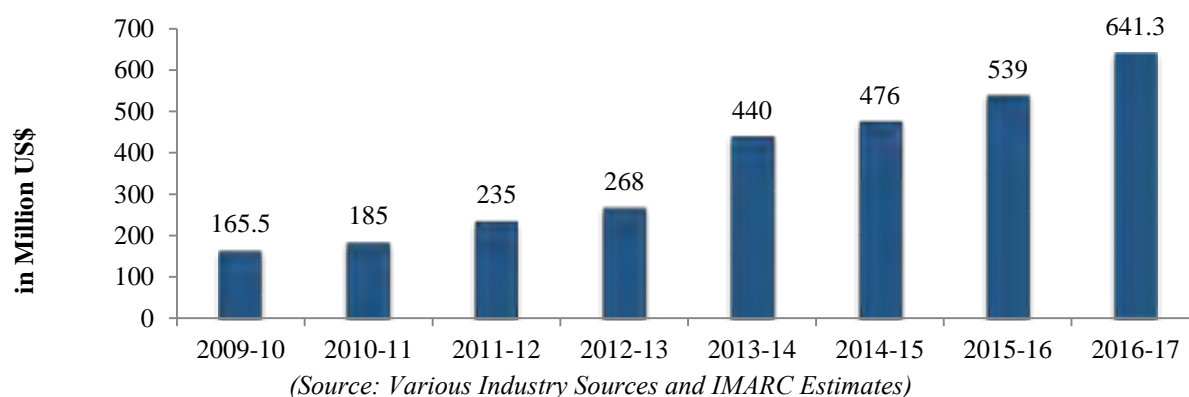
## Value Trends

The Indian shrimp feed market reached a consumption value of US\$ 799 Million and production value of US\$ 641 Million exhibiting a CAGR of 23.07% and 21.35% respectively during 2009-10 to 2016-17. Values have been driven by an increased production of shrimps in India.

**India: Shrimp Feed Market: Consumption Value (in Million US\$), 2009-10 to 2016-17**



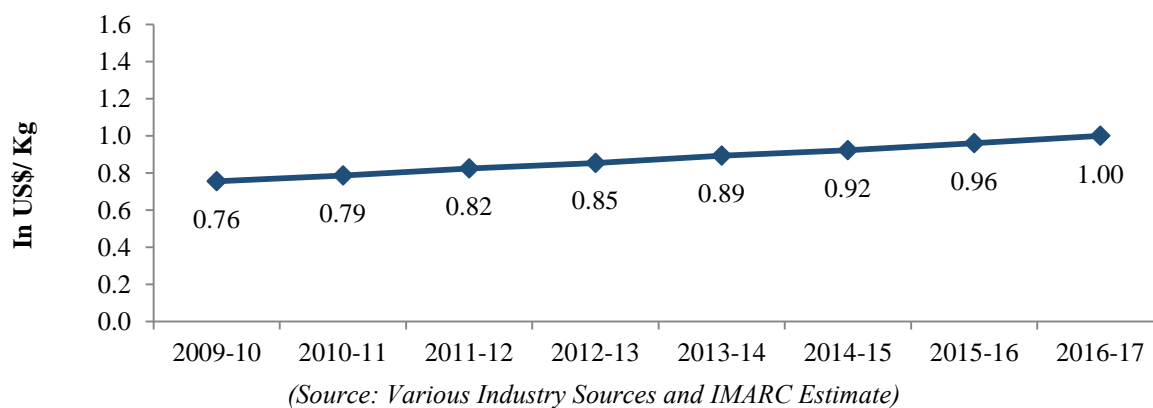
**India: Shrimp Feed Market: Production Value (in Million US\$), 2009-10 to 2016-17**



## Price Trends

The price of shrimp feed in Indian market grew at a CAGR of 4.08% during 2009-10 to 2016-17, reaching a value of US\$ 1.00 per kg in 2016-17.

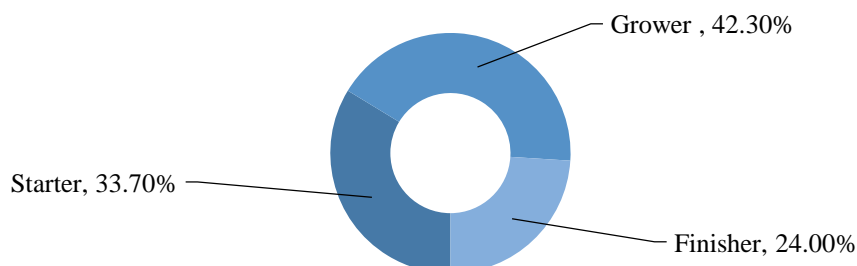
**India: Shrimp feed Market: Average Price Trends (in US\$/Kg), 2009-10 to 2016-17**



## Market Breakup by Type

Grower shrimp feed currently represents the most popular Shrimp feed type accounting for 42.30% of the total shrimp feed market in India. Grower shrimp was followed by starter shrimp (33.70%) and finisher shrimp (24.00%).

**Indian: Shrimp Feed Market: Breakup by Type (in %), 2016-17**

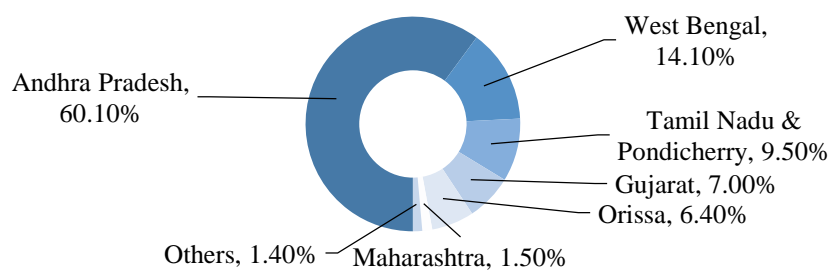


(Source: Various Industry Sources and IMARC Estimates)

## Market Breakup by Region

Andhra Pradesh currently dominates the Indian shrimp feed market accounting for 60.10% of the total Indian shrimp feed consumption in 2016-17. Andhra Pradesh was followed by West Bengal (14.10%), Tamil Nadu & Pondicherry (9.50%), Gujarat (7.00%), Orissa (6.40%) and Maharashtra (1.50%).

**India: Shrimp Feed Market: Breakup by Region (in %), 2016-17**

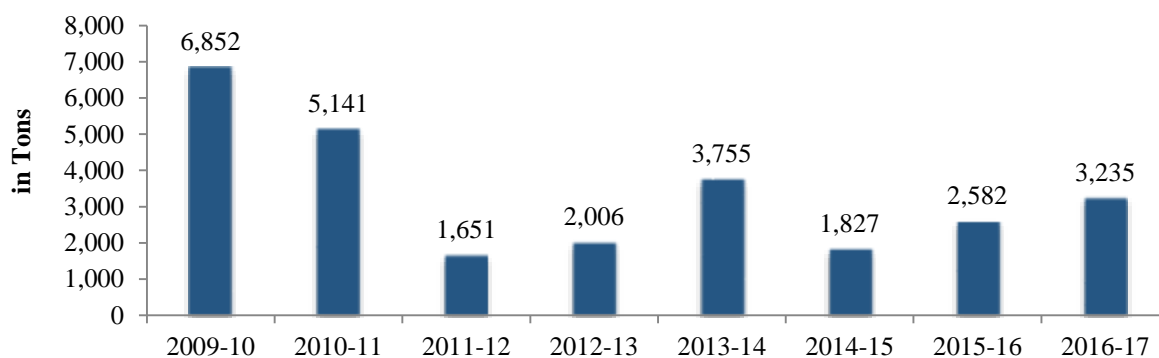


(Source: Various Industry Sources and IMARC Estimates)

## Import and Export

The total volume of shrimp feed exported from India has reached a volume of 3,235 tons in 2016-17, declining at a CAGR of 10.17% during 2009-10 to 2016-17.

**India: Shrimp Feed Market: Export Volume (in Tons), 2009-10 - 2016-17**

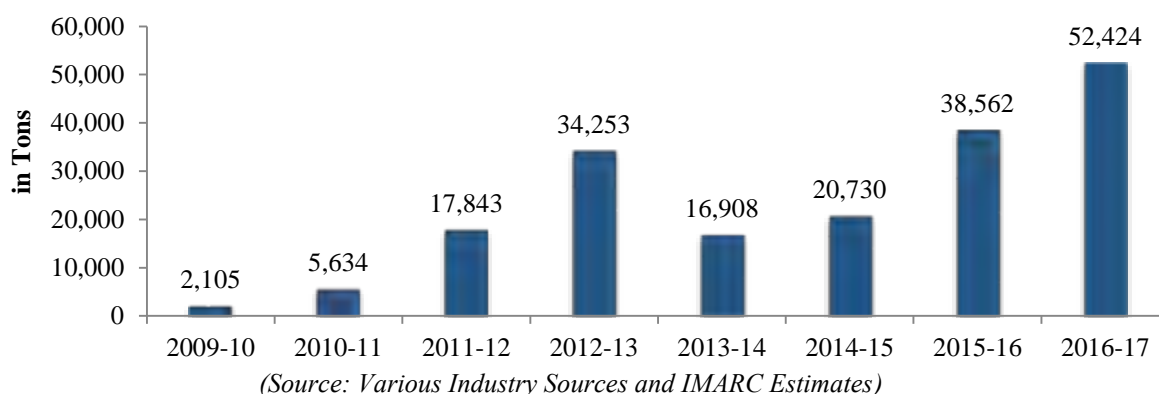


(Source: Various Industry Sources and IMARC Estimates)



The total volume of shrimp feed imported by India reached a volume of 52,424 tons in 2016-17, growing at a CAGR of 58.29% during 2009-10 to 2016-17.

**India: Shrimp Feed Market: Import Volume (in Tons), 2009-10 to 2016-17**

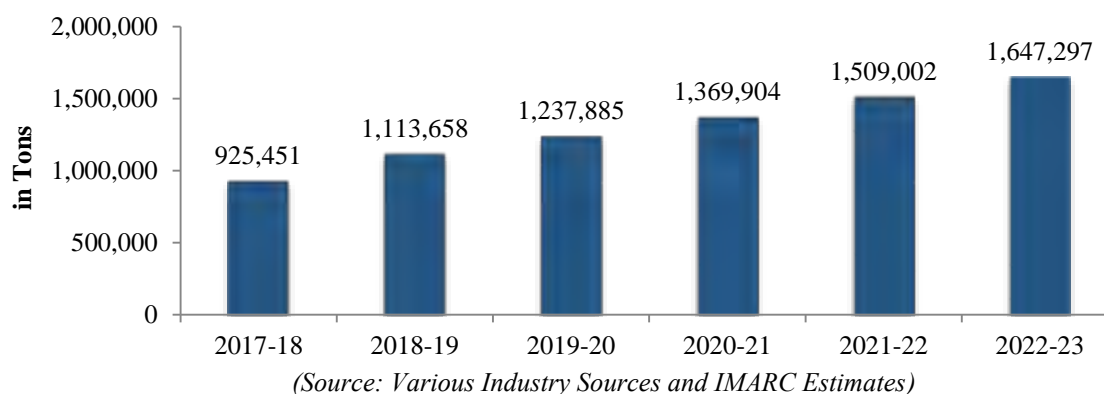


### Market Forecast

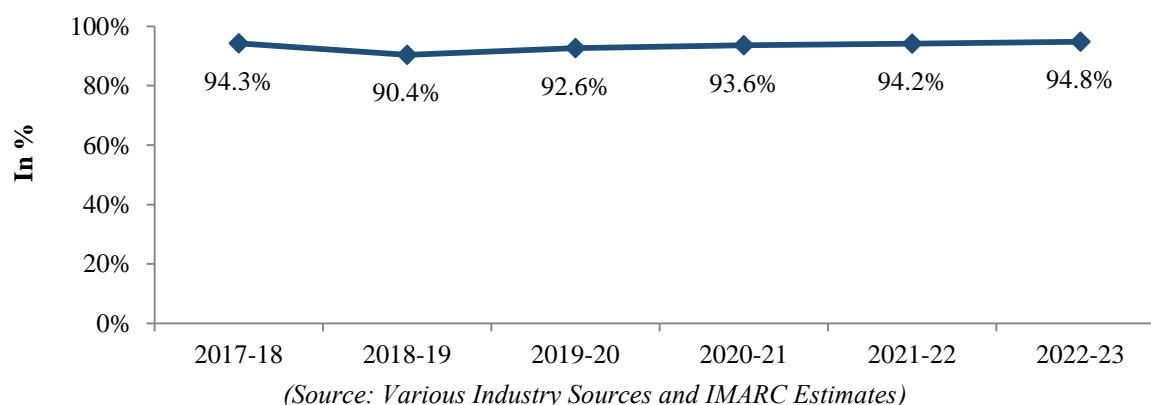
Looking forward, the shrimp feed market consumption and production in India is expected to grow at a CAGR of 12.70% and 12.34% during 2017-18 to 2022-23, reaching a volume of 1,710,874 Tons and 1,561,638 Tons respectively by 2022-23. The production capacity utilisation is expected to reach around 94.8% by the year 2022-23.

In value terms, the consumption and production is expected to grow at a CAGR of 16.42% and 16.02% during the same period, reaching a value of US\$ 2,067 Million and US\$ 1,611 Million respectively.

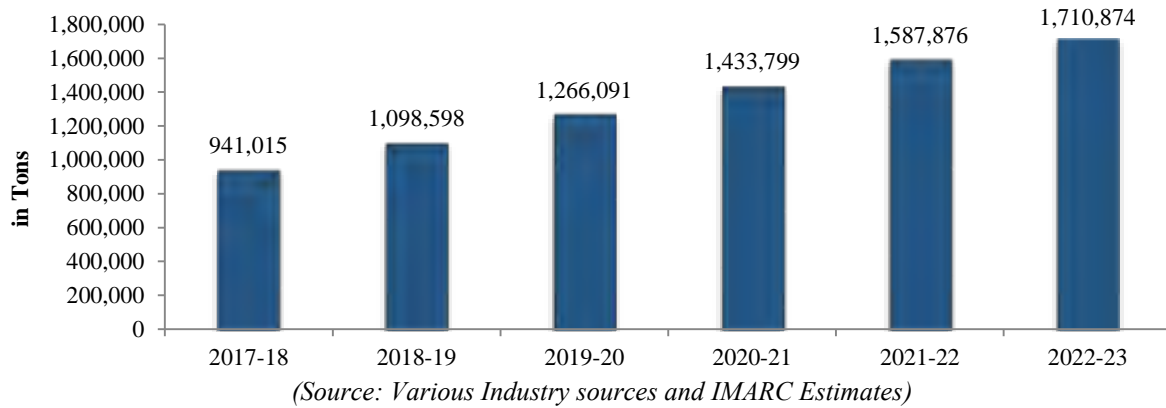
**India: Shrimp Feed Market: Production Capacity Trend (in Tons), 2017-18 to 2022-23**



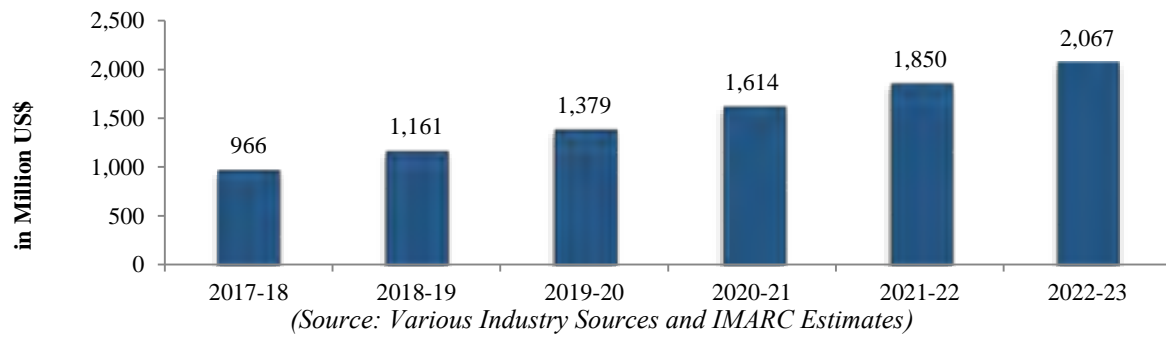
**India: Shrimp Feed Market: Capacity Utilisation (in %), 2017-18 to 2022-23**



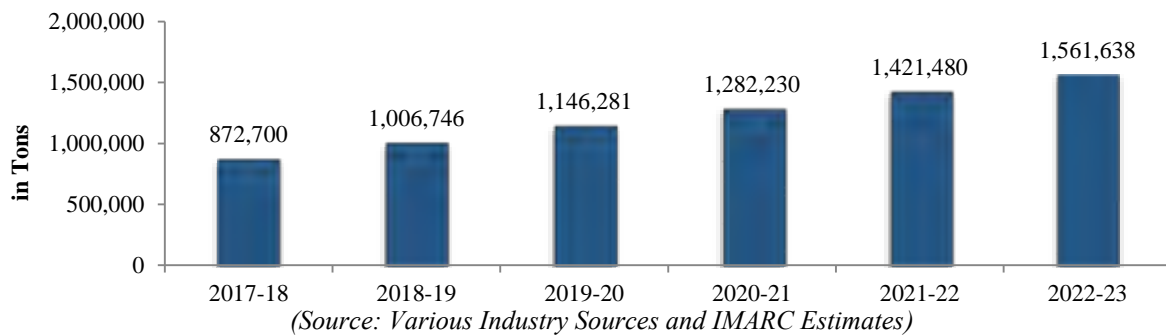
**India: Shrimp Feed Market Forecast: Consumption Volume (in Tons), 2017-18 to 2022-23**



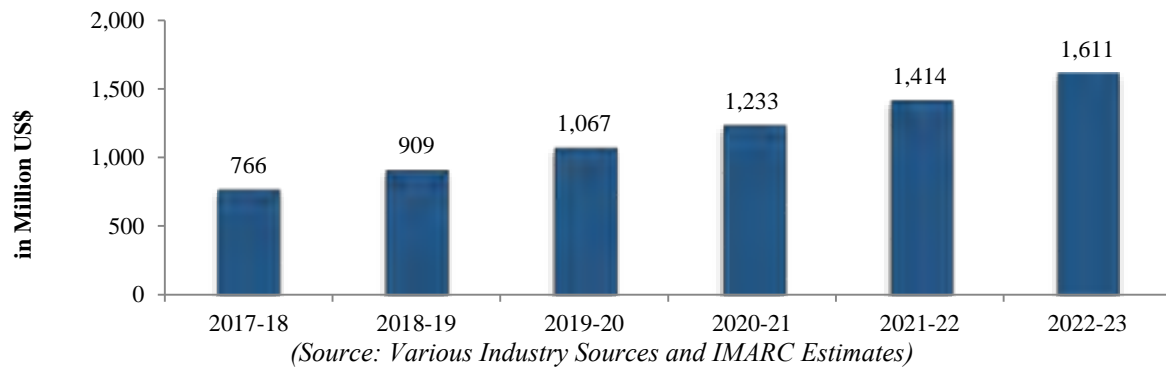
**India: Shrimp Feed Market Forecast: Consumption Value (in Million US\$), 2017-18 to 2022-23**



**India: Shrimp Feed Market Forecast: Production Volume (in Tons), 2017-18 to 2022-23**



**India: Shrimp Feed Market Forecast: Production Value (in Million US\$), 2017-18 to 2022-23**



## Shrimp Feed Industry in Andhra Pradesh

In 2016-17, Andhra Pradesh represented the largest market for shrimp feed in India, accounting for a share of 60.10%. The shrimp feed market in Andhra Pradesh reached a volume of 480,313 Tons in 2016-17, growing at a CAGR of 17.16% during 2009-10 to 2016-17. In consumption value terms, the shrimp feed market in Andhra Pradesh reached a value of US\$ 462 Million exhibiting a CAGR of 21.45% during 2009-10 to 2016-17. The price of shrimp feed in Andhra Pradesh market grew at a CAGR of 3.66% during 2009-10 to 2016-17, reaching a value of US\$ 0.96 per kg in 2016-17. Looking forward, the Andhra Pradesh's shrimp feed market consumption volumes are expected to grow at a CAGR of 10.59% during 2017-18 to 2022-23, reaching a figure of 922,161 Tons. In value terms, the market is expected to grow at a CAGR of 14.06% during the same period reaching a figure of US\$ 1,070 Million. Andhra Pradesh is expected to represent the largest market for shrimp feed by 2022-23 accounting for 53.90% of the total shrimp feed market. Andhra Pradesh is expected to be followed by West Bengal (13.20%), Gujarat (11.0%), Tamil Nadu & Puducherry (10.50%), Odisha (7.40%) and Maharashtra (2.00%).

### Market Overview

#### Andhra Pradesh: Shrimp Feed Market: Key Industry Highlights, 2017-18 and 2022-23

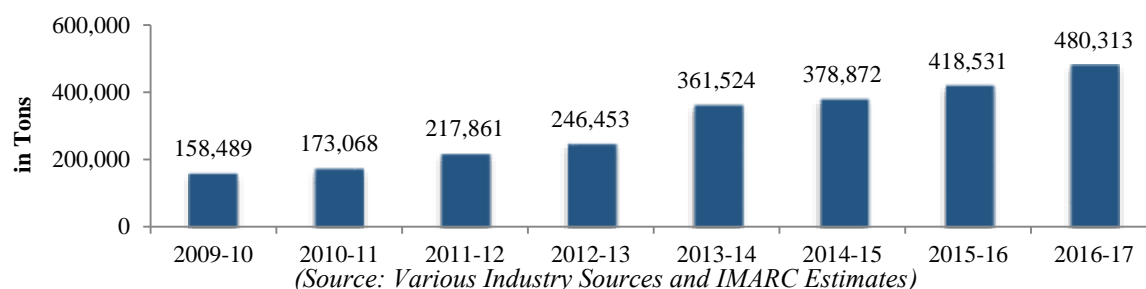
Particulars	2017 -18	2022 -23	CAGR 2017-18 to 2022-23
Andhra Pradesh Shrimp Feed Market- Consumption Volumes (in Tons)	557,368	922,161	10.59%
Andhra Pradesh Shrimp Feed Market- Consumption Values (in Million US\$)	554	1,070	14.06%

### Market Performance

#### Volume Trends

The shrimp feed market in Andhra Pradesh reached a consumption volume of 480,313 Tons in 2016-17, growing at a CAGR of 17.16% during 2009-10 to 2016-17. The consumption of shrimp feed in the state is mainly driven by the various initiatives taken by the state government to encourage shrimp farming.

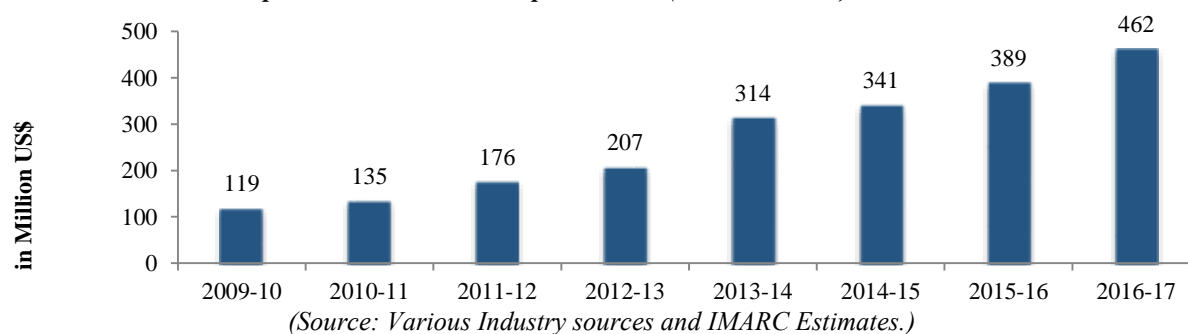
#### Andhra Pradesh: Shrimp Feed Market: Consumption Volume (in Tons), 2009-10 to 2016-17



#### Value Trends

In value terms, the shrimp feed consumption in Andhra Pradesh reached a value of US\$ 462 Million exhibiting a CAGR of 21.45% during 2009-10 to 2016-17.

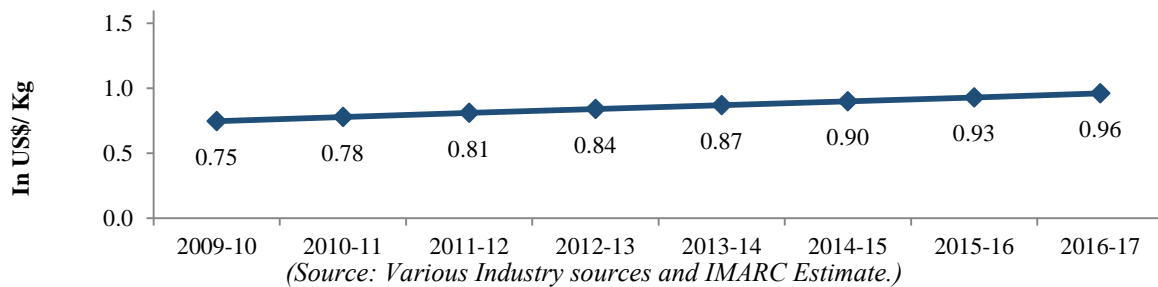
#### Andhra Pradesh: Shrimp Feed Market: Consumption Value (in Million US\$), 2009-10 to 2016-17



### Price Trends

The price of shrimp feed in Andhra Pradesh market grew at a CAGR of 3.66% during 2009-10 to 2016-17, reaching a value of US\$ 0.96 per kg in 2016-17.

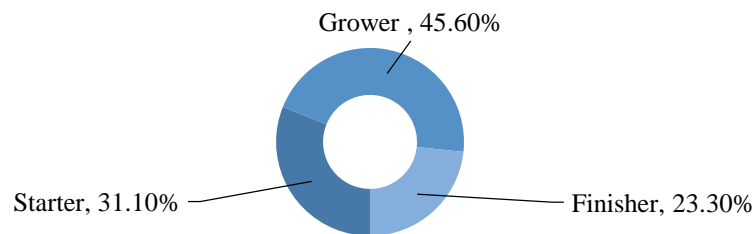
**Andhra Pradesh: Shrimp feed Market: Average Price Trends (in US\$/Kg), 2009-10 to 2016-17**



### Market Breakup by Type

Grower shrimp feed currently represents the most popular Shrimp feed type, accounting for 45.60% of the total shrimp feed market in 2016-17. Grower shrimp was followed by Starter (31.10%) and Finisher (23.30%).

**Andhra Pradesh: Shrimp Feed Market: Market Breakup by Type (in %), 2016-17**

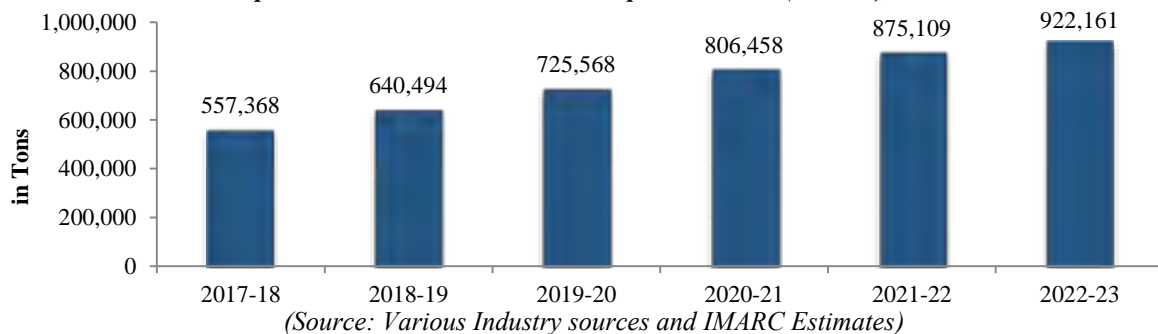


(Source: Various Industry sources and IMARC Estimates)

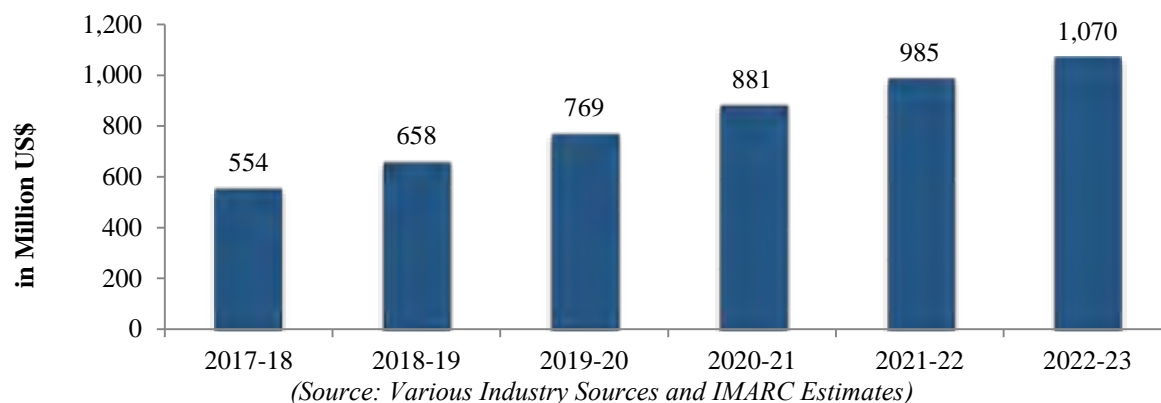
### Market Forecast

Looking forward, the Andhra Pradesh's shrimp feed market consumption is expected to grow at a CAGR of 10.59% during 2017-18 to 2022-23, reaching a volumes of 922,161 Tons by 2022-23. In value terms, the consumption is expected to grow at a CAGR of 14.06% during the same period reaching a value of US\$ 1,070 Million by 2022-23.

**Andhra Pradesh: Shrimp Feed Market Forecast: Consumption Volume (in Tons), 2017-18 to 2022-23**



***Andhra Pradesh: Shrimp Feed Market Forecast: Consumption Value  
(in Million US\$), 2017-18 to 2022-23***



Some of the key factors that will drive demand during the forecast period have been provided below:

- There are a number of incentives available to entrepreneurs in this industry, including schemes from National Fisheries Development Board (NFDB), Department of Fisheries (Andhra Pradesh) and Department of industries (Andhra Pradesh).
- Technological advancement in the machinery required in the manufacturing of shrimp feed process.
- The majority of cultivable brackish water in Andhra Pradesh is dedicated to shrimp farming which creates growth opportunities for shrimp feed manufacturers in the state. The exports of shrimp from Andhra Pradesh have also grown significantly over the past years making shrimp farming, and in turn shrimp feed production, a profitable business option.

## OUR BUSINESS

*The following information should be read together with the more detailed financial and other information contained in the sections “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 14, 310 and 190, respectively. Some of the information in this section, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 13 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*All financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus in the section “Financial Statements” beginning on page 190.*

### Overview

We are a growing product-focused company that exports a range of value added frozen seafood products. Our products are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Currently, our portfolio comprises a range of ready-to-cook and ready-to-eat frozen seafood products that are made from cultured Pacific White Shrimp (*L. vannamei*). We believe that our continued focus on product quality and operational efficiency has enabled us to meet evolving customer needs whilst simultaneously enhancing our profitability. Our operations are strategically-based out of Andhra Pradesh, a major Indian aquaculture hub, and we have received, and maintain, a host of approvals, certifications and accreditations for our products and processing facilities, including, *inter alia*, from the United States Food and Drug Administration (US FDA), Hazard Analysis and Critical Control Points (HACCP), British Retail Consortium (BRC), Best Aquaculture Practices (BAP), Aquaculture Stewardship Council (ASC) and Business Social Compliance Initiative (BSCI).

Since our incorporation in 1987, we have methodically expanded both our customer and revenue base. During the five-year and nine-month period ended December 31, 2017, we have had a diversified customer base that comprises over 100 customers in more than 25 countries, including major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. Each of our top-five customers for the nine-month period ended December 31, 2017, has been our customer for over five years. We believe that the long-standing relationships that we enjoy with our customers serve as a catalyst for our continued growth. In recent years, we have also focused on bolstering our presence in the US frozen seafood market, and as per our Restated Consolidated Financial Statements, for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, revenue from exports to USA contributed ₹ 2,111.57 million, ₹ 2,265.33 million, ₹ 3,797.28 million and ₹ 4,744.28 million, or 58.11%, 64.73%, 72.74% and 78.65% of our total revenues from operations, respectively.

Our portfolio of value added products is organized into the following groups:

- **Ready-to-Cook Products:** Our portfolio of ready-to-cook products comprises various types of processed frozen seafood products made from Pacific White Shrimp (*L. vannamei*), including Head Less Shell-On, Easy Peel, Peeled and Deveined (Tail-On), Peeled and Deveined (Tail-Off), Butterfly and Skewered variants, which are made available in raw, blanched or marinated form based on customer specifications; and
- **Ready-to-Eat Products:** Our portfolio of ready-to-eat products comprises various types of pre-cooked frozen seafood products made from Pacific White Shrimp (*L. vannamei*), including Easy Peel, Peeled and Deveined (Tail-On) and Peeled and Deveined (Tail-Off) variants.

At present, we have two modern processing facilities that are located along the coastal belt of Andhra Pradesh, with an aggregate installed processing capacity of 13,200 MTPA as at December 31, 2017. Our Palakole unit, which is owned and operated by the Company, is situated in the West Godavari district, while our Vetapalem unit, which is owned and operated by the Subsidiary, namely Aquatica Frozen Foods Global Private Limited is situated in the Prakasam district. We believe that the proximity of our processing facilities to aqua-farms that culture Pacific White Shrimp (*L. vannamei*) provides us with a significant locational advantage, and enables us to obtain a regular supply of quality raw material. Several key customers and end-retailers conduct periodic audits and approve our facilities and processes, which has helped enhance our reputation for quality.

Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. As at December 31, 2017, we had our own fleet of 37 trucks with insulated storage that we utilize exclusively for our procurement activities. Further, as at December 31, 2017, we had our own fleet of three reefer trucks, which we utilize for transporting our finished products in temperate-controlled conditions. In addition to the in-house cold storage facilities at our Palakole and Vetapalem units, we also have an independent cold-storage facility at Visakhapatnam, with an installed capacity of 825 MT as at December 31, 2017. Each of our processing facilities is well-connected to major ports, which enables us to ensure timely delivery.

We are driven by a qualified and dedicated management team, comprising of seasoned professionals. Our Promoter, Chairman and Managing Director, namely Dr. K.V. Prasad, has been associated with the Company since its incorporation in 1987, and has played a significant role in the development of our business. Further, two of our other Promoters, namely Mr. K. Anand Kumar and Mr. K. Arun Kumar, are Whole Time Directors on our Board, and have been intrinsically involved in our business operations for more than a decade each. We believe that the knowledge and experience of our Promoters in the domain of seafood and aquaculture provides us with a significant competitive advantage. We have a qualified key management team, with diversified experience in the areas of procurement, processing, quality control, marketing and finance, which assists the Board in implementing our business strategies and furthering our growth. Our management team's collective experience and capabilities enable us to manage our business operations, leverage customer relationships as well as understand and anticipate market trends.

For Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our total revenues were ₹ 3,722.81 million, ₹ 3,579.91 million, ₹ 5,288.43 million and ₹ 6,195.86 million, respectively. From Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, (i) our EBITDA increased from ₹ 141.80 million to ₹ 585.93 million, representing a CAGR of 42.58%; and (ii) our profit after tax (as adjusted for minority interest) increased from ₹ 73.44 million to ₹ 279.21 million, representing a CAGR of 39.64%. Our RoNW for Fiscals 2015, 2016, 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, was 29.64%, 23.57%, 22.90% and 36.48%, respectively.

## **Our Strengths**

We believe that we have the following competitive strengths:

### ***Established Reputation as a Supplier of Quality Seafood Products***

With an operating history of more than 30 years, we are an established frozen seafood supplier with a strong and diversified customer base across various international markets. We are committed to consistently delivering quality seafood products to our customers, and believe that this commitment has helped us achieve a strong market recognition and establish long-standing relationships with our customers. During the five-year and nine-month period ended December 31, 2017, we have had a diversified customer base that comprises over 100 customers in more than 25 countries, including major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. Each of our top-five customers for the nine-month period ended December 31, 2017, has been our customer for over five years. Several key customers and end-retailers have audited and approved our facilities and processes, which has helped enhance our reputation for quality.

We have implemented procedures in all stages of our operating process so as to ensure that our products meet the stringent quality control standards. Further, we have installed modern control laboratories with advanced equipment at both of our processing units that enable us to monitor quality at various stages of our processing cycle. Our product quality and quality assurance procedures have been recognized by way of the various certification and accreditations that we have received over the years. For instance, in Fiscal 2007, we received the HACCP certification, which is a quality control certification required for the export of food to USA and EU. Both the Company and the Subsidiary are included in the 'Green List' issued by the US FDA, which means that our products are exempted from detention without physical examination. More recently, in Fiscal 2016, we received the Four-Star Best Aquaculture Practices (BAP) certification, which is the highest designation in the BAP third-party certification program. For additional details of the various certifications and accreditations that we have maintain, see "*Our Business - Quality Certifications and Accreditations*" below. We believe that our numerous

international accreditations and certifications have also served as an important marketing tool in the context of the trend of rising health awareness and safety concerns, and enabled us to expand our customer base in the North American, European and Asian markets.

### ***Global Revenue Base with a Growing Presence in the US Market***

Our products are principally packaged and sold under the end-customers' brands, and are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Our customers include major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. We believe that our global operations enable us to observe and analyse evolving consumer preferences across various geographies, which helps us adapt our products to continue to remain relevant across the markets that we service.

A geographical breakdown of our total product sales (by volume) for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, is represented herein below:

#	Geography	As a % of Total Sales (Volumes)			
		Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine-months Ended December 31, 2017*
1.	North America	56.86%	65.66%	71.53%	75.01%
2.	Europe	20.98%	16.29%	13.38%	8.83%
3.	Asia	19.90%	16.58%	14.87%	15.98%
4.	Others	2.26%	1.47%	0.22%	0.18%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Not annualized

In 2016, the United States represented the largest consumer of shrimps, accounting for 29.60% of the overall shrimp market. The United States of America has the highest per capita consumption of shrimp in the world. Shrimp is the most popular seafood accounting for around one-third of the total seafood consumption in the USA. Moreover, the United States currently represents the biggest importer of shrimp in the world. With the growing population, it is expected that the USA will maintain its per capita consumption of shrimp in the coming years (*Source: IMARC Report*). Over the years, we have strategically focused on enhancing our presence in the US frozen seafood market. We believe that we are well positioned to capitalize on the opportunity offered by the size and expected growth in the US market on account of our established processing capabilities, long-standing customer relationships, and ability to monitor and anticipate changes in consumer preferences. We expect that our established processing facilities, existing certifications and growing reputation for quality will enable us to leverage the size and expected growth in the US markets in the years to come, and consequently, enhance returns to our shareholders.

### ***Experienced Promoters and Management Team***

Our Promoter, Chairman and Managing Director, namely Dr. K.V. Prasad, has been associated with the Company since its incorporation in 1987, and has played a significant role in the development of our business. Further, two of our other Promoters, namely Mr. K. Anand Kumar and Mr. K. Arun Kumar, are Whole Time Directors on our Board, and have been intrinsically involved in our business operations for more than a decade each. We believe that the seafood and aquaculture domain knowledge and experience of our Promoters provides us with a significant competitive advantage, which we intend to leverage as our business grows.

Our organization is driven by a qualified and dedicated management team, which is led by our Board. We have a qualified key management team, with diversified experience in the areas of procurement, processing, quality control, marketing and finance, which assists the Board in implementing our business strategies and furthering our growth. Our management team's collective experience and capabilities enable us to manage our business operations, leverage customer relationships as well as understand and anticipate market trends. We will continue to leverage the experience of our Promoters and management team and their understanding of the seafood industry, to take advantage of current and future market opportunities.



### ***Strategically Located Processing Facilities with Modern Equipment***

Expenditure associated with logistics is one of the key expenses in the frozen seafood industry. Generally, margins are inversely proportional to distance of a processing facility from procurement and shipping networks. We believe that our processing facilities provide us with a significant locational advantage. The state of Andhra Pradesh is a major hub for shrimp farming in India, in terms of both area under culture and estimated production. Our existing processing units are located along the coastal belt of Andhra Pradesh, with our Palakole unit in the West Godavari district and our Vetapalem unit in the Prakasam district. We leverage our strong procurement network and proximity to local shrimp farms in Andhra Pradesh to obtain a regular supply of quality raw material. Our processing facilities are well connected to major ports, with our Palakole unit being close to the ports at Kakinada and Visakhapatnam, and our Vetapalem unit being close to the ports at Krishnapatnam and Chennai. We believe that this proximity to major ports contributes to our operational efficiency by helping us incur low transportation and storage expenses.

While our Palakole unit commenced operations in Fiscal 1992, we have continued to modernize it over the years. Currently, we process both ready-to-cook and ready-to-eat products at this unit, which has two block freezing lines and two IQF lines, of which one IQF line is connected to a cooking line. As at December 31, 2017, it had a processing capacity of 8,002.50 MTPA. Further, we have an in-house cold-storage capacity of more than 750 pallets, and are currently in the process of installing an additional modernized cold-storage facility with a capacity of approximately 1,000 pallets at our Palakole unit. Our Vetapalem unit commenced commercial operations in February 2016, and as at December 31, 2017, it had a processing capacity of 5,197.50 MTPA. While we currently process only ready-to-cook products at this facility, which has three block freezing lines and one IQF line, we are in the process of commissioning a second IQF line that will be connected to a new cooking line at our Vetapalem unit. Further, we are also in the process of installing a modernized cold-storage facility with a capacity of approximately 800 pallets at this unit, in addition to the existing cold-storage capacity of more than 1,200 pallets. We believe that our focus on periodically upgrading our facilities and processes, including by installing modern machinery, has enabled us to continue to meet the evolving demands of our diverse customer base.

### ***Strong Procurement Network***

Raw shrimp is the key raw material for our processing operations, and the continued and sustained availability of quality raw material at competitive prices is essential to the growth of our business. Andhra Pradesh dominates in shrimp production in India with 60.34% share in the total production, and was followed by West Bengal (14.58%), Tamil Nadu and Pondicherry (9.17%), Gujarat (7.13%), Orissa (6.02%) and Maharashtra (1.63%) (**Source: IMARC Report**). In 2016-17, the total shrimp production in Andhra Pradesh reached a volume of 326,099 tons, growing at a CAGR of 31.13% during 2008-09 -2016-17 (**Source: IMARC Report**).

We believe that our strong procurement network and our long-standing relationships with farmers and marketers enable us to obtain a regular supply of quality raw material. Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. We believe that these arrangements bolster our procurement network and help us plan the supply of our raw material in line with our processing needs. Further, we believe that these arrangements also help in ensuring that the quality of our raw materials continues to meet our stringent standards. Further, raw material that has been freshly harvested from aqua-farms is required to be collected and transported to our processing units in controlled conditions. To ensure the quality of our raw material, we have our own fleet of trucks with insulated storage that we utilize exclusively for our procurement activities. As at December 31, 2017, this fleet comprised 37 vehicles.

We believe that we enjoy good relationships with the farmers and marketers from whom we source our raw material. These relationships are strengthened by our outreach programs through which we educate farmers as to the stringent quality standards expected by us, along with potential improvements to their aquaculture practices. We believe that these initiatives increase awareness and loyalty among the farmers in our procurement network and enable consistent and sustainable procurement of raw material for our operations. Further, we believe that our close cooperation and increased supervision of our suppliers enable us to ensure that the raw material that we procure continue to meet our stringent quality requirements.

### ***Track Record of Robust Financial Performance and Profitability***

Our focus on operational efficiency has contributed to our track record of robust financial performance and profitability.

For the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our EBITDA was ₹ 391.23 million, ₹ 415.33 million, ₹ 585.93 million and ₹ 1,079.15 million. Further, from Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, our EBITDA increased from ₹ 141.80 million to ₹ 585.93 million, representing a CAGR of 42.58%. For the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our profit after tax (as adjusted for minority interest) was ₹ 212.94 million, ₹ 221.53 million, ₹ 279.21 million and ₹ 659.06 million. Further, from Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, our profit after tax increased from ₹ 73.44 million to ₹ 279.21 million, representing a CAGR of 39.64%. Our RoNW for Fiscals 2015, 2016, 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, was 29.64%, 23.57%, 22.90% and 36.48%, respectively.

As per the Restated Consolidated Financial Statements, the cash generated from operations (before adjustment for taxes and provision for CSR payment) in Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, were ₹ 349.54 million, ₹ 406.18 million, ₹ 116.09 million and ₹ 456.90 million, respectively. As a result of the foregoing, we have been able to primarily fund our business operations out of the cash flow generated from operating activities, without having to rely extensively on external borrowings. Accordingly, as per our Restated Consolidated Financial Statements, our long term borrowings (including current maturities of long term borrowings) as on December 31, 2017, were ₹98.69 million, while our short term borrowings as on December 31, 2017, were ₹1,201.87 million.

We believe that our robust financial performance and profitability reflects the efficacy of the procurement network and processing facilities. Further, our steady operating cash flows enable us to meet the present and future needs of our customers while our strong balance sheet and financial performance instil confidence in them.

### **Our Strategies**

#### ***Expanding our Processing Capacity***

The demand for shrimps has been growing significantly over the years as a result of the increasing health consciousness among consumers along with rising disposable incomes and improving standards of living. The demand for shrimps is expected to remain steady during 2017-2022 exhibiting a CAGR of 4.50% and reaching a volume of 5.60 Million Tons by 2022. India is one of the largest exporters of shrimp in the world. In the total Indian exports of seafoods, frozen shrimp represented the largest category. Frozen shrimps contributed for 40% of the marine export volumes and nearly 66% in the export values. The frozen shrimp Indian exports in 2016-17 were valued at US\$ 2.9 Billion. This represented a CAGR of 18.6% during 2009-10 and 2016-17. (*Source: IMARC Report*)

At present, we have 2 (two) strategically-located processing facilities in the coastal belt of the state of Andhra Pradesh, with an aggregate processing capacity of 13,200 MTPA as at December 31, 2017. A key element of our growth strategy is to increase our processing capacity in line with the anticipated growth in international demand for frozen seafood products. We are currently in the process of commissioning a second IQF line that will be connected to a new cooking line at our Vetapalem unit. We expect that the aforesaid additional IQF line and cooking line will be operational in the first-quarter of Fiscal 2019, and will enhance our processing capacity by 3,547.50 MTPA. Upon the successful commissioning of the aforesaid lines, we expect that our aggregate installed capacity, which was 13,200 MTPA as at December 31, 2017, will be enhanced to 16,747.50 MTPA. Moreover, we intend to utilize a portion of the Net Proceeds from the Fresh Issue to set up a new processing facility at Nellimarla Mandal, Vizianagaram District in Andhra Pradesh, with a processing capacity of 12,155 MTPA. At the proposed facility, we intend to install advanced equipment that will enable us to increase our existing capacity, as well as allow us to expand our range of high-value added products. For additional details in respect of this proposed facility, see “*Objects of the Offer*”. Further, we believe that the proposed facility will expand our procurement network due to its strategic location, both in terms of proximity to aqua-farms within the state of Andhra Pradesh and connectivity to states such as Orissa and West Bengal that are also aquaculture hubs.

### ***Continue to Focus on High-Value Added Products***

Shrimp manufacturers across the globe are adding several value added products to their product lines. These value added products are gaining popularity in several countries such as United States, Europe and Japan, thereby enhancing the existing consumer base of shrimps. (*Source: IMARC Report*)

Our high-value added ready-to-cook and ready-to-eat products have historically offered higher margins *vis-à-vis* our other products. However, the preparation of high-value added products, such as Skewered and Butterfly variants or ready-to-eat products, requires multi-stage processing and significant resources. Over the years, we have focused on expanding our processing capabilities and range of high-value added products by installing modern equipment at our processing facilities. Going forth, we intend to continue to focus on the high-value added products. We believe that there is an opportunity to utilize our expanding processing capabilities to increase the volume of high-value added products in our product mix. Moreover, we are exploring possibilities to expand our range of high-value added products by introducing new products such as dusted and breaded frozen shrimp.

### ***Augmenting our Procurement Network***

In 2016, the United States represented the largest consumer of shrimps, accounting for 29.60% of the overall shrimp market. With the growing population, it is expected that the USA will maintain its per capita consumption of shrimp in the coming years. The demand of shrimp in Europe is constantly increasing with the increasing health consciousness, rising awareness of health benefits of shrimp, growing population, etc. Since the shrimp and value-added shrimp are gaining popularity in Europe, the per capita consumption of shrimp is expected to increase in the coming years. (*Source: IMARC Report*)

We believe that as we grow, augmenting our procurement network will be vital to our ability to satisfy the anticipated increase in demand for frozen seafood products. Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. Going forth, we intend to continue to focus on augmenting our procurement network, including by way of entering into agreements with additional farmers so as to increase the cultivable land under contract-farming arrangements. Further, we intend to utilize a portion of the Net Proceeds from the Fresh Issue to set up a new processing facility. This facility is proposed to be set up in the Nellimarla Mandal, Vizianagaram District, which is another key district for aquaculture in Andhra Pradesh. We anticipate that the proximity of this facility to aqua-farms in the region will enable us to significantly expand our procurement network. Moreover, the proposed facility will also enable us to have greater access to aqua-farms situated in Orissa.

### ***Attract and Retain Talented Human Capital***

We believe that the continued success of our business depends significantly upon our human capital, especially as we continue to expand the scale and scope of our operations. Over the years, we have successfully recruited and retained talented employees from a variety of backgrounds, including procurement, processing, quality control, marketing and finance. We invest time and resources in training our employees, which we believe fosters mutual trust and improves our operating efficiency. Going forth, we intend to further strengthen our management team by recruiting qualified and experienced candidates. Further, we intend to continue to attract talented employees and retain them by undertaking various retention initiatives, such as performance based incentives, employee recognition programs and on-the-job training. The workforce at our processing facilities is required to undertake a host of complex tasks whilst continuously adhering our stringent quality standards. We intend to strengthen the workforce at our processing facilities by continuing to focus on improving health, safety and environment for our processing workforce, and provide various programs and benefits for their personal wellbeing and development. Further, we intend to strive to further reduce attrition and retain more of our skilled workers for our future expansion by providing them with better payment packages and a safer and healthier working environment.

### ***Enter into the Aqua-Feeds Business***

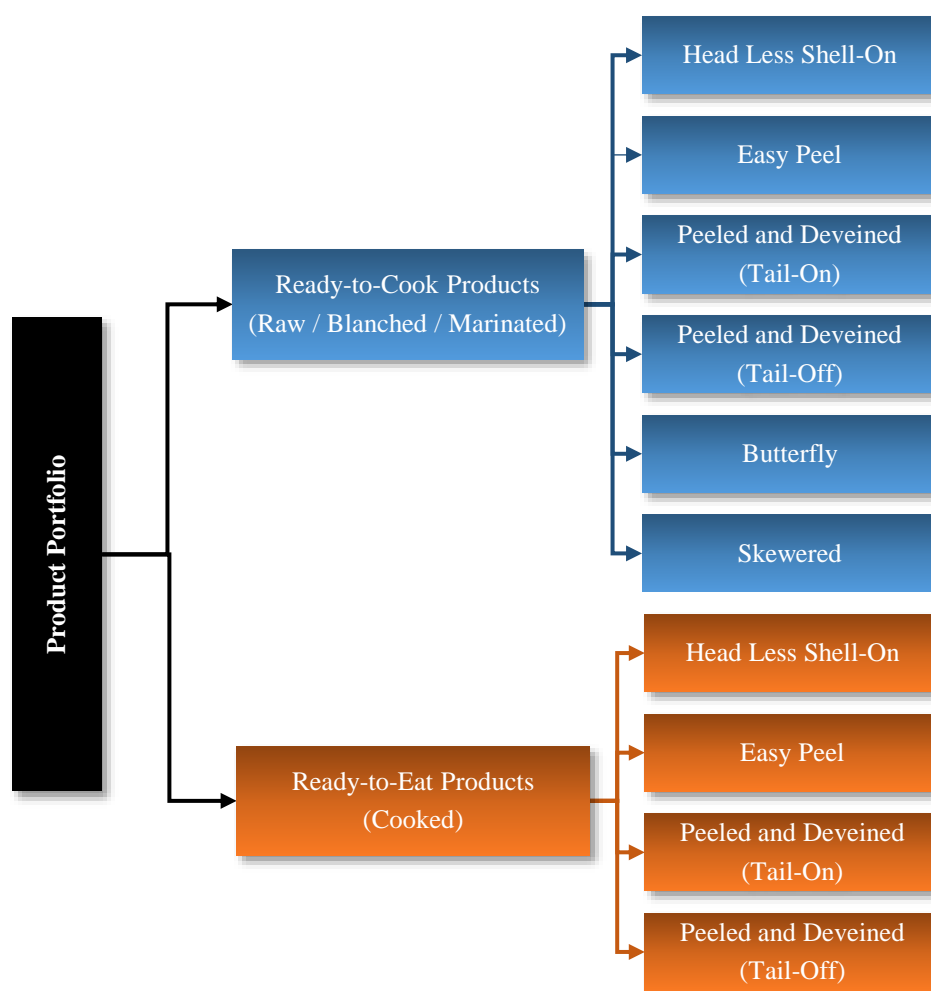
The Indian shrimp feed market reached a consumption volume of 799,190 Tons and production volume of 750,000 Tons in 2016-17, growing at a CAGR of 18.25% and 16.86% respectively at during 2009-10 to 2016-17. In consumption value terms, the Indian shrimp feed market reached a value of US\$ 799 Million exhibiting a CAGR of 23.7% during 2009-10 to 2016-17. The price of shrimp feed in Indian market grew at a CAGR of 4.08% during

2009-10 to 2016-17, reaching a value of US\$ 1.00 per kg in 2016-17. Andhra Pradesh currently dominates the Indian shrimp feed market accounting for 60.10% of the total Indian shrimp feed consumption in 2016-17. In consumption value terms, the shrimp feed market in Andhra Pradesh reached a value of US\$ 462 Million exhibiting a CAGR of 21.45% during 2009-10 to 2016-17. The shrimp feed market consumption and production in India is expected to grow at a CAGR of 12.70% and 12.34% during 2017-18 to 2022-23, reaching a volume of 1,710,874 Tons and 1,561,638 Tons respectively by 2022. The consumption and production is expected to grow at a CAGR of 16.42% and 16.05% during the same period, reaching a value of US\$ 2,067 Million and US\$ 1,611 Million respectively. (*Source: IMARC Report*)

We intend to utilize ₹ 430.00 million from the Net Proceeds of the Fresh Issue towards setting up an aqua-feed mill facility. For additional details in respect of the foregoing, see “*Objects of the Offer*”. We aim to leverage our existing procurement network and relationships to establish our sales network as we enter into the aqua-feeds business. We intend to initially market the produce from the aforesaid aqua-feed mill facility to the farmers that comprise our procurement network, including in particular, the farmers with whom we have entered into contract-farming arrangements. We believe that by successfully establishing a presence in the aqua-feeds business, we will achieve indirect backward integration by ensuring a presence in two key activities in the aquaculture-based processing value chain. Moreover, in light of the nature of aqua-feeds industry, we believe that we will be well-positioned to customize the products output at the proposed facility so as to cater to requirements of certain types of fish feed as well.

### Our Product Portfolio

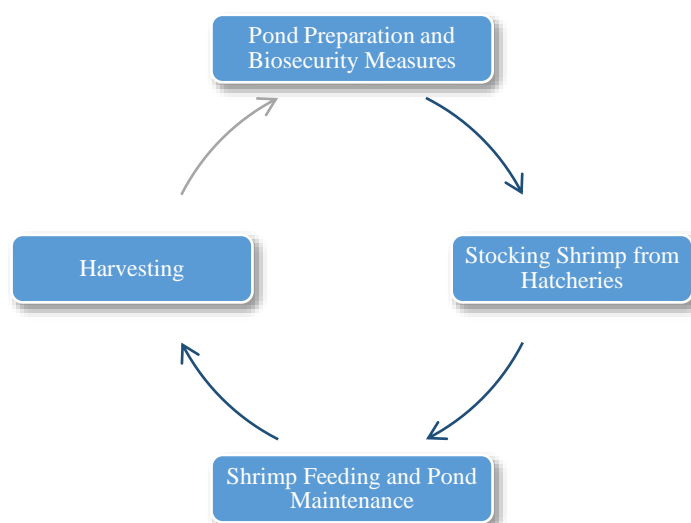
The chart below sets out our current product portfolio:



All of our products are primarily made by processing a single species of shrimp, namely the Pacific White Shrimp (*L. vannamei*). This species is one of the key species of shrimp in the world, and is typically farmed in areas where the water temperature remains above 20 °C throughout the year.

#### *Typical Shrimp Aquaculture Process*

The following process chart represents the typical shrimp aquaculture process:

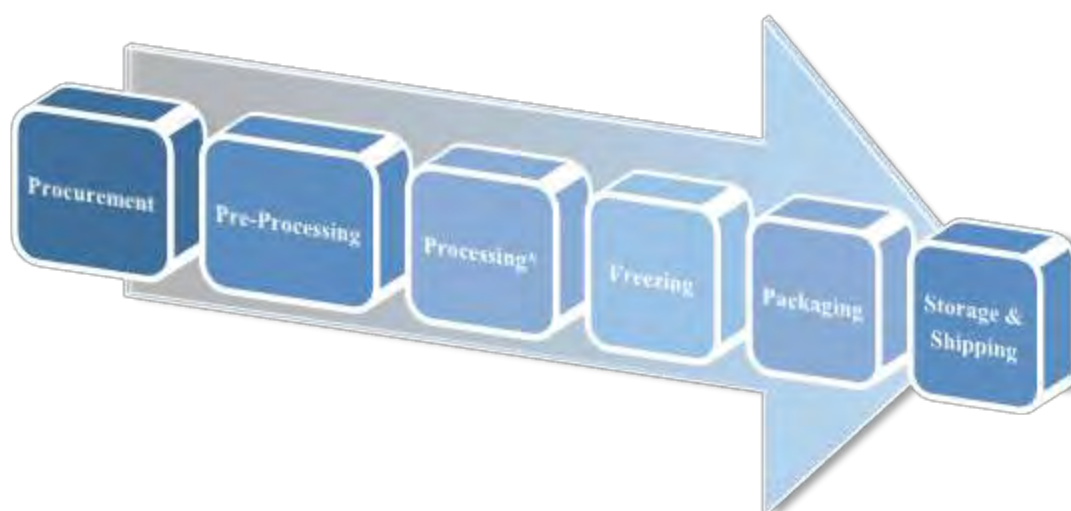


In each of the Fiscals 2015, 2016, and 2017, and the nine-month period ended December 31, 2017, 100.00% of the Pacific White Shrimp (*L. vannamei*) that we utilized in our processing operations was sourced from aqua-farms.

### **Our Business**

#### ***Production Process***

The following process chart represents our production process:



*\*Specific manner of processing (including marinating and/or cooking) is driven by customers' requirements*

#### ***Procurement***

Raw shrimp is the key raw material for our processing operations. Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. We have adopted an innovative procurement model, which we believe helps

protects us against yield loss and enables us to obtain raw shrimp at viable prices. Further, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. The freshly harvested raw material is iced in boxes, and transported by trucks with insulated storage to our processing facilities. As at December 31, 2017, we had our own fleet of 37 trucks with insulated storage that we utilize exclusively for our procurement activities.

#### *Pre-Processing*

Our employees inspect the raw material procured upon its arrival at our facilities so as to ensure that it is in good condition. Further, our quality control team undertakes batch-wise testing to ensure that it meets our stringent quality standards.

At the pre-processing stage, the raw shrimp first undergoes de-heading, followed by thorough cleaning. The de-headed and cleaned shrimp is then graded, weighed and sorted based upon size. Further, the raw material may be required to undergo further pre-processing, such as peeling and deveining, and subsequently, customized processing.

#### *Processing*

The pre-processed material is typically treated in phosphates, non-phosphates and/or salts before further processing and/or freezing. Processing is linked to the specific requirements of our customers, and may also involve other value addition, such as marinating and/or cooking. At our Palakole unit, we have a cooking line to undertake further processing and prepare a host of Ready-to-Eat products, which is attached to the IQF line. The processed material is sent for freezing, either by way of IQF or block freezing.

#### *Freezing*

We currently have two IQF lines at our Palakole unit, and one IQF line at our Vetapalem unit. Further, we are in the process of commissioning a second IQF line at our Vetapalem unit, which will be connected to a new cooking line. Moreover, we currently have two block freezing lines at our Palakole unit, and three block freezing lines at our Vetapalem unit.

#### *Packaging*

The frozen products are weighed, packaged and labelled as per our customers' specifications. These are subsequently packed into boxes and sealed.

#### *Storage and Shipping*

After packaging, the frozen food products are stored in our cold storage facilities at a temperature of minus 18° Celsius (-18°C) or lower. The sealed boxes are subsequently dispatched by way of refrigerated containers to the relevant port(s) for onward shipping to our customers. As at December 31, 2017, we had our own fleet of three reefer trucks, which we utilize for transporting our finished products in temperate-controlled conditions.

#### ***Quality Assurance and Control***

We place great emphasis on quality assurance and product safety at each step of our production process to ensure that the quality of our products meets the expectations of our customers and achieves maximum customer satisfaction.

We have set up an in-house quality control team that comprised 29 employees as at January 31, 2018, which drives all of quality related initiatives and monitors the same on a periodic basis. Further, we have installed modern control laboratories with advanced equipment at both of our processing units that enable us to monitor quality at various stages of our processing cycle. Our quality control team undertakes various tests from the raw material stage to finished product. In addition to our in-house quality assurance and control function, some of our customers also conduct periodic quality tests on our products and audit/inspection of our processing facilities to verify and ascertain effective implementation of quality management systems to evaluate quality of products already sourced or proposed to be sourced from us.

A description of the quality control procedures implemented at various stages of our production process is set out herein below:

*Supplier Identification and Outreach Programmes:* Our stringent quality control process begins with the identification of a wide pool of suitable suppliers of quality raw shrimp. These suppliers are selected based on a variety of factors, including, quality, timely delivery and competitive pricing. We also engage with local farmers by way of outreach programmes, through which we educate them as to the stringent quality standards expected and potential improvements to their farming practices.

*Incoming Quality Control:* We adhere to strict quality inspection procedures and internal controls to ensure the quality of our raw materials. All incoming raw materials are subjected to visual checks and testing at our in-house laboratories (random sampling from each batch).

*In-Progress Quality Control:* To ensure quality and productivity, we have established in-process quality control standards at various stages of our processing line. We undertake regular training to ensure that the workforce on our processing floor understands, and continuously adheres to, our stringent quality control procedures. Further, our quality control team is responsible for constantly supervising our processing operations, and periodically undertakes random batch sampling to ensure compliance with both internal and external quality standards.

*Final Quality Control:* All of our products undergo final quality inspections after being processed, packaged and labelled so as to ensure that all processing steps, including packaging, satisfy our customers' requirements. This includes random inspections of each batch by our quality control team before the products leave our processing facilities. The finished products are stored in cold storage facilities before being exported to our customers. Our quality control team is also responsible for ensuring that our products are handled and stored properly in transit to prevent damage.

*Plant and Machinery:* We undertake regular maintenance and repairs of the machinery and equipment at our processing facilities. Maintenance is typically undertaken by our in-house technicians and equipment suppliers. Major maintenance is typically undertaken during periods of low demand so as to avoid material impact on our processing operations.

### ***Processing Facilities***

At present, we have 2 (two) strategically-located processing facilities in the coastal belt of the state of Andhra Pradesh, which is a major hub for shrimp farming in India. We believe that the proximity of our processing facilities to aqua-farms provides us with a significant locational advantage, and enables us to obtain a regular supply of quality raw material. A description of the aforesaid facilities is as follows:

*Palakole Unit:* Our Palakole unit is owned and operated by our Company. It commenced commercial operations in Fiscal 1992, and as at December 31, 2017, it had a processing capacity of 8,002.50 MTPA. We process both Ready-to-Cook and Ready-to-Eat products at this facility, which has two block freezing lines and two IQF lines, of which one IQF line is connected to a cooking line, and a cold-storage capacity of more than 750 pallets. We are currently in the process of installing an additional modernized cold-storage facility with a capacity of approximately 1,000 pallets at this unit. The unit is located in the West Godavari district of Andhra Pradesh, which is close to the ports at Kakinada and Visakhapatnam.

*Vetapalem Unit:* Our Vetapalem unit is owned and operated by our Subsidiary, namely Aquatica Frozen Foods Global Private Limited. It commenced commercial operations in February 2016, and as at December 31, 2017, it had a processing capacity of 5,197.50 MTPA. We currently process Ready-to-Cook products at this facility, which has three block freezing lines, one IQF line and a cold-storage capacity of more than 1,200 pallets. We are currently in the process of installing an additional modernized cold-storage facility with a capacity of approximately 800 pallets at this unit. We are currently in the process of commissioning a second IQF line that will be connected to a new cooking line at our Vetapalem unit. We expect that the aforesaid additional IQF line and cooking line will be operational in the first-quarter of Fiscal 2019, and will enhance our processing capacity by 3,547.50 MTPA. Upon the successful commissioning of the aforesaid lines, we expect that our installed capacity at our Vetapalem unit, which was 5,197.50 MTPA as at December 31, 2017, will be enhanced to 8,745 MTPA. This unit is located in the Prakasam district of Andhra Pradesh, which is close to the ports at Krishnapatnam and Chennai.

### ***Independent Cold Storage Facility***

In addition to the in-house cold-storage facilities at our Palakole and Vetapalem units, we also have a strategically located independent cold-storage facility at Visakhapatnam. This facility is owned and operated by our Company, and commenced commercial operations in December 2006. This facility has an installed capacity of 825 MT as at December 31, 2017.

### ***Capacity and Utilization***

The following table sets forth details of our aggregate installed capacity and production volumes, as per product groups, during the relevant periods:

Unit	Installed Processing Capacity (In MT)				Capacity Utilization <sup>#</sup> (%)			
	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	As at December 31, 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine- months ended December 31, 2017
Palakole	5,774.50	5,774.50	5,774.50**	8,002.50	76.81%	87.30%	87.34%	87.24%
Vetapalem	-	5,197.50*	5,197.50	5,197.50	-	26.81%	52.60%	89.61%
<b>Total</b>	<b>5,774.50</b>	<b>10,972.00</b>	<b>10,972.00</b>	<b>13,200.00</b>	<b>76.81%</b>	<b>81.80%</b>	<b>70.18%</b>	<b>88.18%</b>

\*Commercial operations commenced in February 2016.

\*\* Unavailable for part of the year due to modernization.

<sup>#</sup>Total Capacity Utilization has been computed based on the available capacity during the period.

### ***Quality Certifications and Accreditations***

We are committed to consistently delivering quality seafood products to our customers. Our product quality and quality assurance procedures have been recognized by way of the various certifications and accreditations that we have received over the years.

Set forth below are the key certifications and accreditations that we currently maintain in respect of our operations:

- HACCP certification in respect of our Palakole and Vetapalem units;
- British Retail Consortium (BRC) certification in respect of our Palakole and Vetapalem units;
- Four-Star Best Aquaculture Practices (BAP) certification in respect of our Palakole and Vetapalem units;
- US FDA registration in respect of our Palakole and Vetapalem units;
- EU, China and Vietnam related-approvals in respect of our Palakole and Vetapalem units;
- Aquaculture Stewardship Council (ASC) certification in respect of our Palakole and Vetapalem units; and
- Business Social Compliance Initiative (BSCI) certification in respect of our Palakole unit.

### ***Inventory Management***

We typically base our procurement of raw material on the purchase orders that we receive from our customers. Raw shrimp is generally purchased from aqua-farms throughout the year to replenish our inventories based on our processing needs. We maintain an inventory of finished products in line with existing purchase orders and expected lead-time for delivery.

### ***Customers and Markets***

Since our incorporation in 1987, we have methodically expanded both our customer and revenue base. During the five-year and nine-month period ended December 31, 2017, we have had a diversified customer base that comprises over 100 customers in more than 25 countries, including major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. Each of our top-five customers for the nine-month period ended December 31, 2017, has been our customer for over five years.



We have not entered into any framework agreements with our customers, and sales are usually made on the basis of purchase orders that are received from our customers from time to time. A majority of our sales to customers in the US market are made on a delivered-duty-paid (DDP) basis, where we are responsible for delivering the finished goods to the destination, paying any duty and making the goods available to the buyer. Sales to customers in other geographies are made on a DDP basis, cost-insurance-freight (CIF) basis or free-on-board (FOB) basis.

Our products are principally packaged and sold under the end-customers' brands, and are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. A geographical breakdown of our total product sales (by revenue) for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, is represented herein below:

#	Geography	As a % of Total Sales (Revenue)			
		Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine-months Ended December 31, 2017*
1.	North America	59.25%	65.86%	72.93%	78.55%
2.	Europe	19.83%	15.80%	13.48%	9.41%
3.	Asia	19.43%	17.00%	4.34%	12.02%
4.	Others	1.49%	1.34%	9.25%	0.02%
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Not annualized

The major countries to which we export are USA, Netherlands, Belgium, Germany, United Kingdom, Russia, China and Vietnam.

## Human Capital

Our work force is a critical factor in maintaining quality and safety, which strengthens our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to improve productivity and maintain compliance standards on quality and safety. We offer our employees performance-linked incentives and benefits and conduct employee engagement programs from time-to-time. We consider our relationship with our employees to be satisfactory.

As of January 31, 2018, we employed 1,020 individuals, on a consolidated basis, a breakdown of which has been provided below:

Function	Number of Employees
Administration, Finance, Human Resources, Legal and Operations	194
Processing	791
Quality Control	29
Sales and Marketing	6
<b>Total</b>	<b>1,020</b>

## Safety, Health and Environment

Processing of seafood is subject to a number of national and regional laws and regulations. These include in particular, regulations on technical safety and environment protection, including, among others, restriction of air pollution and noise, discharge of waste products into water above and below the ground and other occupational health and safety regulations. See *“Regulations and Policies”* and *“Government and Other Approvals”* on pages 153 and 345, respectively. We believe that sustainable manufacturing is the cornerstone of our development, and acts as a key driver for our future growth and prospects.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by

providing appropriate training to our management and our employees. We also believe that all our facilities possess adequate effluent treatment processes.

### **Insurance**

Our operations are subject to a number of hazards inherent to seafood processing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other *force majeure* events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to liability claims if our products are not in compliance with regulatory standards and the terms of our contractual arrangements.

Our principal types of coverage include standard fire and special perils, fire floater and package insurance. Our insurance policies may not be sufficient to cover our economic loss. See “*Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition*” on page 26.

### **Corporate Social Responsibility**

We recognize our role and responsibility to deliver superior and sustainable value to our customers, business partners, employees and communities. We have adopted a Corporate Social Responsibility (“**CSR**”) policy in compliance with the requirements of the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government.

We have implemented our CSR initiatives in partnership with an implementing agency. Our social welfare initiatives were mainly undertaken by sponsoring a mid-day meal scheme, whereby mid-day meals are supplied by the implementing agency to primary and secondary school students in schools in Visakhapatnam, Andhra Pradesh.

### **Competition**

We compete with several domestic and international seafood processors, primarily in Asian countries such as Indonesia, Vietnam, Ecuador and Thailand. We also face competition from several players in the unorganized sector. Flexibility to respond to changing business conditions is an important element towards maintaining a competitive position in the frozen seafood industry. In addition to the growing competition in the frozen seafood industry, we may also be affected by competition faced by our customers and end-retailers.

### **Intellectual Property**

We have currently applied for the registration of six trademarks. For additional details, please see “*Government and Other Approvals*” on page 345.

We also rely on unpatented proprietary know-how, continuing technological innovation and other trade secrets to develop and maintain our competitive position. We constantly seek to protect our intellectual property against unauthorised use or infringement, but any such precautions may not provide meaningful protection against competitors or protect the value of our intellectual property.

### **Properties**

Our Company’s registered and corporate office, located at D. No-7-5-108/1, Plot No. 62 & 67, IInd Floor, Pandurangapuram, Visakhapatnam – 530 003, Andhra Pradesh, India, has been leased by us for a period of 22 months pursuant to a lease agreement dated April 1, 2017. Our Palakole unit, Vetapalem unit and the independent cold-storage facility at Visakhapatnam are situated on land that is owned by us. In addition to our own properties, we have entered into lease agreements in respect of certain premises that are utilized by our employees for temporary residence.

## REGULATIONS AND POLICIES

The following description is an indicative summary of certain sector specific laws and regulations in India, which are applicable to our business. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive, and are only intended to provide general information to the Bidders, and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us in compliance with these regulations, see “*Government and Other Approvals*” on page 345. The statements below are based on the current provisions of applicable law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Set forth below are certain significant legislations, regulations and policies that generally govern the sector in which we operate.

### Key Industry Regulations

We are regulated by various general and sector-specific laws and regulations in India, and are accordingly required to obtain certain licenses and approvals under the prevailing laws and regulations as applicable. The industry within which we operate is regulated in India by the following regulations and policies:

#### Laws Relating to Processing and Exporting of Marine Products

##### *The Marine Products Export Development Authority Act, 1972*

The Marine Products Export Development Authority Act, 1972 (“**MPEDA Act**”) has been enacted to provide for the establishment of the Marine Products Export Development Authority (“**MPEDA**”), an authority that is responsible for the development and promotion of the marine products industry, with special reference to exports from India.

MPEDA may, by notification in the Gazette of India, declare all varieties of fishery products, known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants or part thereof and any other products to be ‘marine products’ for the purposes of MPEDA Act. Registration of exporters, fishing vessels and other processing entities is one of the statutory functions of MPEDA under Section 9(2)(b) and (h) of the MPEDA Act. Registration as an exporter is granted under section 9(2) (h) of MPEDA Act read with rules 40, 41 and 42 of the Marine Products Export Development Authority Rules, 1972.

##### *Coastal Aquaculture Authority Act, 2005*

The Coastal Aquaculture Authority Act, 2005 (“**CAA Act**”) provides for the establishment of a Coastal Aquaculture Authority (“**CAA**”) for regulating the activities connected with coastal aquaculture in the coastal areas. The CAA Act also provides that no person should carry on, or cause to be carried on, coastal aquaculture in a coastal area which lies within such coastal regulation zone as is specified thereunder and is not used for coastal aquaculture purposes unless the farm is registered with the CAA. Violation of any of the provisions will attract punishment including imprisonment for a term which may extend to three years or with fine which may extend to one lakh rupees, or with both. However, the CAA Act prohibits coastal aquaculture from being carried on (i) within two hundred meters from high tide lines; and also (b) in creeks, rivers and backwaters within the coastal regulation zone declared for the time being under the Environment (Protection) Act, 1986.

It is mandatory for anyone carrying on coastal aquaculture to register their farm with the CAA. Registration may be obtained for a period of five years, which can be renewed further. The registration process would be continued in respect of new farms as well as farms that may be renovated for taking up coastal aquaculture activities in future.

##### *Guidelines for culture of Litopenaeus vannamei in fresh water / inland farms*

The Guidelines for Culture of Litopenaeus vannamei in fresh water/inland farms (“**Vannamei Guidelines**”), as notified by [Central Govt.] by way of a notification dated April 29, 2013, *inter alia*, provide that farmers who are desirous of cultivating Litopenaeus vannamei in fresh water/inland farms located outside the jurisdiction of the CAA, having water salinity above 0.5 PPT, will be required to register their farms with the relevant State Fisheries

Department. However, the farms located within the jurisdiction of CAA shall register with CAA itself. Farmers are also, *inter alia*, required to maintain records as set out under the Vannamei Guidelines.

### ***Fisheries Policy of Andhra Pradesh 2015-2020 – Fisheries Department, State Government of Andhra Pradesh***

The State Government of Andhra Pradesh accords top priority to fisheries development and its intervention for marine, brackish water, Inland fisheries, reservoirs development and ornamental fishery trade, with a view to enhance the fish production to 42 lakh tonnes in the next five years from the present level of 19.64 lakh tonnes and to double the exports value from the present level of about ₹ 16,000 crores. This policy outlines the developmental objectives, management measures and strategies to be implemented for the next five year period.

The policy will aim to help the state in modernizing the fisheries sector by creating a stakeholder friendly eco-system for attracting new technology and investments. Put in place appropriate mechanisms to ensure that fisheries and aquaculture are sustainable with ecological integrity and biodiversity. Further, the policy promotes innovation and will ensure technology up gradation and also safeguard the rights of small fishermen, encourage increased participation of women and implement schemes for welfare of fishermen with defined outcomes.

### ***The Food Safety and Standards Act, 2006***

The Food Safety and Standards Act, 2006 (“**FSSA**”) seeks to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“**FSSAI**”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed under the FSSA include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. Under Section 31 of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

### ***Legal Metrology Act, 2009***

The Legal Metrology Act (“**LM Act**”) was enacted so as to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Under the provisions of the LM Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration of the instruments used before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Without a license under the LM Act, weights or measures may not be manufactured, sold or repaired.

The Legal Metrology (Packaged Commodities) Rules, 2011 were framed under section 52(2)(j) and (q) of the LM Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A “pre-packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. No person shall manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless such package is in such standard quantities or number and bears thereon such declarations and particulars in such manner as may be prescribed.

### ***The Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The Bureau of Indian Standards Act, 2016 (“**BIS Act**”) provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, *inter alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used, conforms to the Indian Standard as defined under the BIS Act, or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### ***Foreign Trade Policy 2015-20 (“EXIM Policy”)***

Under the Foreign Trade Policy, the Government of India is empowered to periodically formulate the EXIM Policy and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The EXIM Policy provides for certain schemes for the promotion of export of finished goods and import of inputs.

### ***Export Promotion Capital Goods Scheme (“The EPCG Scheme”)***

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of “deemed exports”, which are transactions deemed to be exports.

## **INTELLECTUAL PROPERTY RIGHTS**

In India, patents, trade marks and copyrights enjoy protection under both statutory and under common law. The key legislations governing intellectual property in India and which are applicable to our Company are the Patents Act, 1970, Copyright Act, 1957 and the Trade Marks Act, 1999. India is also a party to several international agreements for the protection of intellectual property rights.

## **ENVIRONMENTAL LEGISLATIONS**

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 and the rules and regulations thereunder and The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for the maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

### ***The Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 (the “**EPA**”) is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

### ***The Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 (the “**Water Act**”) aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

### ***The Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 (the “**Air Act**”) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control

board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

***The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, (“Hazardous Wastes Rules”)***

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

***The Manufacture, Storage and import of Hazardous Chemical Rules, 1989 (“HCR Rules”)***

The HCR Rules are formulated under the Environment (Protection) Act, 1986. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety.

Where a major accident occurs on a site or in a pipe line, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

## **LABOUR LAWS AND OTHER LAWS**

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply to us. The following is an indicative list of labour laws applicable to our operations in India:

- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947;
- The Employees’ State Insurance Act, 1948;
- The Factories Act, 1948;
- The Maternity Benefit Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Employee's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Industrial Employment (Standing Orders) Act, 1946; and
- The Trade Unions Act, 1926.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as “Sandhya Marines Private Limited”, under the provisions of the Companies Act, 1956, *vide* Certificate of Incorporation dated July 1, 1987, issued by the RoC., pursuant to a special resolution of the shareholders of our Company dated April 3, 1995, our Company was converted into a public limited company and the name of our Company was changed from “Sandhya Marines Private Limited” to “Sandhya Marines Limited” and a Fresh Certificate of Incorporation was issued by the RoC on December 22, 1995. The CIN of our Company is U05004AP1987PLC007578.

### Changes in Registered Office

Change in Address		Date of resolution	Reason
<u>From</u>  32, Pandurangapuram, Visakhapatnam – 530 002, Andhra Pradesh, India	<u>To:</u>  402, Vantage Apartments, East Point Colony, Chinawaltair, Visakhapatnam – 530 017, Andhra Pradesh, India	November 6, 2012	For operational convenience
<u>From</u>  402, Vantage Apartments, East Point Colony, Chinawaltair, Visakhapatnam – 530 017, Andhra Pradesh, India	<u>To:</u>  D. No. 7 – 5 – 108/1, Plot No. 62 & 67, IInd Floor, Pandurangapuram, Visakhapatnam – 530 003	May 20, 2013	For operational convenience

### Major events and milestones

The table sets forth some of the major events in the history of our Company:

Fiscal	Particulars
1987	Incorporation of our Company
1992	Construction of first plant and commencement of operations at Palakole, West Godavari district, Andhra Pradesh
2006	Received Best Aquaculture Practices Certificate (BAP)
2007	Received HACCP certification, a quality control certification required for the export of food to USA and EU Commenced operations of standalone cold storage at Paradesipalem, Visakhapatnam
2014	Incorporation of its subsidiary company, Aquatica Frozen Foods Global Private Limited
2016	Received the Four-Star Best Aquaculture Practices (BAP) certification, the highest designation in the BAP third-party certification program Commencement of operations at new facility at Vetapalem, Andhra Pradesh under the name of “Aquatica Frozen Foods Global Private Limited”

### Certifications, Awards and Accreditations

Calendar Year	Awards/Accreditation
2017	Received certificates from SGS Nederland B.V. which certified that the MSC and ASC processes of Sandhya Marines Limited and Aquatica Frozen Foods Global Private Limited have been verified to comply with the standards of both the “MSC Chain of Custody” and “MSC Chain of Custody”. Obtained “Certificate of Conformity” (with a certification Grade “A”) in relation to the “Global Standard for Food Safety” Standard from NSF Certification UK Limited Received the “Aquaculture Stewardship Council Farm Certification” from SGS Global Services, USA Obtained “Certificate of Registration” (pursuant to the Federal Food Drug and Cosmetic Act, as amended by the Bioterrorism Act of 2002 and FDA Food Safety Modernization Act) from Registrar Corp, USA Received certificate of recognition for being the “Most Promising MSME in Andhra Pradesh” at the MSME Leadership Series from Union Bank of India
2016	Obtained “Certificate of Conformity” for compliance to the HACCP Codex Alimentarius Commission guidelines and standards from NSF International

## Main Objects of our Company

The main objects of our Company contained in our Memorandum of Association are as follows:

1. *“To carry on inland and deep – sea fishing, fish culture and business of processing, canning, packing, purchase, sale, export, import and deal in marine products.*
2. *To establish, maintain and operate shipping, and all ancillary services and for these purposes or independent undertakings to purchase, take in exchange, charter, hire, build, construct or otherwise acquire, and to win work, manage and trade with steam, sailing, motor and other ships trawlers, drifters tugs and vessels, aircraft and motor and other vehicles, to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange, or let out on hire purchase, or charter or otherwise deal with and dispose of any of the ships, vessels, fishing trawlers, aircraft and vehicles or any of the engines, tackles, gears, furniture, equipment, and stores of the Company and to do the business of supplying hardware and accessories in shipping industry.*
3. *To carry on the business of farming, agriculture and horticulture in all their respective forms and branches and to grow, produce, manufacture, process, prepare, refine, extract, manipulate, hydrolyze, deodorize, grind, bleach, hydrogenate, buy sell or otherwise deal in all kinds of agricultural, horticultural, dairy, poultry and farm produce and products including food grains, cereals, seeds, oil seeds, plants, flowers, vegetables, fruits and edible oils, and foods and food products and preparation of any nature or description whatsoever.*
4. *To purchase or otherwise establish, build, own, operate, acquire, run and manage processing factories, cold storage, refrigerators, ice making plants and also warehouses, sheds and buildings for the purpose of processing, packing, preserving and canning all varieties of fish, fish products, farm products and edible products including by-products manufactured and/or dealt in by the Company and to deal in all kinds of machinery, appliances and materials for achieving the said object.*
5. *To carry on the business of preservation, dehydration, freezing, instant quick freezing, freeze-drying, drying, canning, tinning, bottling and packing of all or any of the produce and products mentioned above and food stuffs provisions and consumable materials of all kinds.*
6. *To carry on in India or abroad the business to manufacture, trade, fabricate, treat, prepare, convert, ferment, finish, clean, process, produce, make, import, export, promote, buy, sell, supply, pack, repack, market, and to act as consignor, consultants, collaborator, agents, merchants, distributors, concessionaires, stockists, adatis, C & F agents or otherwise to deal in all kinds of livestock, animal feeds, shrimp/prawn feed, aqua feeds, fish feeds, feed concentrates, feed additives, mineral mixture, pro biotics, raw material for aqua, fish, shrimp/prawn feed and animal feed, vitamins, De-oiled cakes, feed supplement, veterinary medicines / biological and products of the like for the use in livestock development and also to act as consultants for aqua units, supply of technical know-how in marine, aqua food and other allied products of trade in India or Abroad.”*

The main objects as contained in our Memorandum of Association enable our Company to carry on our existing business.

## Amendments to the Memorandum of Association

Except as disclosed below, there has been no change in the Memorandum of Association of our Company:

Date of Shareholders' Resolution	Particulars
March 11, 1993	Clause V of the MoA was amended to reflect the increase in the initial authorised share capital of ₹ 2,500,000 comprising 25,000 Equity Shares of ₹ 100 each was increased to ₹ 7,500,000 comprising 75,000 Equity Shares of ₹ 100 each.
November 15, 1993	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 7,500,000 divided into 75,000 equity shares of ₹ 100 each to ₹ 15,000,000 divided into 1,50,000 equity shares of ₹ 100 each.
March 27, 2001	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 15,000,000 divided into 1,50,000 equity shares of ₹ 10 each to ₹ 17,500,000 divided into 1,750,000 equity shares of ₹ 10 each.



Date of Shareholders' Resolution	Particulars
January 29, 2002	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 17,500,000 divided into 1,750,000 equity shares of ₹ 10 each to ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each.
January 5, 2007	<p>Clause III (C) was amended to incorporate the following new sub-clauses 27, 28, 29 and 30:</p> <p>“27. To carry on the business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, and contracting, as consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockists, wholesalers, retailers, jobbers, traders, agents, brokers, representatives and collaborators of electricity, steam, power, solar energy, wind energy, biomass energy, geothermal energy, hydel energy, tidal energy and wave energy and other conventional, non-conventional and renewal energy sources, waste treatment plants of all kinds and equipment thereof in India and outside India.</p> <p>28. To establish, provide, maintain, and conduct or otherwise run educational institutions and to undertake and carry on with all researches, experiments, and tests of all kinds and to promote studies and research, including administrative, legal, commercial, scientific, and technical studies by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings, and conferences and by providing for the remuneration of professors or teachers and by providing for the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind.</p> <p>29. To carry on the business of real estate and to acquire by purchase, lease, or exchange, any immovable property and to effect development and construction, to repair, remodel or otherwise deal in land, buildings, estates, fuel filling stations, entertainment complexes, manufacturing facilities, public utility services, roads, highways, bridges, canals, dams, ports, reservoirs, or any other structural or architectural work of any kind whatsoever and for such purpose to prepare estimates, designs, plans, specifications or models and to do such other or any act that may be requisite there for and to deal in offices, warehouses, shops, theatres and other conveniences of all kinds and properties of all kinds and description and to act as town planners, surveyors, appraisers, decorators, furnishers, furniture makers, merchants, dealers in cement, steel, iron, fuel, coke, timber and other building requisites and to manufacture requisites for above.</p> <p>30. To construct, erect, build, repair, remodel, demolish, develop, improve, grade, curve, pave, macadamize, cement and maintain buildings, structures, houses, apartments, hospitals, schools, places of worship, highways, roads, paths, streets, sideways, courts, alleys, pavements and to do other similar construction, leveling or paving work, and for these purposes to purchase, take on lease, or otherwise, acquire and hold any lands and prepare layout thereon or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith.”</p>
November 16, 2017	<p>i) Clause III (B) of the MoA was replaced with the following title:</p> <p>“Matters which are necessary for furtherance of the object specified in Clause III(A)”</p> <p>ii) Regulations contained in Clause III (B) was replaced with new regulations.</p> <p>iii) The “Other Objects Clause” of the MoA was removed by deletion of Clause III(C).</p>
December 28, 2017	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹ 35,000,000 divided into 3,500,000 equity shares of ₹ 10 each to ₹ 1,200,000,000 divided into 120,000,000 equity shares of ₹ 10 each.
February 9, 2018	<p>Clause III (A) was amended to include a new sub-clause (6):</p> <p>6. To carry on in India or abroad the business to manufacture, trade, fabricate, treat, prepare, convert, ferment, finish, clean, process, produce, make, import, export, promote, buy, sell, supply, pack, repack, market, and to act as consignor, consultants, collaborator, agents, merchants, distributors, concessionaires, stockists, adatias, C &amp; F agents or otherwise to deal in all kinds of livestock, animal feeds, shrimp/prawn feed, aqua feeds, fish feeds, feed concentrates, feed additives, mineral mixture, pro biotics, raw material for aqua, fish, shrimp/prawn feed and animal feed, vitamins, De-oiled cakes, feed supplement, veterinary medicines / biological and products of the like for the use in livestock development and also to act as consultants for aqua units, supply of technical know-how in marine, aqua food and other allied products of trade in India or Abroad.</p>

## **Other details regarding our Company**

For details regarding the description of our activities, services, products, market of each segment, the growth of our Company, technology, the standing of our Company with reference to prominent competitors, management, managerial competence, major suppliers and customers, exports, profits, geographical segment, capacity/facility creation, location, environmental issues, market, capacity build-up, marketing and competition, see “*Our Business*”, “*Our Management*” and “*Industry Overview*” on pages 140, 164 and 114, respectively.

## **Corporate profile of our Company**

For details of our Company’s corporate profile, business, marketing, the description of our activities, services, products, market of each segment, the growth of our Company, exports and profits due to foreign operations and country-wise analysis, standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, major suppliers, major customers, geographical segment and management, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 140 and 310, respectively.

For details of the management of our Company and its managerial competence, see “*Our Management*” on page 164.

## **Our Shareholders**

As on the date of the DRHP, our Company has 11 (eleven) Shareholders. For further details regarding our Shareholders, see “*Capital Structure – Notes to Capital Structure – Shareholding Pattern of our Company*” on page 90.

## **Details regarding acquisition of business/ undertakings, mergers or amalgamation**

Our Company has not undertaken any acquisition of business, mergers or amalgamations.

## **Shareholders’ Agreement**

As on date of this Draft Red Herring Prospectus, there are no subsisting shareholders agreements among our shareholders *vis-à-vis* our Company that our Company is aware of.

## **Strikes and lock-outs**

Our Company has not experienced any strikes, lock-outs or instances of labour unrest in the past ten years.

## **Time and cost overrun in setting up projects by our Company**

We have not experienced any instances of time/cost overrun in our business operations.

## **Changes in the activities of our Company during the last five years**

There have been no changes in the activities of our Company during the last five years, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

## **Defaults or rescheduling of borrowings from financial institutions/ banks, conversion of loans into equity by our Company**

Except as disclosed in the Draft Red Herring Prospectus, there have not been any defaults in complying with the terms and conditions of our Company’s term loans and other credit facilities, which are currently outstanding. Further, none of our outstanding loans have been converted into Equity Shares or have been rescheduled.

***Capital raising activities through equity or debt***

For details regarding our capital raising activities through equity and debt, see “*Capital Structure*” and “*Financial Indebtedness*” on pages 78 and 336, respectively.

**Injunctions or restraining order against our Company**

As on the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

**Holding company**

Our Company does not have a holding company.

**Subsidiary Company**

As of the date of this Draft Red Herring Prospectus, we have one Subsidiary. For details regarding the Subsidiary of our Company, see “*Our Subsidiary*” on page 162.

**Associate company**

As of the date of this Draft Red Herring Prospectus, our Company does not have any associate company.

**Strategic and financial partners**

As of the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

**Guarantees provided by our Promoters**

Our Promoters have provided guarantees with respect to certain borrowings of our Company. For further details, see “*Financial Indebtedness*” and “*Financial Statements*” on pages 336 and 190, respectively.

**Other agreements**

For details of the agreements in relation to the business and operations of our Company, see “*Our Business*” on page 140.

**Revaluation of assets**

Our Company has not revalued its assets since its incorporation.

## OUR SUBSIDIARY

As of the date of this Draft Red Herring Prospectus, our Company has the following Subsidiary:

1. Aquatica Frozen Goods Global Private Limited

Unless otherwise stated, the information below is as of the date of the Draft Red Herring Prospectus.

### Details of the Subsidiary

#### 1. Aquatica Frozen Foods Global Private Limited

##### *Corporate information*

Aquatica Frozen Foods Global Private Limited was incorporated on January 31, 2014 under the Companies Act, 1956. The registered office of Aquatica Frozen Foods Global Private Limited is situated at D.No.7-5-108/1, Plot No. 62 & 67, Pandurangapuram, Visakhapatnam – 530 003, Andhra Pradesh, India. The corporate identification number for Aquatica Frozen Foods Global Private Limited is U15400AP2014PTC092623.

##### *Nature of business*

Aquatica Frozen Foods Global Private Limited was incorporated with the object of, *inter alia*, carrying on the business of keepers, warehousemen and transporters of prawn, shrimp, fish, sea foods, processed fish, sea foods, vegetables, fruits, meats and eggs along with the business of acquiring, dealing, operating, equipping and using trawlers, vessels, plants, apparatus, equipment and articles for catching, procuring, packing or bottling fish, fish products and sea foods of all kinds. The Company is also involved in the business of catching, procuring, preserving, smoking, curing, freezing and processing prawn, shrimp, fish and other sea foods for human or animal consumption.

##### *Capital structure*

The authorised share capital of Aquatica Frozen Foods Global Private Limited is ₹ 125,000,000 divided into 12,500,000 equity shares of ₹ 10 each. The issued and paid-up equity share capital of Aquatica Frozen Foods Global Private Limited is ₹ 125,000,000 divided into 12,500,000 equity shares of ₹ 10 each.

##### *Shareholding*

The shareholding pattern Aquatica Frozen Foods Global Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of shareholder	Number of shares	Percentage (%)
1.	Sandhya Marines Limited	7,490,000	59.92
2.	Ms. Puja Kamineni	2,000,000	16.00
3.	Mr. Hitesh Chenchu Ram	3,000,000	24.00
4.	Dr. K.V. Prasad	5,000	0.04
5.	Mr. K. Arun Kumar	5,000	0.04
	<b>Total</b>	<b>12,500,000</b>	<b>100.00</b>

##### **Accumulated profits or losses**

As of the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiary that is not accounted for by our Company.

##### **Other confirmations**

As of the date of this Draft Red Herring Prospectus, our Subsidiary (i) is not listed or has not been refused listing on any stock exchange in India or abroad or (ii) has not made any public or rights issue of equity shares in the last three years or (iii) has not become a sick company as specified under SICA or (iv) is not under winding up, insolvency or bankruptcy proceedings, or (v) has not become defunct; (vi) has not made an application to the relevant RoC, in the five years preceding from the date of filing this Draft Red Herring Prospectus with SEBI, for striking off its name or (vii) has not received any significant notes on the financial statements from the auditors.

**Interest in our Company**

Our Subsidiary does not hold Equity Shares in our Company and does not have any interest including any business interest in our Company's business other than as stated in "*Financial Statements*" on page 190.

**Common pursuits**

Our Subsidiary is engaged in lines of business that are synergistic with the business of our Company as a result of which there is no conflict of interest due to common pursuits between our Subsidiary and our Company.

**Sales or purchases**

Except as disclosed in "*Financial Statements*" on page 190, there are no sales and purchases between any of the Subsidiary and our Company, where such sales or purchases exceed, in the aggregate, 10% of the total sales or purchases of our Company for Fiscal 2017.

## OUR MANAGEMENT

In terms of our Articles of Association, unless otherwise determined by the Company at a general meeting, our Company is required to have at least three Directors and not more than 15 Directors. Our Company currently has six Directors, comprising three Executive Directors and three Independent Directors (including one woman director). The following table sets forth details regarding the Board as on the date of this Draft Red Herring Prospectus:

<b>Name, Address, Designation, Occupation, Nationality, Tenure and DIN</b>	<b>Age (in years)</b>	<b>Other Directorships</b>
<b>Dr. K.V. Prasad</b>  <i>Address:</i> Plot No. 31, Balaji Bay Mount, Peda Rushikonda, Visakhapatnam – 530 045, Andhra Pradesh  <i>Designation:</i> Chairman and Managing Director  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> For a period of five years with effect from September 29, 2017  <i>DIN:</i> 00788002	63	1) Aquatica Frozen Foods Global Private Limited 2) Sandhya Holdings Private Limited 3) Pinnacle Hospitals India Private Limited 4) Star Pinnacle Heart Centre Private Limited
<b>Mr. K. Anand Kumar</b>  <i>Address:</i> Flat No. 402, Vantage Apartments, Chinna Waltair, Visakhapatnam – 530 017, Andhra Pradesh, India  <i>Designation:</i> Whole-Time Director  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> For a period of five years with effect from September 29, 2017  <i>DIN:</i> 02888023	39	1) Aquatica Frozen Foods Global Private Limited 2) Sandhya Holdings Private Limited 3) Pinnacle Hospitals India Private Limited
<b>Mr. K. Arun Kumar</b>  <i>Address:</i> Villa No. 41, Balaji Bay Mount Layout, Peda Rushikonda, Visakhapatnam, Andhra Pradesh – 530 045  <i>Designation:</i> Whole-Time Director  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> For a period of five years with effect from September 29, 2017  <i>DIN:</i> 02889117	34	1) Aquatica Frozen Foods Global Private Limited 2) Sandhya Holdings Private Limited 3) Pinnacle Hospitals India Private Limited
<b>Mr. M. Raghavendra Rao</b>  <i>Address:</i> B-5, APSEB Colony, Seethammadhara, Visakhapatnam – 530 013, Andhra Pradesh  <i>Designation:</i> Independent Director  <i>Occupation:</i> Business	67	1) Daspalla Global Hotels Private Limited 2) Kranthi Hospitalities Private Limited 3) Daspalla Hotels Private Limited 4) Daspalla Resorts Private Limited 5) Sanskruthi Enterprises Private Limited 6) Daspalla Chits and Investments Limited 7) Daspalla Investments Private Limited 8) Clover Associates Private Limited

Name, Address, Designation, Occupation, Nationality, Tenure and DIN	Age (in years)	Other Directorships
<i>Nationality:</i> Indian  <i>Term:</i> For a period of five years with effect from October 7, 2016  <i>DIN:</i> 01674292		9) Daspalla Properties Private Limited 10) Samskruthi Developers Private Limited 11) Jubilee Hill Resorts Private Limited
<b>Mr. Chitti Babu Battepati</b>  <i>Address:</i> Plot No.96A Dasapalla Hills, Visakhapatnam – 530 003, Andhra Pradesh  <i>Designation:</i> Independent Director  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> For a period of five years with effect from October 7, 2016  <i>DIN:</i> 00726454	70	1) Tristar Auto Agencies (Vizag) Private Limited 2) HIP India Private Limited 3) Wintrinsic Technologies Private Limited
<b>Ms. Chandana Sri Surapaneni</b>  <i>Address:</i> 8-1-68, Doctors Colony, Gokulam Rahulam, Pedawaltair, LB Colony, Visakhapatnam – 530 017, Andhra Pradesh, India  <i>Designation:</i> Independent Director  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> For a period of five years with effect from October 7, 2016  <i>DIN:</i> 00470306	34	1) GEV Agro Farms Private Limited

All our Directors are Indian nationals. Except for Dr. K.V. Prasad, Mr. K. Anand Kumar and Mr. K. Arun Kumar, who are related as father and sons, none of our directors are related to each other.

#### Brief profiles of our Directors

**Dr. K.V. Prasad** is the Chairman and Managing Director of our Company. He has been associated with our Company since 1987. He holds a Bachelors degree in medicine and surgery from the Nagarjuna University and is a registered medical practitioner. He is involved in the overall administration of all the departments of the Company. He has over 30 years of experience in the domain of aquaculture, seafood processing and export business.

**Mr. K. Anand Kumar** is the Whole-Time Director of our Company. He has been associated with our Company since December 1, 2005. He holds a Bachelors degree in Engineering (Computer Science) and a Masters degree in Science (Telecommunications) from the Southern Methodist University, USA. He has over 12 years of experience in the domain of aquaculture, seafood processing and export business. He is currently overseeing the areas of marketing, finance, production and administration in the Company.

**Mr. K. Arun Kumar** is the Whole-Time Director of our Company. He has been associated with our Company since February 1, 2006. He holds a Bachelors degree in Engineering (Computer Science) and a Masters degree in Economics from the San Diego State University, USA. He has more than 12 years of experience in the domain of aquaculture, seafood processing and export business. He is currently overseeing the areas of procurement, processing and expansion schemes in the Company.

**Mr. M. Raghavendra Rao** is an Independent Director of our Company. He holds a PUC degree from Hindu College, Machilipatnam. He has 30 years of experience in the hospitality sector and has been associated with our Company since October 7, 2016.

**Mr. Chitti Babu Battepati** is an Independent Director of our Company. He holds a 7<sup>th</sup> form (10 plus 2) certificate from St. Peters High School in Nellore. He has over 20 years of experience in the automobile sector and has been associated with our Company since October 7, 2016.

**Ms. Chandana Sri Surapaneni** is an Independent Director of our Company. She has been associated with our Company since October 7, 2016. She has a Bachelors degree in Alternate System of Medicines from the Indian Board of Alternative Medicines and a Bachelors degree in Corporate Secretaryship from the Alagappa University. She also holds Diplomas in Pranic Healing and Biochemic System of Medicines from the Indian Institute of Alternative Medicines. She has over eight years of experience in the field of administration.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

With respect to our Managing Director and our Executive Directors, there is no contingent or deferred payment accrued for Fiscal 2017.

#### **Executive Directors**

**A. Dr. K.V. Prasad** is currently the Chairman and Managing Director of our Company. He was reappointed as Managing Director of our Company with effect from September 29, 2017 for a period of five years pursuant to a resolution passed by our Shareholders at the extra-ordinary general meeting on September 29, 2017. The following are some of the principal terms of his remuneration:

<b>Sr. No</b>	<b>Remuneration</b>	<b>Details</b>
1.	Basic Salary	₹2,500,000 (rupees two million and five hundred thousand only) per month with such increments as the Board may decide from time to time, subject to a ceiling of ₹3,500,000 (rupees three million and five hundred thousand only) per month as Salary.
2.	Perquisites and Benefits	<p>Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.</p> <p>Reimbursement of expenses on actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.</p> <p>Car: One Car for use of Company's Business as per Company Car policy.</p> <p>Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.</p> <p>Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.</p> <p>Club fees: Fees of One Corporate Club in India (including admission and annual membership fee)</p> <p>Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.</p> <p>Leave and encashment of leave - as per the policy of the Company.</p> <p>Personal accident Insurance Premium- as per the policy of the Company.</p> <p>Other Allowances/benefits, perquisites- any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and/</p>



Sr. No	Remuneration	Details
		or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.
3.	Provident Fund	Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.
4.	Gratuity	Gratuity and/ or contribution to the Gratuity Fund of Company- as per the policy of the Company.

For Fiscal 2017, Dr. K.V. Prasad was paid an aggregate compensation of ₹ 12.40 million as a Director.

**B. Mr. K. Anand Kumar**, was appointed as an additional director pursuant to resolution of the Board of Directors dated April 1, 2011 and was appointed as a Director of the Company pursuant to a resolution passed at the extra-ordinary general meeting of the Company dated February 28, 2017. He was designated as Whole-Time Director of the Company for a period of five years with effect from September 29, 2017 pursuant to a resolution passed at the Annual General Meeting of the Company dated September 29, 2017. The following are some of the principal terms of his remuneration:

Sr. No	Remuneration	Details
1.	Basic Salary	₹ 2,000,000/- (rupees two million only) per month with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 3,000,000/- (rupees three million only) per month as Salary;
2.	Perquisites and Benefits	<p>Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.</p> <p>Reimbursement of expenses on actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.</p> <p>Car: One Car for use of Company's Business as per Company Car policy.</p> <p>Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.</p> <p>Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.</p> <p>Club fees: Fees of One Corporate Club in India (including admission and annual membership fee)</p> <p>Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.</p> <p>Leave and encashment of leave - as per the policy of the Company.</p> <p>Personal accident Insurance Premium- as per the policy of the Company.</p> <p>Other Allowances/benefits, perquisites- any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and/ or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.</p>
3.	Provident Fund	Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.
4.	Gratuity	Gratuity and/ or contribution to the Gratuity Fund of Company- as per the policy of the Company.

For Fiscal 2017, Mr. K. Anand Kumar was paid an aggregate compensation of ₹ 11.98 million as a Director.

**C. Mr. K. Arun Kumar**, was appointed as an additional director pursuant to resolution of the Board of Directors dated April 1, 2011 and was appointed as a Director of the Company pursuant to a resolution passed at the extra-ordinary general meeting of the Company dated March 25, 2017. He was designated as a Whole-Time Director of the Company for a period of five with effect from September 29, 2017 pursuant to a resolution

passed at the Annual General Meeting of the Company dated September 29, 2017. The following are some of the principal terms of his remuneration:

Sr. No	Remuneration	Details
1.	Basic Salary	₹ 2,000,000 (rupees two million only) per month with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 3,000,000/- (rupees three million only) per month as Salary;
2.	Perquisites and Benefits	<p>Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.</p> <p>Reimbursement of expenses on actuals pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.</p> <p>Car: One Car for use of Company's Business as per Company Car policy.</p> <p>Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy as applicable), as per Company policy.</p> <p>Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.</p> <p>Club fees: Fees of One Corporate Club in India (including admission and annual membership fee)</p> <p>Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.</p> <p>Leave and encashment of leave - as per the policy of the Company.</p> <p>Personal accident Insurance Premium- as per the policy of the Company.</p> <p>Other Allowances/benefits, perquisites- any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and/ or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.</p>
3.	Provident Fund	Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.
4.	Gratuity	Gratuity and/ or contribution to the Gratuity Fund of Company- as per the policy of the Company.

For Fiscal 2017, Mr. K. Arun Kumar was paid an aggregate compensation of ₹ 11.98 million as a Director.

#### **Non-Executive Directors and Independent Directors**

Pursuant to the resolution of our Board dated December 6, 2017, our non-executive and independent Directors are entitled to receive sitting fees of ₹25,000 for attending each meeting of our Board. In addition to this, our Directors are entitled to additional reimbursement like expenses for travelling and other out of pocket expenses.

During Fiscal year 2017 our non-executive Directors, including Directors who have retired, have not received any sitting fees.

#### **Remuneration paid or payable from our Subsidiary**

None of our Directors have received any compensation from our Subsidiary in Fiscal 2017.

### Changes in the Board of Directors in the last three years preceding the date of this Draft Red Herring Prospectus

Sr. No	Name	Date of appointment/reappointment	Date of cessation	Reason
1.	Ms. K. Suryanarayanamma	-	November 18, 2017	Resignation
2.	Mr. Chandalada Satyanarayana Prasad	-	November 18, 2017	Resignation
3.	Ms. Chandana Sri Surapaneni	October 7, 2016	-	Appointment as Independent Additional Director and regularised on September 29, 2017
4.	Mr. M. Raghavendra Rao	October 7, 2016	-	Appointment as Independent Additional Director and regularised on September 29, 2017
5.	Mr. Chitti Babu Battepati	October 7, 2016	-	Appointment as Independent Additional Director and regularised on September 29, 2017

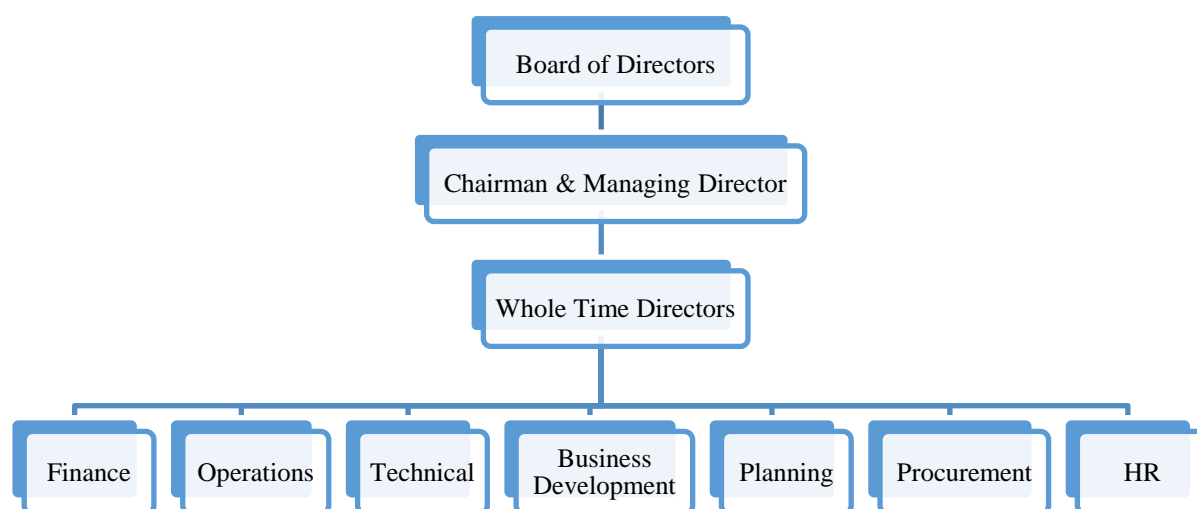
### Service contracts with Directors

Our employees, including our Directors and Key Management Personnel, are not entitled to any benefits upon termination of employment. Further, our Company has not entered into any service contracts, pursuant to which its Directors and Key Management Personnel are entitled to benefits upon termination of employment.

### Bonus or profit-sharing plan of our Directors

None of our Directors are a party to any bonus or profit sharing plan by our Company.

### Management Organisation Structure



## Shareholding of our Directors in our Company

The Articles of Association do not require the Directors to hold any qualification shares.

The shareholding of our Directors in our Company, as on the date of this Draft Red Herring Prospectus is set forth below:

Sr. No	Name of Director	Number of Equity Shares held
1.	Dr. K.V. Prasad	33,659,600
2.	Mr. K. Anand Kumar	21,610,940
3.	Mr. K. Arun Kumar	21,420,100
4.	Ms. Chandana Sri Surapaneni	-
5.	Mr. M. Raghavendra Rao	-
6.	Mr. Chitti Babu Battepati	-

## Shareholding of our Directors in our Subsidiary and associate companies

Dr. K.V. Prasad and Mr. K. Arun Kumar hold shares in our Subsidiary. For details of their shareholding in the Subsidiary, please see “*Our Subsidiary*” on page 162. Further, our Company does not have an Associate Company.

## Confirmations

None of our Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations).

None of our Directors is or was a director on the board of listed companies that have been/ were delisted from any stock exchanges in India.

None of our Directors have been or are a director on the board of any listed company whose shares are / were suspended from trading on BSE and / or NSE for a period of five years prior to the date of filing of the Draft Red Herring Prospectus.

## Borrowing Powers of our Board

Pursuant to the resolution passed at our Annual General Meeting held on September 29, 2017, our Board (including any Committee of the Board) is authorised to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company from any one or more banks, financial institutions and other persons or firms, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is ₹ 2,000 million over and above the aggregate of the paid-up share capital of the Company and its free reserves.

## Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, specifically the SEBI Listing Regulations and the Companies Act, 2013, to the extent applicable, as on the date of this Draft Red Herring Prospectus, in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, each as required under law.

Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company’s executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has six Directors, headed by the Chairman and Managing Director, who is an Executive Director. In compliance with the requirements of Regulation 17 of the SEBI Listing Regulations, we have three

Independent Directors on the Board, in addition to three Executive Directors. Further, in compliance with the Companies Act and the SEBI Listing Regulations, we have a woman director on our Board.

## **I. Committees of the Board in accordance with the SEBI Listing Regulations**

### **A. Audit Committee**

<b>Sr. No</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Position in the Committee</b>
1.	Ms. Chandana Sri Surapaneni	Independent Director	Chairman
2.	Mr. M. Raghavendra Rao	Independent Director	Member
3.	Mr. K. Anand Kumar	Whole-Time Director	Member

The Audit Committee was constituted by a resolution of our Board dated October 7, 2016. Meeting of the Audit Committee was held once during the Fiscal 2017. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and the terms of reference, as approved by the Board in its meeting dated February 5, 2018, include the following:

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. reviewing the financial statement with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;
4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions; and
  - g. modified opinion(s) in the draft audit report.
6. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. approval of any subsequent modification of transactions of the company with related parties;
10. scrutiny of inter-corporate loans and investments;
11. valuation of undertakings or assets of the company, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;

13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. discussion with internal auditors of any significant findings and follow up there on;
16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. reviewing the functioning of the whistle blower mechanism;
20. overseeing the vigil mechanism established by the Company, with the Chairman;
21. approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
22. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. Audit Committee shall mandatorily review the following information:
  - i. management discussion and analysis of financial condition and results of operations;
  - ii. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - iii. management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. internal audit reports relating to internal control weaknesses; and
  - v. the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

## **B. Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee are:

Sr. No	Name of the Director	Designation	Position in the Committee
1.	Mr. M. Raghavendra Rao	Independent Director	Chairman
2.	Ms. Chandana Sri Surapaneni	Independent Director	Member
3.	Mr. B. Chitti Babu	Independent Director	Member

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated October 7, 2017. Meeting of the Nomination and Remuneration Committee was held once during Fiscal 2017. The scope and

function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations and the terms of reference, as approved by the Board in its meeting dated February 5, 2018, include the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that -
  - (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
3. formulation of criteria for evaluation of independent directors and the Board;
4. devising a policy on Board diversity;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
6. perform such functions as are required to be performed by the Nomination and Remuneration and Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
  - (a) administering of the Plan;
  - (b) determining the eligibility of employees to participate under the Plan;
  - (c) granting options to eligible employees and determining the date of grant;
  - (d) determining the number of options to be granted to an employee;
  - (e) determining the exercise price under the Plan; and
  - (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.
7. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
8. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
9. perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority."

### C. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No	Name of the Director	Designation	Position in the Committee
1.	Mr. M. Raghavendra Rao	Independent Director	Chairman
2.	Dr. K.V. Prasad	Chairman and Managing Director	Member
3.	Mr. K. Anand Kumar	Whole-Time Director	Member

The Stakeholders' Relationship Committee was constituted by way of a Board resolution dated February 5, 2018. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee include the following:

1. redressal of grievances of the security holders' and investors' grievances of the Company, such as complaints in respect of allotment of equity shares, transfer of equity shares including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc. and assisting with quarterly reporting of such complaints;
2. giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
3. overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services;
4. investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities; and
5. carrying out such other function as may be specified by our Board of Directors from time to time or specified /provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

### Other Committees on the Board

In addition to committees of the Board in accordance with the SEBI Listing Regulations mentioned above, the following committees have been constituted by our Board:

#### A. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No	Name of the Director	Designation	Position in the Committee
1.	Mr. K. Anand Kumar	Whole-Time Director	Member
2.	Dr. K.V. Prasad	Chairman and Managing Director	Member
3.	Mr. M. Raghavendra Rao	Independent Director	Member

The Corporate Social Responsibility Committee was constituted by a resolution of our Board dated October 7, 2016. By a resolution of the Board dated February 5, 2018, the terms of reference of the Corporate Social Responsibility Committee were revised. The Corporate Social Responsibility Committee shall be responsible for, among other things, the following:

1. formulate and recommend to the Board of Directors, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;



2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
3. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
4. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## B. IPO Committee

The members of the IPO Committee are:

Sr. No	Name of the Director	Designation	Position in the Committee
1.	Mr. B. Chitti Babu Battepati	Independent Director	Chairman
2.	Dr. K.V. Prasad	Chairman and Managing Director	Member
3.	Mr. K. Anand Kumar	Whole-Time Director	Member

The IPO Committee was constituted by a resolution of the Board dated February 5, 2018 to take all decisions and approve, negotiate, finalize and carry out all activities relating to the initial public offer of the Company without requiring any further approval of the shareholders, including:

1. to decide in consultation with the Selling Shareholders and the BRLMs on the size of the IPO, including any offer for sale by the promoters/shareholders, and/or reservation on a competitive basis or firm allotments as may be permitted, and/or any pre-IPO placement and/or green shoe option and/ or any rounding off in the event of any oversubscription and/or any discount (as permitted under applicable laws) to be offered to retail individual bidders or eligible employees participating in the IPO and all the terms and conditions of the IPO, including without limitation timing, pricing (price band, issue price, including to anchor investors, etc.) opening and closing dates of the IPO, allocation/allotment to eligible persons pursuant to the IPO, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
2. to appoint, instruct and enter into arrangements with the BRLMs, co-managers, underwriters, syndicate members, brokers, escrow collection banks, refund banks, registrar(s), IPO grading agency, monitoring agency, legal counsel, printers, advertising agency(ies) and any other agencies, intermediaries or persons (including any successors or replacements thereof) whose appointment is required in relation to the IPO and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters with the BRLMs and Selling Shareholders;
3. to finalise, approve, adopt and arrange for submission of the Draft Red Herring Prospectus (“**DRHP**”), the Red Herring Prospectus (“**RHP**”), the prospectus (the “**Prospectus**”) (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad, or any other relevant governmental and statutory authorities or in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines,
4. to take on record the approval of the Offer for Sale;
5. to issue advertisements in such newspapers as it may deem fit and proper in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”) and other applicable law;
6. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, in accordance with applicable law and on permitting existing shareholders to sell any Equity Shares of the Company held by them;

7. to open and operate separate escrow accounts and or any other account, with scheduled banks to receive applications along with application monies in relation to the IPO in terms of Section 40(3) of the Companies Act, 2013;
8. to determine the price at which the Equity Shares are offered, allocated, issued, transferred and/or allotted to investors in the IPO in accordance with applicable regulations in consultation with the Selling Shareholders and the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
9. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow agreement, share escrow agreement, underwriting agreement, agreements with the registrar to the IPO and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever, any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the registrar to the IPO, legal counsel, auditors, stock exchange(s), BRLMs and other agencies/ intermediaries in connection with IPO with the power to authorize one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;
10. the opening of a bank account of the Company for the handling of refunds, if any, for the IPO;
11. to make any applications to, seek clarifications/exemptions and obtain approvals from, if necessary, the FIPB, RBI, SEBI and such other statutory and governmental authorities in connection with the IPO, as may be required, (including for the purpose of issue of shares by the Company to non-resident investors, including NRIs and FIIs) and wherever necessary, incorporate such modifications, amendments, alterations, corrections as may be required in the DRHP, the RHP and the Prospectus;
12. to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, in consultation with the BRLMs, deem necessary or desirable for the IPO, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;
13. to do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid document;
14. to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, joint venture partners, parties with whom the Company has entered into various commercial and other agreements including without limitation customers, vendors, suppliers, strategic partners of the Company, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO in accordance with the applicable law and regulations;
15. to settle all questions, difficulties or doubts that may arise from time to time in relation to the IPO, as it may in its absolute discretion deem fit;
16. to do all acts and deeds, and negotiate, finalise, settle, execute and deliver all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the IPO;
17. to authorize and approve the incurring of expenditure and payment of fees, commissions and remuneration in connection with the IPO;
18. to submit undertaking/certificates or provide clarifications to the SEBI and the relevant stock exchanges where the Equity Shares of the Company are proposed to be listed;

19. to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and file such papers and documents, including a copy of the Draft Red Herring Prospectus filed with Securities and Exchange Board of India, as may be required for the purpose;
20. to take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;
21. to invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;
22. authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;
23. to issue receipts, allotment letters, confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the afore stated documents;
24. to withdraw the DRHP or the RHP or to decide not to proceed with the IPO at any stage in accordance with the SEBI ICDR Regulations and applicable laws; and
25. to authorize and empower officers of the Company (each, an “**Authorized Officer**”), for and on behalf of the Company, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents, agreements and arrangements as well as amendments or supplements thereto as may be required from time to time or that the Authorized Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar’s agreement, the depositories agreements, the issue agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, and any agreement or document in connection with any pre-IPO placement (including any placement agreement, escrow agreement and documentation in relation to the IPO), with the BRLMs, lead manager, syndicate members, bankers to the IPO, registrar to the IPO, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the IPO, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the IPO and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

## Policies

In accordance with applicable provisions of the Listing Regulations and other applicable law, we have formulated policies, including the following, copies of which are available on our website:

- i. Nomination and Remuneration Policy;
- ii. Whistle Blower Policy;
- iii. Policy on Related Party Transactions;
- iv. Policy for determining material subsidiaries;
- v. Archival policy;
- vi. Code of conduct for director, key managerial personnel and senior management;
- vii. Familiarization programme for independent directors;
- viii. Corporate social responsibility policy;
- ix. Board succession plan;

- x. Policy for formulation of criteria for evaluation of performance of independent directors and the board of directors;
- xi. Policy on diversity of the board of directors;
- xii. Policy for determining materiality of information;
- xiii. Dividend policy; and
- xiv. Sexual harassment policy;

### **Interests of Directors**

All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board of the Company or to the extent of remuneration payable for services rendered as an officer or employee of our Company or our Subsidiary, as applicable.

The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/ or any Equity Shares that may be held by their relatives or companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For further details, please see “*Capital Structure – Notes to Capital Structure*” on page 78. Further, our Directors, Dr. K.V. Prasad, Dr. K. Anand Kumar and Mr. K. Arun Kumar are appointed as executive directors on the board of our Subsidiary and may be deemed to be interested to the extent of any remuneration and payments due and payable to them by such Subsidiary.

The Directors have no interest in any property acquired by our Company within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as of the date of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except for Dr. K.V. Prasad, Mr. K. Anand Kumar and Mr. K. Arun Kumar, our Promoters, and except as stated hereinabove and in “– *Payment or benefit to officers of our Company*”, “*Our Promoters, Promoter Group and Group Companies – Nature and extent of interest of our Promoters – Interest of our Promoters*”, and in “*Financial Statements*” on page 182, our Directors do not have any interest in the promotion of our Company or any other interest in our business.

Except as stated in “*Financial Statements*” on page 190 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors either to induce them to become or to qualify them as Directors except the normal remuneration for services rendered by them as Directors. No loans have been availed by our Directors or the Key Management Personnel from our Company as on date of this filing of this Draft Red Herring Prospectus.

None of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

### **Appointment of any relatives of our Directors to an office or place of profit**

None of the relatives of our Directors have been appointed to an office or place of profit in our Company.

### **Key Management Personnel**

In addition to Dr. K.V. Prasad, our Chairman and Managing Director, Mr. K. Anand Kumar, Whole-Time Director and Mr. K. Arun Kumar, Whole-Time Director, Mr. M.S.Sivanand, Mr. K. Suresh, Mr. G. Yathiraj, Mr. Sathineni Bhaskara Krishna, Mr. Nadimpally Nagendra Prasad, Mr. Sarathi Charan Rajguru, Mr. Ponna Satyanarayana and Mr. Sridhar Sammeta have been designated as Key Management Personnel of our Company.

All of our Key Management Personnel are permanent employees of our Company.

For details of the brief profile of our Executive Directors and Non – Executive Directors, please see “– *Brief profiles of our Directors*” hereinabove. The brief profiles of our other Key Management Personnel are as set out below:

**Mr. M.S. Sivanand** is the Company Secretary of our Company. He was appointed as Company Secretary on December 6, 2017, and pursuant to Board resolution dated December 30, 2017, he was appointed as Compliance Officer. He is a qualified Company Secretary and is an Associate of The Institute of Company Secretaries of India. His term of office is till his resignation or termination of service by our Company. He has over 20 years of experience in the domain of secretarial services. Since Mr. M.S. Sivanand was appointed in Fiscal 2018, he was not paid any remuneration in Fiscal 2017.

**Mr. K. Suresh** is the Chief Financial Officer of our Company. He has a Bachelor’s degree and Master’s degree in Commerce from the Andhra University. He is a qualified Chartered Accountant and is also an Associate Member of The Institute of Company Secretaries of India. He was appointed as Chief Financial Officer pursuant to a Board resolution dated February 12, 2018. His term of office is till his resignation or termination of service by our Company. Prior to joining our Company, he was associated with Intellect Design Arena Limited. His term of office is till his resignation or termination of service by our Company. Since he was appointed in Fiscal 2018, he was not paid any remuneration in Fiscal 2017.

**Mr. G. Yathiraj**, is the General Manager in our Company. He has a Bachelors degree in Fisheries Science from the University of Agricultural Sciences, Bangalore. He joined our Company on February 1, 2001. His term of office is till his resignation or termination of service by our Company. He has approximately 17 years of experience in the domain of seafood processing. For Fiscal 2017, he was paid an aggregate compensation of ₹ 0.66 million.

**Mr. Ponna Satyanarayana**, is Manager (Plant In Charge) in our Company. He has a Masters degree in Commerce from the Andhra University. He joined our Company on August 1, 1993. His term of office is till his resignation or termination of service by our Company. He has approximately 24 years of experience in the domain of administration, HR, machinery, liasoning and new project implementation. For Fiscal 2017, he was paid an aggregate compensation of ₹ 0.50 million.

**Mr. Sridhar Sammeta**, is the Manager (Human Resource) in our Company. He has a Masters degree in Human Resource Management from the Nagarjuna University. He joined our Company on July 3, 2017. His term of office is till his resignation or termination of service by our Company. He has previously been associated with MYK Laticrete India Private Limited and INOX Leisure Limited. For Fiscal 2017, he was not paid any compensation.

**Mr. Sarathi Charan Rajguru**, is the Manager (Quality Assurance) in our Company. He holds Bachelor’s degree in Science from the Berhampur University. He joined our Company on September 1, 2010. His term of office is till his resignation or termination of service by our Company. He has approximately seven years of experience in the domain of quality assurance. For Fiscal 2017, Mr. Rajguru was paid an aggregate compensation of ₹ 0.64 million.

**Mr. Nadimpally Nagendra Prasad**, is the Assistant Manager (Stores and Administration) in our Company. He has a diploma in Electronic Engineering from the Indian Technical Institute, Secunderabad. He joined our Company on February 1, 2017. His term of office is till his resignation or termination of service by our Company. He has previously been associated with Mahindra & Mahindra Limited, Jala Shakti Limited and Durga Automotives. For Fiscal 2017, he was paid an aggregate compensation of ₹ 0.06 million.

**Mr. Sathineni Bhaskara Krishna** is the Assistant Manager (Administration) in our Company. He has completed his Masters degree in Arts (Economics) from the Osmania University, Hyderabad. He joined our Company on May 6, 2015. His term of office is till his resignation or termination of service by our Company. He has approximately seven years of experience in administration activities. For Fiscal 2017, he was paid an aggregate compensation of ₹ 0.27 million.

Except for our Executive Directors, who are related to each other, none of our Key Management Personnel are related to any of our Directors or to each other. Further, none of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

### Shareholding of Key Management Personnel

For details of shareholding of our Key Management Personnel in our Company, please see “*Capital Structure - Shareholding of our Directors and/or Key Management Personnel*” hereinabove.

### Bonus or Profit-Sharing Plan of the Key Management Personnel

None of our Key Management Personnel are a party to any bonus or profit sharing plan. However, some part of their remuneration is linked to individual performance and performance of the Company and in that regard, they are paid performance based variable pay.

### Interests of Key Management Personnel

Except as disclosed above in relation to our Directors under “– *Interests of Directors*”, the Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration, allowances, perquisites or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business. Additionally, our Executive Directors may be deemed to be interested to the extent of their shareholding and remuneration payable to them or their relatives by our Subsidiary.

### Changes in the Key Management Personnel

Except for the changes to our Board of Directors, including redesignation of Executive Directors, as set forth under “*Our Management - Changes in the Board of Directors in the last three years*” herein above, the changes in the Key Management Personnel in the last three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Sr. No	Name	Designation	Date of Appointment	Date of Cessation	Reason for Change
1.	Mr. Sathineni Bhaskara Krishna	Assistant Manager (Administration)	May 4, 2015	-	Appointment
2.	Mr. Nadimpally Nagendra Prasad	Assistant Manager (Stores and Administration)	February 1, 2017	-	Appointment
3.	Mr. Sridhar Sammeta	Manager (Human Resource)	July 1, 2017	-	Appointment
4.	Mr. M.S. Sivanand	Company Secretary	December 30, 2017	-	Appointment
5.	Mr. K. Suresh	Chief Financial Officer	February 12, 2018	-	Appointment

### Payment or Benefit to Officers of our Company

No non-salary related amount or benefit has been paid or given within two years from the date of this Draft Red Herring Prospectus, or is intended to be paid or given, to any of our Company’s officers, including the Directors and Key Management Personnel.

## OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

Dr. K.V. Prasad, Ms. K. Suryanarayanamma, Mr. K. Anand Kumar and Mr. K. Arun Kumar are the Promoters of our Company.

For details of the build-up of our Promoters' shareholding in our Company, please see "*Capital Structure – Notes to Capital Structure – Capital build-up of our Promoters' equity shareholding in our Company*" on page 81.

**Brief profile of our Promoters is as under:**

	<p><b>Dr. K.V. Prasad</b>, aged 63 years is a Promoter and Chairman and Managing Director of our Company. For details of his educational qualifications, personal address, experience, and other directorships, please see "<i>Our Management – Brief Profiles of our Directors</i>" on page 165.</p> <p><b>Driving License:</b> 66371982OD</p> <p><b>Voter's ID:</b> BGY3280369</p>
	<p><b>Ms. K. Suryanarayanamma</b>, aged 62 years, is a Promoter of our Company. She holds a Bachelors degree in BA (NS English Literature) from the ASD Government Womens Degree College in Kakinada. She has seven years of experience in the Aquaculture Industry. She was formerly an Executive Director of our Company.</p> <p><b>Driving License:</b> Nil</p> <p><b>Voter's ID:</b> BGY3280351</p>
	<p><b>Mr. K. Anand Kumar</b>, aged 39 years is a Promoter and the Whole-Time Director of our Company. For details of his educational qualifications, personal address, experience, and other directorships, please see "<i>Our Management – Brief Profiles of our Directors</i>" on page 165.</p> <p><b>Driving License:</b> DLDAP03193802006</p> <p><b>Voter's ID:</b> IDY2113959</p>
	<p><b>Mr. K. Arun Kumar</b>, aged 34 years, is a Promoter and the Whole-Time Director of our Company. For details of his educational qualifications, personal address, experience, and other directorships, please see "<i>Our Management – Brief Profiles of our Directors</i>" on page 165.</p> <p><b>Driving License:</b> DLDAP031520132010</p> <p><b>Voter's ID:</b> NJX1445212</p>

Our Company confirms that the PAN, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

## 1. Other ventures of our Promoters

Except for our Group Companies and our Subsidiary, and as set out in the section “*Our Management*” on page 164, our Promoters are not involved with any other venture, as a shareholder, promoter or director.

## 2. Other understandings and confirmations

Further, our Promoters, Group Companies and relatives of our Promoters have confirmed that they have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Promoters nor members of our Promoter Group or any persons in control have been debarred, or restricted from accessing or operating in the capital markets for any reason, by SEBI or any other authorities. Our Promoters and members of Promoter Group are not, nor have they been promoters, directors or persons in control of any company which is debarred, or restricted from accessing the capital markets for any reason, by SEBI or any other authorities.

There has been no change in control of our Company in the last five years

## 3. Nature and extent of interest of our Promoters

### a) Interest of our Promoters

As of the date of this Draft Red Herring Prospectus, Dr. K.V. Prasad, Ms. K. Suryanarayanamma, Mr. K. Anand Kumar and Mr. K. Arun Kumar collectively hold 82,752,800 Equity Shares in our Company.

Our Promoters are interested in our Company to the extent of their shareholding and the shareholding of their relatives in our Company and Subsidiary and in any dividend distribution and corporate benefits which may be made by our Company and Subsidiaries in the future. Further, none of our Promoters may be deemed to be interested to the extent of any salary and related benefits that are payable to their relatives who are appointed in places of profit in our Company and our Subsidiary.

For further details, please see “*Capital Structure – Notes to Capital Structure – Shareholding of our Promoters and Promoter Group*” on page 87 and “*Related Party Transactions*” on page 188.

Our Promoters are also interested in our Company to the extent of being Directors of our Company and the remuneration, sitting fees, commission and reimbursement of expenses payable to them in such capacities. For further details in this regard, please see “*Our Management*” on page 164.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise, for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

### b) Interest in property, land, construction of building, supply of machinery

Our Promoters do not have any interest in any property acquired by our Company within two years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements, except as set out below:

Pursuant to a sale deed dated February 19, 2018, one of the members of our Promoter Group, namely Srinivasa Ice Factory, has sold, and our Company has purchased, for a sum of ₹ 15.84 million, an immovable property situated at Poolapalli Village, West Godavari District, Andhra Pradesh (admeasuring 0.69 cents or 2,792.43 sq. mts.) together with the office room, factory shed, household articles and structure machinery thereon. The Company primarily utilizes the ice factory situated on the



aforesaid premises for its business operations, and prior to the aforesaid transaction, had entered into a lease agreement in respect thereof.

**c) Payment of benefits to our Promoters and Promoter Group during the last two years**

Except as stated in “*Related Party Transactions*” and “*Our Management*” on pages 188 and 164, respectively, there have been no amounts or benefits paid or given or intended to be paid or given to our Promoters or our Promoter Group within the two years immediately preceding the date of the Draft Red Herring Prospectus.

Except as stated in “*Related Party Transactions*” on page 188, none of the beneficiaries of loans, and advances and sundry debtors are related to the Promoters or Directors of our Company.

**d) Disassociation by our Promoters in the last three years**

Our Promoters have not disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of the Draft Red Herring Prospectus.

**Promoter Group**

As on the date of this Draft Red Herring Prospectus, the following is the list of persons constituting the promoter group of the Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations:

Name of Promoter	Name of relative	Relationship
Dr. K.V. Prasad	Mr. K. Sadananda Rao	Father
	Ms. K. Annapoorna Devi	Mother
	Mr. K. Rajendra Prasad	Brother
	Ms. Donepudi Padmaja	Sister
	Ms. Kanakamedala Mohini	Sister
	Ms. Alluri Bharata Lakshmi	Sister
	Ms. K. Suryanarayanamma	Spouse
	Mr. K. Anand Kumar	Son
	Mr. K. Arun Kumar	Son
	Mr. Chandalada Agastayya	Spouse's Father
	Ms. Chandalada Narayanamma	Spouse's Mother
	Mr. Chandalada Satyanarayana Prasad	Spouse's Brother
	Mr. Chandalada Padmaraju Chowdary	Spouse's Brother
	Ms. Merla Lakshmi Bullemma	Spouse's Sister
	Ms. Parvathini Jaggayamma	Spouse's Sister
Ms. K. Suryanarayanamma	Mr. Chandalada Agastayya	Father
	Ms. Chandalada Narayanamma	Mother
	Mr. Chandalada Satyanarayana Prasad	Brother
	Mr. Chandalada Padmaraju Chowdary	Brother
	Ms. Merla Lakshmi Bullemma	Sister
	Ms. Parvathini Jaggayamma	Sister
	Dr. K.V. Prasad	Spouse
	Mr. K. Anand Kumar	Son
	Mr. K. Arun Kumar	Son
	Mr. K. Sadananda Rao	Spouse's Father
	Ms. K. Annapoorna Devi	Spouse's Mother
	Mr. K. Rajendra Prasad	Spouse's Brother
	Ms. Donepudi Padmaja	Spouse's Sister
	Ms. Kanakamedala Mohini	Spouse's Sister
	Ms. Alluri Bharata Lakshmi	Spouse's Sister
Mr. K. Anand Kumar	Dr. K.V. Prasad	Father
	Ms. K. Suryanarayanamma	Mother
	Mr. K. Arun Kumar	Brother
	Ms. K. Sruti	Spouse
	Ms. K. Sai Priyamvada	Daughter
	Ms. K. Akanksha	Daughter
	Mr. Kondreddy Suryanarayana	Spouse's Father
	Ms. Kondreddy Swarnalata	Spouse's Mother

Name of Promoter	Name of relative	Relationship
Mr. K. Arun Kumar	Ms. Preeti Popuri	Spouse's Sister
	Dr. K.V. Prasad	Father
	Ms. K. Suryanarayamma	Mother
	Mr. K. Anand Kumar	Brother
	Ms. K. Nivedita	Spouse
	Ms. K. Sreshta	Daughter
	Mr. K. Jairam	Son
	Mr. Daggubati Venkateswara Rao	Spouse's Father
	Mr. Daggubati Purandeswari	Spouse's Mother
	Mr. Daggubati Hitesh Chenchuram	Spouse's Brother

### **Bodies corporate forming part of the Promoter Group**

The bodies corporate forming part of our Promoter Group, are as follows:

- a. Sandhya Holdings Private Limited; and
- b. Pinnacle Hospitals India Private Limited.

### **Partnership firms forming part of our Promoter Group**

The partnership firms forming part of our Promoter Group are as follows:

- a. Mallikarjuna Enterprises;
- b. Maple Constructions;
- c. Padma Enterprises;
- d. Srinivasa Ice Factory; and
- e. Surya Enterprises.

### **Group Companies**

As per the requirements of SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company has, considered companies covered (under the applicable accounting standards being Accounting Standard 18 issued by the Institute of Chartered Accountants of India (except such companies whose accounts are consolidated in accordance with Accounting Standard 21)) and such other companies as considered material by our Board. Pursuant to a resolution of our Board dated February 5, 2018 for the purposes of disclosure in offer documents, a company will be a material group company if such entity being part of the Promoter Group as defined under the SEBI ICDR Regulations and our Company has entered into one or more transactions such that the transaction(s) exceeds 5% of the consolidated revenue of the Company for such fiscal.

Accordingly, the companies which constitute part of the related parties of our Company in accordance with the applicable accounting standards as specified above will form part of our Group Companies. The following companies with the exception of our Subsidiary have been identified as "Group Companies" for the purpose of the SEBI ICDR Regulations:

- a. Sandhya Holdings Private Limited
- b. Pinnacle Hospitals India Private Limited

Unless otherwise specifically stated, our Group Companies described below (i) are not listed or have been refused listing on any stock exchange in India or abroad or; (ii) have not made any public or rights issue of equity shares in the last three years or; (iii) fall under the definition of sick companies under SICA; (iv) are under winding-up; (v) have become defunct; (vi) have made an application to the relevant registrar of companies in whose jurisdiction such Group Company is registered in the five years preceding from the date of filing this Draft Red Herring Prospectus with SEBI, for striking off its name; (vii) have received any significant notes on the financial statements from the auditors; (viii) have not incurred loss in the immediately preceding financial year or (ix) have negative net worth as of the date of their last audited financial statements.

## a) Sandhya Holdings Private Limited

### *Corporate information*

Sandhya Holdings Private Limited was incorporated on April 12, 2011 under the Companies Act, 1956. The registered office of Sandhya Holdings Private Limited is situated at 402, Vantage Apartments, East Point Colony, Visakhapatnam – 530 017, Andhra Pradesh, India. The corporate identity number of Sandhya Holdings Private Limited is U65900AP2011PTC073800.

### *Nature of business*

Sandhya Holdings Private Limited was incorporated to carry on the business of an investment trust company and to underwrite, sub-underwrite, invest, acquire or deal in shares, debentures, bonds and securities issued or guaranteed by Indian or Foreign Governments, municipalities, public authorities, companies, firms or corporations established in India or elsewhere. Sandhya Holdings Private Limited was also incorporated to carry on the business as stock brokers, portfolio managers, fund managers, asset managers, securities and investment consultants, share transfer agents and custodian for securities and assets.

### *Capital structure*

The issued and paid-up share capital of Sandhya Holdings Private Limited consists of 29,969,500 equity shares of face value of ₹ 10 each and 1,542,500 preference shares of face value of ₹100.

### *Nature and extent of interest of our Promoters*

Our Promoters are interested in Sandhya Holdings Private Limited to the extent of their shareholding and directorship and the shareholding of their relatives in Sandhya Holdings Private Limited and in any dividend distribution and corporate benefits which may be made by Sandhya Holdings Private Limited in the future. The details of the shareholding of our Promoters in Sandhya Holdings Private Limited are set out below:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. K. Anand Kumar	7,521,500	25.10
2.	Mr. K. Arun Kumar	6,870,000	22.92
3.	Dr. K.V. Prasad	6,363,000	21.23
4.	Ms. K. Suryanarayanamma	150,000	0.50
	<b>Total</b>	<b>20,904,500</b>	<b>69.75</b>

### **Note:**

- Our Company holds 5,650,000 equity shares of face value of ₹10 each in the equity share capital of Sandhya Holdings Private Limited, representing 18.85% of the total issued, subscribed and paid-up equity share capital of Sandhya Holdings Private Limited.
- Our Company holds 1,542,500 preference shares of face value of ₹100 each in the preference share capital of Sandhya Holdings Private Limited, representing 100.00% of the total issued, subscribed and paid-up preference share capital of Sandhya Holdings Private Limited.

### *Financial performance*

Brief financial details of Sandhya Holdings Private Limited for the past three Fiscals are as follows:

*₹ in million, except share data and earning per share*

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital*	294.70	249.47	249.47
Reserves and surplus (excluding revaluation reserve)	0	0	0
Revenue from operations (net)	0	0	0
Profit/(Loss) after tax	0	0	0
Earnings / (Loss) per share (₹) Basic	0	0	0
Earnings per share (₹) Diluted	0	0	0
Net asset value or book value per share (in ) (₹)	10	10	10

\*Face value of each equity share is ₹ 10 each.

### **Loss making**

Sandhya Holdings Private Limited has not incurred a loss in the immediately preceding Fiscal.

### **b) Pinnacle Hospitals India Private Limited**

#### **Corporate information**

Pinnacle Hospitals India Private Limited was incorporated on October 12, 2010 under the Companies Act, 1956. The registered office of Pinnacle Hospitals India Private Limited is situated at Plot No.10, 11 & 12, APIIC Health City, Chinagadili, Visakhapatnam – 530 040, Andhra Pradesh, India. The corporate identity number of Pinnacle Hospitals India Private Limited is U85110AP2010PTC070823.

#### **Nature of business**

Pinnacle Hospitals India Private Limited was incorporated to carry on the business of acquiring, establishing and maintaining hospitals for the reception and treatment of persons suffering from various diseases or for the reception and treatment of persons during convalescence. Pinnacle Hospitals India Private Limited was also incorporated for encouraging, initiating and promoting facilities for the discovery, improvement or development of new methods of diagnosis and treatment of diseases.

#### **Capital structure**

The issued and paid-up share capital of Pinnacle Hospitals India Private Limited consists of 79,630,000 equity shares of face value of ₹ 10 each and 680,000 12% non-cumulative redeemable preference shares of face value of ₹ 100 each.

#### **Nature and extent of interest of our Promoters**

Our Promoters are interested in Pinnacle Hospitals India Private Limited to the extent of their shareholding and directorship and the shareholding of their relatives in Pinnacle Hospitals India Private Limited and in any dividend distribution and corporate benefits which may be made by Pinnacle Hospitals India Private Limited in the future. The details of the shareholding of our Promoters and Promoter group in Pinnacle Hospitals India Private Limited are set out below:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. K. Anand Kumar	3,000	Negligible
2.	Mr. K. Arun Kumar	3,000	Negligible
3.	Dr. K.V. Prasad	4,000	Negligible
4.	Sandhya Holdings Private Limited*	39,805,000	49.98
	<b>Total</b>	<b>39,815,000</b>	<b>50.00</b>

\* Additionally, Sandhya Holdings Private Limited holds 340,000 preference shares of face value of ₹100 each in the preference share capital of Pinnacle Hospitals India Private Limited, representing 50.00% of the total issued, subscribed and paid-up preference share capital of Pinnacle Hospitals India Private Limited.

#### **Financial performance**

Brief financial details of Pinnacle Hospitals India Private Limited for the past three Fiscals are as follows:

<i>₹ in million, except share data and earning per share</i>			
Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital*	796.30	790.00	554.59
Reserves and surplus (excluding revaluation reserve)	(95.50)	0.38	-
Revenue from operations (net)	164.65	-	-
Profit/(Loss) after tax	(95.89)	0.38	0.47
Earnings / (Loss) per share (₹) Basic	(1.20)	0.005	0.008
Earnings per share (₹) Diluted	(1.20)	0.005	0.008
Net asset value or book value per share (in ₹)	8.80	10.00	10.00

\*Face value of each equity share is ₹ 10 each.

### ***Loss making Group Companies***

Pinnacle Hospitals India Private Limited has incurred a loss in the immediately preceding Fiscal. Our other Group Company has not incurred losses in the preceding financial year.

## **1. Nature and extent of interest of our Group Companies**

### **a) Interest in our Company**

Our Group Companies has no interest in the promotion of the Company. Further, except as otherwise stated, our Group Companies has no interest including any business interest in our Company. Sandhya Holdings Private Limited and Pinnacle Hospitals India Private Limited do not hold Equity Shares in our Company.

For further details, please see “*Related Party Transaction*” and “*Capital Structure*” on pages 188 and 78, respectively.

### **b) Interest in the properties acquired or proposed to be acquired by our Company**

Our Group Companies have no interest in any property acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by the Company as of the date of this Draft Red Herring Prospectus.

### **c) Interest in transactions for acquisition of land, construction of building and supply of machinery**

Except as stated in “*Related Party Transactions*” on page 188, our Group Companies have no interest in the transactions for acquisition of land, construction of building and supply of machinery or any other contracts, agreements or arrangements entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements by our Company to its Group Companies.

## **2. Common pursuits between the Company and its Group Companies**

Our Group Companies do not have any common pursuits with our Company.

## **3. Related business transactions within the Group Companies and significance on the financial performance of the Company**

There are no related business transactions of our Company with the Group Companies. For details on the significance of related party transactions on the financial performance of the Company, please see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 140 and 310, respectively.

## **4. Sale/Purchase between our Company and its Group Companies**

Our Group Companies (excluding our Subsidiary) are not involved in any sales or purchases with our Company where such sales or purchases exceed, in the aggregate, 10% of the total sales or purchases of our Company for Fiscal 2017.

## **5. Other confirmations**

Our Group Companies have not been prohibited or debarred from accessing the capital markets for any reason by SEBI or any other regulatory or governmental authority.

Further, our Group Companies have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last five financial years, as per the requirements under Accounting Standard 18 ‘Related Party Disclosures’, specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, please see the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, included in the section, “*Financial Statements*” beginning on page 190.

## DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to our Company's results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also pay interim dividend. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing from or may enter into to finance our fund requirements for our business activities. For details, please see "*Financial Indebtedness*" on page 336. The dividends declared by our Company during the last five Fiscals and the current Fiscal, have been presented below:

Particulars	December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
<b>Equity Shares</b>						
Equity share capital (In ₹ millions)	887.35	34.13	34.13	34.13	34.13	34.13
Face value of Equity Share (in ₹ per share)	10.00	10.00	10.00	10.00	10.00	10.00
Interim dividend on Equity Shares (In ₹ millions)	59.73	-	-	-	-	-
Final dividend on Equity Shares (In ₹ millions)	-	-	-	-	-	-
Total dividend (In ₹ millions)	59.73	-	-	-	-	-
Total dividend Tax (In ₹ millions)	12.16	-	-	-	-	-
Rate of dividend (%)	175	Nil	Nil	Nil	Nil	Nil
Total dividend (in ₹ per share)	17.50	Nil	Nil	Nil	Nil	Nil

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future.

**SECTION V: FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS**

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## **RESTATED STANDALONE FINANCIAL STATEMENTS**

### **Independent Auditor's Examination Report on the Restated Standalone Summary Financial Information of Sandhya Marines Limited as at and for the nine months ended December 31, 2017 and as at and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013**

To  
The Board of Directors  
Sandhya Marines Limited  
D.No.7-5-108/1, Plot No.62 & 67,  
IInd Floor, Pandurangapuram,  
Visakhapatnam,  
Andhra Pradesh-530003

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Sandhya Marines Limited ("the company") which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, the summary of Significant Accounting Policies and Notes forming part of the Restated Standalone Financial Information as approved by the Board of Directors of the company prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
- b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on Clarification regarding disclosures in Offer Documents issued by the Securities and Exchange Board of India (the "SEBI")

The preparation of the Restated Standalone Financial Information including the interim financial information mentioned in paragraph 4 below is the responsibility of the Management of the Company for the purpose set out in paragraph 9 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2. We have examined such Restated Standalone Financial Information taking into consideration:

- (a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 05, 2018, in connection with the proposed issue of equity shares of the company, and
- (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("The Guidance Note").

3. These Restated Standalone Financial Information have been compiled by the management from the Re-Audited Standalone Financial Statements as at March 31, 2017 and for the financial year ended March 31, 2017 issued by us in pursuance of Clause IX, Part A of Schedule VIII of ICDR Regulations and from the Audited Standalone Financial Statements as at March 31, 2016, 2015, 2014 and 2013 and for the financial years ended March 31, 2016, 2015, 2014 and 2013, which have been approved by the Board of Directors at the meeting held on February 12, 2018, September 01, 2016, June 30, 2015, June 30, 2014, and June 30, 2013.

Audit for the financial years ended March 31, 2016, 2015, 2014 and 2013 was conducted by previous auditors, M/s Chowdary & Rao, Chartered Accountants, and accordingly reliance has been placed on the Standalone financial information examined by them for the said financial years. The financial report included for these financial years are based solely on the report submitted by them have also confirmed that the Restated Standalone financial information:

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information and do not contain any qualification requiring adjustments.

4. We have also examined the Standalone Financial Information of the company for the period April 01, 2017 to December 31, 2017 prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of the company.

Based on the above, we report that in our opinion and according to the information and explanations given to us, the above interim financial information are in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable and the interim financial information are presented with the Restated Standalone Financial Information appropriately.

5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:

(a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company's at December 31, 2017 and as at March 31, 2017 examined by us and including as at March 31, 2016, 2015, 2014 and 2013 examined and reported upon by M/s Chowdary & Rao, Chartered Accountants, on which reliance has been placed by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV of the Restated Standalone Financial Statements.

(b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the nine months ended December 31, 2017 and for the financial year ended March 31, 2017, examined by us and including as at March 31, 2016, 2015, 2014 and 2013 examined and reported upon by M/s Chowdary & Rao, Chartered Accountants, on which reliance has been placed by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV of the Restated Standalone Financial Statements.

- (c) The Restated Standalone Summary Statement of Cash Flows of the Company for the nine months ended December 31, 2017 and for the financial year ended March 31, 2017, examined by us and including as at March 31, 2016, 2015, 2014 and 2013 examined and reported upon by M/s Chowdary & Rao, Chartered Accountants, on which reliance has been placed by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV of the Restated Standalone Financial Statements.
- (d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors, M/s Chowdary & Rao, Chartered Accountants for the respective financial years, we further report that the Restated Standalone Financial Information:
  - (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
  - (iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information;
  - (iv) has no qualifications in the auditors' reports, which require any adjustments to the Restated Standalone Financial Information; and
  - (v) Other observations included in the Annexure to the auditor's report on the Audited Standalone Financial Statements, a statement on certain matters specified for the period ended December 31, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Standalone Financial Information which are mentioned in Non-adjusting items under Annexure IV of the Restated Standalone Financial Statements.

6. We have also examined the following Restated Standalone Financial Information of the Company set out in Annexures prepared by the management and approved by the Board of Directors on February 12, 2018, for the nine months ended December 31, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013. In respect of the financial years ended March 31, 2016, 2015, 2014 and 2013 these information have been included based upon the reports submitted by M/s Chowdary & Rao, Chartered Accountants and relied upon by us:

- (i) Restated Standalone Summary Statement of Share Capital, enclosed as Annexure VI
- (ii) Restated Standalone Summary Statement of Reserves and Surplus, enclosed as Annexure VII
- (iii) Restated Standalone Summary Statement of Long term borrowings, enclosed as Annexure VIII
- (iv) Restated Standalone Summary Statement of Deferred Tax Liability (Net), enclosed as Annexure IX
- (v) Restated Standalone Summary Statement of Long term provisions, enclosed as Annexure X
- (vi) Restated Standalone Summary Statement of Short term borrowings, enclosed as Annexure XI
- (vii) Restated Standalone Summary Statement of Trade Payables, enclosed as Annexure XII
- (viii) Restated Standalone Summary Statement of Other Current Liabilities, enclosed as Annexure XIII
- (ix) Restated Standalone Summary Statement of Short term provisions, enclosed as Annexure XIV
- (x) Restated Standalone Summary Statement of Fixed Assets , enclosed as Annexure XV
- (xi) Restated Standalone Summary Statement of Non-Current Investments, enclosed as Annexure XVI
- (xii) Restated Standalone Summary Statement of Long term Loans and Advances, enclosed as Annexure XVII
- (xiii) Restated Standalone Summary Statement of Current Investments, enclosed as Annexure XVIII
- (xiv) Restated Standalone Summary Statement of Inventory, enclosed as Annexure XIX
- (xv) Restated Standalone Summary Statement of Trade Receivables, enclosed as Annexure XX
- (xvi) Restated Standalone Summary Statement of Cash and Bank Balances, enclosed as Annexure XXI

- (xvii) Restated Standalone Summary Statement of Short term Loans and Advances, enclosed as Annexure XXII
- (xviii) Restated Standalone Summary Statement of Other Current Assets, enclosed as Annexure XXIII
- (xix) Restated Standalone Summary Statement of Revenue from Operations, enclosed as Annexure XXIV
- (xx) Restated Standalone Summary Statement of Other Income, enclosed as Annexure XXV
- (xxi) Restated Standalone Summary Statement of Cost of Materials Consumed enclosed as Annexure XXVI
- (xxii) Restated Standalone Summary Statement of Changes in Inventories of Finished Goods, enclosed as Annexure XXVII
- (xxiii) Restated Standalone Summary Statement of Manufacturing Expenses, enclosed as Annexure XXVIII
- (xxiv) Restated Standalone Summary Statement of Employee Benefits, enclosed as Annexure XXIX
- (xxv) Restated Standalone Summary Statement of Finance Cost, enclosed as Annexure XXX
- (xxvi) Restated Standalone Summary Statement of Other Expenses enclosed as Annexure XXXI
- (xxvii) Restated Standalone Summary Statement of Dividend, enclosed as Annexure XXXII
- (xxviii) Restated Standalone Summary Statement of Related Party Transaction, enclosed as Annexure XXXIII A, Annexure XXXIIIB and Annexure XXXIIIC
- (xxix) Restated Standalone Summary Statement of Other Notes, enclosed as Annexure XXXIV
- (xxx) Restated Standalone Capitalization Statements, enclosed as Annexure XXXV
- (xxxi) Restated Statement of Accounting Ratios Statement, enclosed as Annexure XXXVI
- (xxxii) Restated Standalone Summary Statement of Tax Shelter,, enclosed as Annexure XXXVII

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s Chowdary & Rao, Chartered Accountants, in our opinion, the Restated Standalone Financial Information and the above Restated Standalone Financial Information contained in Annexures VI to XXXVII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

7. This report should not be in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad, BSE Limited and National Stock Exchange of India Limited in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For, P. LAKSHMANARAO & CO  
Chartered Accountants  
Firm Registration No.: 001826S

P. Lakshmana Rao  
Partner  
Membership Number: 024159

Place: Visakhapatnam  
Date: February 12, 2018

**RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES**
**Annexure – I**  
**(₹ in Millions)**

	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share capital	887.35	34.13	34.13	34.13	34.13	34.13
	(b) Reserves and surplus	744.76	1,195.19	907.38	684.38	471.44	299.41
		<b>1,632.11</b>	<b>1,229.32</b>	<b>941.51</b>	<b>718.51</b>	<b>505.57</b>	<b>333.54</b>
<b>2</b>	<b>Non-current liabilities</b>						
	(a) Long term borrowings	28.41	3.66	0.34	2.74	2.19	0.91
	(b) Deferred tax liabilities (Net)	8.11	7.29	11.79	17.32	33.18	31.39
	(c) Long term provisions	4.34	3.25	2.38	1.54	1.13	1.00
		<b>40.86</b>	<b>14.20</b>	<b>14.51</b>	<b>21.60</b>	<b>36.50</b>	<b>33.30</b>
<b>3</b>	<b>Current liabilities</b>						
	(a) Short term borrowings	694.63	717.30	593.11	503.18	410.43	138.89
	(b) Trade payables						
	Dues to Micro, Small and Medium Enterprises	-	-	-	-	-	-
	Dues to Others	193.91	210.48	272.28	242.17	228.86	129.32
	(c) Other current liabilities	44.04	17.63	11.47	18.52	10.76	5.18
	(d) Short term provisions	136.67	66.27	70.27	39.24	34.23	3.76
		<b>1,069.25</b>	<b>1,011.68</b>	<b>947.13</b>	<b>803.11</b>	<b>684.28</b>	<b>277.15</b>
	<b>Total</b>	<b>2,742.22</b>	<b>2,255.20</b>	<b>1,903.15</b>	<b>1,543.22</b>	<b>1,226.35</b>	<b>643.99</b>
<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non - current assets</b>						
	<b>(a) Fixed assets:</b>						
	(i) Tangible assets	365.27	229.84	225.32	250.52	287.92	228.71
	(ii) Intangible assets	-	-	-	-	-	-
	(iii) Capital work-in-progress	22.61	101.91	-	-	-	-
		<b>387.88</b>	<b>331.75</b>	<b>225.32</b>	<b>250.52</b>	<b>287.92</b>	<b>228.71</b>
	(b) Non current investments	285.65	442.30	411.22	260.84	134.30	73.67
	(c) Long term loans and advances	56.72	14.75	23.20	34.54	29.49	40.79
		<b>342.37</b>	<b>457.05</b>	<b>434.42</b>	<b>295.38</b>	<b>163.79</b>	<b>114.46</b>
<b>2</b>	<b>Current assets</b>						
	(a) Current investments	720.85	583.31	363.68	0.02	0.02	0.01
	(b) Inventories	86.51	34.42	28.58	27.83	33.44	4.60
	(c) Trade receivables	735.57	458.08	482.88	543.58	466.48	162.65
	(d) Cash and bank balances	305.51	256.32	275.55	345.55	167.95	79.72
	(e) Short term loans and advances	50.59	34.85	17.18	13.93	16.47	14.69
	(f) Other current assets	112.94	99.42	75.54	66.41	90.28	39.15
		<b>2,011.97</b>	<b>1,466.40</b>	<b>1,243.41</b>	<b>997.32</b>	<b>774.64</b>	<b>300.82</b>
	<b>Total</b>	<b>2,742.22</b>	<b>2,255.20</b>	<b>1,903.15</b>	<b>1,543.22</b>	<b>1,226.35</b>	<b>643.99</b>

**Note :** The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS**
**Annexure – II**  
**(₹ in Millions)**

	Particulars	Nine months ended December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I</b>	<b>Revenue</b>						
	1. Revenue from operations	3,792.26	3,999.42	3,434.43	3,633.92	3,236.56	1,423.12
	2. Other income	128.99	65.33	79.86	88.36	14.58	36.14
	<b>Total Revenue</b>	<b>3,921.25</b>	<b>4,064.75</b>	<b>3,514.29</b>	<b>3,722.28</b>	<b>3,251.14</b>	<b>1,459.26</b>
<b>II</b>	<b>Expenses</b>						
	1. Cost of Materials Consumed	2,624.14	2,925.93	2,495.54	2,719.13	2,468.72	1,049.79
	2. Changes in inventories of finished goods	(52.09)	(5.84)	(0.75)	5.61	(28.84)	1.74
	3. Manufacturing expenses	317.53	283.80	282.21	257.78	190.21	128.68
	4. Employee benefits expenses	66.15	67.41	62.68	58.84	51.07	19.37
	5. Finance cost	28.39	23.80	21.37	16.00	15.44	18.71
	6. Depreciation and amortization expenses	38.99	35.92	39.34	48.96	18.08	14.25
	7. Other expenses	197.83	296.77	261.55	289.26	271.83	117.85
	<b>Total expenses</b>	<b>3,220.94</b>	<b>3,627.79</b>	<b>3,161.94</b>	<b>3,395.58</b>	<b>2,986.51</b>	<b>1,350.39</b>
<b>III</b>	<b>Profit / (loss) before exceptional, extraordinary items and tax</b>	<b>700.31</b>	<b>436.96</b>	<b>352.35</b>	<b>326.70</b>	<b>264.63</b>	<b>108.87</b>
	Exceptional items / Prior period Items	-	-	-	-	-	-
<b>IV</b>	<b>Profit / (loss) before extraordinary items and tax</b>	<b>700.31</b>	<b>436.96</b>	<b>352.35</b>	<b>326.70</b>	<b>264.63</b>	<b>108.87</b>
	Extraordinary items	16.80	-	-	-	-	-
<b>V</b>	<b>Profit / (loss) before tax</b>	<b>717.11</b>	<b>436.96</b>	<b>352.35</b>	<b>326.70</b>	<b>264.63</b>	<b>108.87</b>
<b>VI</b>	<b>Provision for CSR</b>	<b>7.45</b>	<b>6.35</b>	<b>4.68</b>	<b>3.31</b>	<b>0.00</b>	<b>0.00</b>
	Current tax	244.87	147.29	130.20	126.32	90.81	35.45
	Deferred tax Liability/(Asset)	0.82	(4.49)	(5.53)	(15.87)	1.79	(0.02)
<b>VII</b>	<b>Tax expenses</b>	<b>245.69</b>	<b>142.80</b>	<b>124.67</b>	<b>110.45</b>	<b>92.60</b>	<b>35.43</b>
<b>VIII</b>	<b>Profit / (loss) after tax, as restated</b>	<b>463.97</b>	<b>287.81</b>	<b>223.00</b>	<b>212.94</b>	<b>172.03</b>	<b>73.44</b>
	Basic and diluted EPS*(in Rs)	5.23	3.24	2.51	2.40	1.94	0.83

**\*Not Annualised**
**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS**
**Annexure -III**  
**(₹ in Million)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A. Cash flows from operating activities</b>						
Profit / (loss) before tax, as restated	717.11	436.96	352.35	326.70	264.63	108.87
<b><u>Adjustments for:</u></b>						
Depreciation & Amortisation	38.99	35.92	39.34	48.96	18.08	14.25
Loss on sale of fixed assets	-	-	-	1.17	-	-
Profit on sale of Fixed Assets	(0.13)	-	-	-	-	-
Profit on sale of Investments	(16.80)	-	-	-	-	-
Interest on Borrowings	22.62	16.77	13.78	11.22	10.66	14.17
Interest income	(6.16)	(12.67)	(23.10)	(20.19)	(9.17)	(5.40)
Income from MF's/Bonds	(14.55)	(18.89)	(2.21)	-	-	-
<b>Operating cash flow before working capital changes</b>	<b>741.08</b>	<b>458.09</b>	<b>380.16</b>	<b>367.86</b>	<b>284.20</b>	<b>131.89</b>
Increase/(Decrease) in Trade Payables	(16.58)	(61.80)	30.11	13.31	99.54	11.25
(Increase)/Decrease in Inventories	(52.08)	(5.84)	(0.75)	5.61	(28.84)	(8.61)
(Increase)/Decrease in Trade Receivables	(277.49)	24.80	60.70	(77.10)	(303.83)	1.26
Increase in other current assets	(13.52)	(23.88)	(9.13)	23.87	(51.13)	(1.40)
(Increase)/Decrease in Short Term Provisions	3.07	(4.18)	13.48	(3.19)	29.75	(0.30)
Increase/(Decrease) in Long Term provisions	1.09	0.87	0.84	0.40	0.13	1.00
Increase/(Decrease) in Other Current Liabilities	26.41	6.15	(7.05)	7.76	5.59	(11.96)
(Increase)/Decrease in Short Term loans & advances	(15.74)	(17.66)	(3.26)	2.54	(1.78)	7.46
Cash generated from operations	<b>396.24</b>	<b>376.55</b>	<b>465.10</b>	<b>341.06</b>	<b>33.63</b>	<b>130.59</b>
<b><u>Less: Adjustment for Taxes:</u></b>						
Direct Taxes paid	184.99	153.36	115.47	121.42	90.09	43.56
CSR Payment	-	0.10	1.85	-	-	-
	184.99	153.46	117.32	121.42	90.09	43.56
<b>Net cash provided by / (used in) operating activities - (A)</b>	<b>211.25</b>	<b>223.09</b>	<b>347.78</b>	<b>219.64</b>	<b>(56.46)</b>	<b>87.03</b>

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>B. Cash flows from investing activities</b>						
Interest income	6.16	12.67	23.10	20.19	9.17	5.40
Increase in Current Investments	(123.00)	(200.73)	(361.45)	-	(0.01)	-
Increase in Non-Current Investments	173.45	(31.08)	(150.38)	(126.52)	(60.64)	(18.15)
Net Investment in Bank Deposits	32.57	85.34	31.98	(99.21)	(99.03)	-
Sale of fixed assets	0.30			22.50		
Increase in Capital Advances	(42.07)	9.18	(3.92)	(5.01)	11.33	(11.59)
Purchase of fixed assets	(95.27)	(142.35)	(14.14)	(35.24)	(77.28)	(42.06)
<b>Net cash flow from / (used in) investing activities - (B)</b>	<b>(47.86)</b>	<b>(266.97)</b>	<b>(474.81)</b>	<b>(223.29)</b>	<b>(216.46)</b>	<b>(66.40)</b>
<b>C. Cash flows from financing activities</b>						
Proceeds From / (repayment of) Long Term Borrowings	24.75	3.32	(2.40)	0.56	1.27	(7.24)
Proceeds From / (repayment of) Short Term Borrowings	(22.67)	124.19	89.92	92.75	271.54	58.51
Subsidy Received	10.71	-	-	-	-	-
(Increase)/Decrease in Long Term loans & advances	0.09	(0.74)	15.25	(0.04)	(0.03)	(29.20)
Interest on Borrowings	(22.62)	(16.77)	(13.78)	(11.22)	(10.66)	(14.17)
Dividend paid	(59.73)	-	-	-	-	-
Tax paid on dividends	(12.16)	-	-	-	-	-
<b>Net cash flow from / (used in) financing Activities - (C)</b>	<b>(81.63)</b>	<b>110.00</b>	<b>88.99</b>	<b>82.05</b>	<b>262.12</b>	<b>7.90</b>
Net increase ( decrease ) in Cash and Cash Equivalents (A+B+C)	81.76	66.12	(38.04)	78.40	(10.80)	28.53
Cash and Cash equivalents at the beginning of the period / year	131.79	65.67	103.71	25.31	36.11	7.58
<b>Cash and Cash equivalents at the end of the period / year</b>	<b>213.55</b>	<b>131.79</b>	<b>65.67</b>	<b>103.71</b>	<b>25.31</b>	<b>36.11</b>

**Note:**

<b>1. Cash and Cash Equivalents include (Refer Annexure XXI)</b>						
Cash on hand	0.55	0.32	0.84	0.90	2.13	0.50
Balances with banks						
Current Account	213.00	131.47	64.83	102.81	21.92	21.15
Fixed Deposit With Bank with maturity within 3 months	-	-	-	-	1.26	14.46
<b>Total</b>	<b>213.55</b>	<b>131.79</b>	<b>65.67</b>	<b>103.71</b>	<b>25.31</b>	<b>36.11</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.



**Statement of Restatement Adjustments to the Audited Standalone Financial Statements -**
**Annexure IV**
**I. Notes on Material Adjustments**

The summary of restatements made to Audited Standalone Financial Statements for the respective period/years and its impact on the profit / (loss) of the Company is as follows:

**Impact on Material Adjustments**
**(₹ in Million)**

Particulars	Note No	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Profit / (Loss) for the year (as per audited accounts) (A)</b>		463.97	258.81	225.53	215.32	175.20	74.05
<b>Restatement Adjustments</b> Increase / (decrease) in profits for restatement adjustments:							
Forex Gain/(Loss)	1	-	28.93	1.22	0.41	(3.08)	0.06
Depreciation	2	-	0.98	(2.50)	(3.82)	-	-
Provision for CSR	3	-	-	(1.56)	-	-	-
Employee Benefits	4	-	(0.87)	(0.84)	(0.41)	(0.13)	(1.00)
<b>Total effect of adjustments before tax (B)</b>		-	29.04	(3.68)	(3.82)	(3.21)	(0.94)
<b>Effect of Deferred Tax on Adjustments (C)</b>		-	(0.04)	1.15	1.44	0.04	0.33
<b>Profit / (Loss) for the year as restated (D) = (A+B+C)</b>		463.97	287.81	223.00	212.94	172.03	73.44

**Note:**
**Forex Gain/(Loss):**

Forex Gain/(Loss) is recognised in the restated standalone financial statements for complying with the Accounting Standard AS-11, The effects of changes in Foreign exchange rates. Monetary Assets are restated at the rates taken from the Companies regular forex dealer/Banker.

**Depreciation:**

Depreciation on Fixed assets is provided based on WDV Method as stated in Schedule XIV of the Companies Act, 1956 for the Financial Years 2012-13 and 2013-14 and on WDV over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 for the FY ended 2014-15, 2015-16 and 2016-17.

**Provision for CSR:**

Provision for CSR is recognised as required under Section 135 of The Companies Act, 2013 in restated standalone financial statements on restated Profit before tax.

**Gratuity Provision:**

Provision for Gratuity is provided in the restated standalone financial statements for complying with the Accounting Standards AS-15, and with the Payment of Gratuity Act, 1972.

**Material Regrouping:**

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 in accordance with the those requirements.

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profit and Loss and cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at and for the Year ended March, 31, 2017, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**Restatements adjustments made to the opening balance of audited surplus/(deficit) in the statement of profit & loss for the year ended 31 March 2013 (i.e., as at 1st April 2012)**

<b>Particulars</b>	<b>(Amount in Million)</b>
<b>(A) Net Surplus in statement of Profit and Loss as at 1 April 2012 as per Standalone audited financial statements</b>	<b>127.51</b>
Adjustments :	
Short provision of Income tax for earlier years	(0.95)
Short deduction of TDS	(0.01)
Prior period expenses	(0.23)
<b>Net surplus in the Statement of Profit and Loss as at 1 April 2012 (as restated)</b>	<b>126.32</b>

**Notes on Non – Adjusting Items**

In addition to the audit opinion on the standalone financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of Companies Act, 1956 / Companies (Auditor's Report) Order, 2015 and 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 2013 Act (together referred to as "CARO"). Certain statements/comments included in audit opinion on the financial statements and the CARO, which do not require any adjustments in the Restated Standalone Summary Financial Statements are reproduced below in respect of the financial statements provided.

**For the financial year ended March 31, 2015****Clause VII(b) of the CARO**

According to the information and explanations given to us and the records of the Company examined by us, there are no dues on account of Income tax, Sales tax, Service tax, Customs duty, Excise duty, Cess on account of any dispute as at 31st March 2015.

Nature of Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
APGST	Demand	103,589	Sales Tax Appellate Tribunal
CST	Demand	66,912	Sales Tax Appellate Tribunal
Customs Act 1962	Demand	11,134,359	Commissioner of Customs(appeals), Chennai
AP VAT Act	Demand	290,747	Dy Commissioner (appeals) Commercial tax Dept - Visakhapatnam.

**For the financial year ended March 31, 2014**

Clause VII(b) of the CARO

According to the information and explanations given to us and the records of the Company examined by us, there are no dues on account of Income tax, Sales tax, Service tax, Customs duty, Excise duty, Cess on account of any dispute as at 31st March 2014.

Nature of Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
APGST	Demand	103,589	Sales Tax Appellate Tribunal
CST	Demand	66,912	Sales Tax Appellate Tribunal
Customs Act 1962	Demand	11,134,359	Commissioner of Customs(appeals), Chennai
AP VAT Act	Demand	290,747	Dy Commissioner (appeals) Commercial tax Dept - Visakhapatnam.

**For the financial year ended March 31, 2013**

Clause VII(b) of the CARO

According to the information and explanations given to us and the records of the Company examined by us, there are no dues on account of Income tax, Sales tax, Service tax, Customs duty, Excise duty, Cess on account of any dispute as at 31st March 2013.

Nature of Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
APGST	Demand	103,589	Sales Tax Appellate Tribunal
CST	Demand	66,912	Sales Tax Appellate Tribunal
Customs Act 1962	Demand	11,134,359	Commissioner of Customs(appeals), Chennai
AP VAT Act	Demand	290,747	Dy Commissioner (appeals) Commercial tax Dept - Visakhapatnam.

## **Annexure V: Significant Accounting Policy to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows.**

### **Corporate Information:**

The Company was incorporated on July 1st, 1987 under the provisions of Part IX - Conversion of Companies Act, 1956 as a private limited company M/s Sandhya Marines Private Limited. The Company further converted itself into a public limited company on December 22nd, 1995 and the name of the Company was further changed to Sandhya Marines Limited.

### **Basis of Accounting and preparation of restated financial statements:**

The restated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2009 as amended (the "Regulations") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the restated financial statements are consistent with those followed in the current period. The accounting policies have been consistently applied by the Company and are consistent across all the years and for the 9 months period ended as on December 31, 2017 presented.

The Restated Standalone Summary Statement of Assets and Liabilities of the company as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Restated Standalone Summary Statement of Profits and Losses and Cash Flows Statement as at and for the Period/year ended December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (herein after collectively referred to as 'Restated Standalone Summary Statements') have been prepared by the management from the Standalone Reaudited Financial Statements of the Company as at and for the year ended March 31, 2017 and from the Standalone Audited Financial Statements of the Company as at and for the year ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The Restated Standalone Summary Financial Statements along with the Stub period Financial statements for the 9 months period ended as on December 31st, 2017 are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with generally accepted accounting principles prevalent in India ("Indian GAAP") and the requirements of the Companies Act, 1956 (up to March 31, 2014) and notified Sections, schedules and rules of the Companies Act, 2013 (with effect from April 01, 2014) including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules 2006 as per Section 211 (3C) of the Companies Act, 1956 (which are deemed to be applicable under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of Companies (Accounts) Rules, 2014).

The Restated Standalone Summary Financial Statements along with the stub period financial statements are prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (SEBI) in connection with its proposed Initial Public Offering.

The Restated Standalone Summary statements of Assets and Liabilities, Restated Standalone Summary Statement of Profits and Losses and Cash Flows Statement along with stub period financial statements have been prepared to comply in all material respects with the requirements of Subclause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (the "SEBI Regulations") issued by SEBI on August 26, 2009 as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each year / period immediately preceding the issue of the draft red herring Prospectus.

All the assets and liabilities have been classified as current or non - current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities. The Restated Standalone Summary Financial Statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

- (a) Adjustments, if any, for audit qualification requiring corrective adjustment in the financial statements;
- (b) Adjustments for the material amounts in respective years / periods to which they relate;
- (c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred;
- (d) Adjustments, if any, to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years;
- (e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Standalone Financial Statements of the Company as at and for the year ended March, 31, 2017 including the stub period financial statements and the requirements of the SEBI Regulations;
- (f) The resultant impact of deferred taxes if any due to the aforesaid adjustments.

The Restated Standalone Summary Financial Statements are presented in Indian Rupees in Million.

The Restated Standalone Summary Financial Statements along with stub period financial statements were approved by the Board of Directors of the Company in their meeting held on February 12, 2018.

**Use of estimates:**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

**Fixed Assets:**

Fixed Assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits in accordance with Accounting Standards 10 and 26 issued by ICAI.

Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).

**Depreciation:**

Depreciation on Fixed assets is provided based on WDV Method as stated in Schedule XIV of the Companies Act, 1956 for the Financial Years 2012-13 and 2013-14, and on WDV Method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 for the FY ended 2014-15, 2015-16 and 2016-17.

**Impairment of Assets:**

The company periodically tests its assets for impairment and if the carrying values are found in excess of value in use, the same is charged to Statement of profit and loss as per AS 28. The impaired loss charged to Statement of profit and loss will be reversed in the year on the event and to that extent of enhancement in estimate of value in use.

**Inventories:**

Raw Materials are valued at cost or net realizable value whichever is lower. Cost includes all charges in bringing the goods to the point of destination which includes transportation and handling charges. Finished goods are valued at lower of cost or net realizable value and Work-in-progress is valued at cost. Stores and packing materials are valued at cost. Since the company purchases stores and spares as and when they are required for consumption, the value of stores and spares as on the date of balance sheet are very negligible.

**Interest and Financial Charges:**

Documentation, Commitments and Service Charges other than for term loans are spread over the tenure of the finance facility.

**Revenue Recognition:**

Revenue from operations includes Sale proceeds from frozen shrimp, head waste sales and Income from Export incentives namely Duty Draw Back, MEIS Scrips and VKGUY benefits.

Income from sale of products is recognized upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer and raising of invoices.

Income from export benefits is recognised as and when the right to utilise the export benefits is established.

**Interest Income is recognized on accrual basis**

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

**Other Income:**

Other Income includes Interest income, Income from mutual funds, Rental income, Forex fluctuations, Sale of wind power, CVD refund, insurance claims and other miscellaneous income.

**1. Initial Recognition:** Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transaction.

**2. Conversion:** Foreign currency monetary items are reported using the closing rate.

**3. Exchange differences:** Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of Profit and Loss.

**Taxes on Income:**

Provision for current tax is made in accordance with the provisions of the Income-tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

**Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized till the date in which asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

**Government Grants:**

Government Grants are recognised either in Capital reserve or as income in Statement of Profit & Loss as and when the grant is actually received by the company depending on the nature of grant received as enumerated in Accounting Standard 12 "Accounting for Government Grants" and the conditions for the recognition of Government grants are met as per Accounting Standard 12 "Accounting for Government Grants".

**Employee Benefits:**

Provision for Gratuity is provided in the restated financial statements for complying with the Accounting Standards AS-15, and with the Payment of Gratuity Act, 1972.

Provident Fund: Expenditures pertaining to contributory provident fund account are charged to Statement of profit and loss.

**Provisions and contingencies:**

A provision is recognized when an enterprise has a present obligation as a result of the past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognized, however contingent liabilities are disclosed in the notes on accounts.

**Earnings per Share:**

The Basic earnings per share ("BEPS") is calculated by dividing the net profit or loss after taxes for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted Earnings per share ("DEPS") is calculated after the weighted average number of Equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Cash and Cash Equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand, at bank (excluding margin deposits with banks).

**Bad-Debts:**

Bad-Debts are written off to Statement of profit and loss as and when the debt is determined as un-realizable as per the opinion of the Management.

**Cash flow statement:**

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 -Cash flow Statement. Cash and Cash equivalents for cash flow statement comprises cash at bank and in hand and bank deposits.

**Annexure -VI**  
**(₹ in Million)**

**RESTATED STANDALONE SUMMARY STATEMENT OF SHARE CAPITAL**

<b>Particulars</b>	<b>As at December 31,2017</b>	<b>As at March 31,2017</b>	<b>As at March 31,2016</b>	<b>As at March 31,2015</b>	<b>As at March 31,2014</b>	<b>As at March 31,2013</b>
<b>Equity shares of Rs.10 each</b>						
<b>Authorised Share Capital</b>						
- Equity Shares	<b>1,200.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>
<b>Issued, Subscribed and fully paid up</b>						
- Equity Shares	<b>887.35</b>	<b>34.13</b>	<b>34.13</b>	<b>34.13</b>	<b>34.13</b>	<b>34.13</b>

**Reconciliation of the shares outstanding**

<b>Particulars</b>	<b>As at December 31,2017</b>		<b>As at March 31,2017</b>		<b>As at March 31,2016</b>		<b>As at March 31,2015</b>		<b>As at March 31,2014</b>		<b>As at March 31,2013</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
<b>Equity shares of Rs.10 each</b>												
At the beginning of the period / year	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13
Add: New issue during the period / year	85,322,500	853.22	-	-	-	-	-	-	-	-	-	-
<b>Outstanding at the end of period / year</b>	<b>88,735,400</b>	<b>853.23</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>



**Details of shareholders holding more than 5% shares in the Company**

Particulars	As at December 31,2017		As at March 31,2017		As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
K.V. Prasad	33,659,600	37.93	1,494,700	43.80	1,461,500	42.82	1,461,500	42.82	1,461,500	42.82	1,461,500	42.82
K. Anand Kumar	21,610,940	24.35	786,190	23.04	786,190	23.04	786,190	23.04	786,190	23.04	786,190	23.04
K. Arun Kumar	21,420,100	24.14	778,850	22.82	778,850	22.82	778,850	22.82	778,850	22.82	778,850	22.82
K. Suryanarayanamma	6,062,160	6.83	233,160	6.83	233,160	6.83	233,160	6.83	233,160	6.83	233,160	6.83

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

**Details of Shares allotted for consideration other than cash**

Particulars	As at December 31,2017	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Fully paid up no of equity shares by way of bonus issue	85,322,500.00	-	-	-	-	-

**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF RESERVES & SURPLUS - Annexure -VII**

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>a) General Reserve</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>
<b>b) Share Premium</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>
<b>c) Capital Reserves</b>						
Balance at the beginning of Period/Year	-	-	-	-	-	-
<b>Add : Subsidy received</b>	10.71	-	-	-	-	-
Balance at the end Period/Year	<b>10.71</b>	-	-	-	-	-
<b>d) Surplus/(Deficit) in Statement of Profit and Loss</b>						
Balance at the beginning of Period/Year	1,095.54	807.73	584.73	371.79	199.76	126.32
<b>Add : Profit/(loss) after tax, as restated</b>	463.97	287.81	223.00	212.94	172.03	73.44
<b>Less : Prior period items being adjusted to opening Surplus</b>	-	-	-	-	-	-
<b>Appropriations</b>						
Interim Dividend	(59.73)	-	-	-	-	-
Tax on Dividend	(12.16)	-	-	-	-	-
Issue of Bonus shares	(853.22)	-	-	-	-	-
<b>Balance at the end of Period / Year</b>	<b>634.40</b>	<b>1,095.54</b>	<b>807.73</b>	<b>584.73</b>	<b>371.79</b>	<b>199.76</b>
<b>Total</b>	<b>744.76</b>	<b>1,195.19</b>	<b>907.38</b>	<b>684.38</b>	<b>471.44</b>	<b>299.41</b>

**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF LONG TERM BORROWINGS - Annexure -VIII**  
(₹ in Million)

	NON CURRENT PORTION OF LONG TERM BORROWINGS						CURRENT MATURITIES OF LONG TERM BORROWINGS					
Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>SECURED</b>												
Term Loans From Banks												
HDFC Bank Limited	14.58	-	-	-	-	-	8.33	-	-	-	-	-
Vehicle Loans From banks												
HDFC Bank Limited	13.83	3.40	-	1.81	1.72	0.20	8.78	2.91	1.82	3.74	2.08	0.40
ICICI Limited	-	0.26	0.34	0.93	0.47	0.71	0.43	0.95	1.53	2.26	2.54	0.94
Vehicle Loans Financial Institutions												
Tata Motors Finance Limited	-	-	-	-	-	-	-	-	-	-	-	0.40
<b>Total Secured</b>	<b>28.41</b>	<b>3.66</b>	<b>0.34</b>	<b>2.74</b>	<b>2.19</b>	<b>0.91</b>	<b>17.54</b>	<b>3.86</b>	<b>3.35</b>	<b>6.00</b>	<b>4.62</b>	<b>1.74</b>
Amount disclosed under the head "Long Term Borrowings"	28.41	3.66	0.34	2.74	2.19	0.91	-	-	-	-	-	-
Amount disclosed under the head "Other Current Liabilities"	-	-	-	-	-	-	17.54	3.86	3.35	6.00	4.62	1.74
<b>Total</b>	<b>28.41</b>	<b>3.66</b>	<b>0.34</b>	<b>2.74</b>	<b>2.19</b>	<b>0.91</b>	<b>17.54</b>	<b>3.86</b>	<b>3.35</b>	<b>6.00</b>	<b>4.62</b>	<b>1.74</b>

**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII

**RESTATED STANDALONE SUMMARY STATEMENT OF LONG TERM BORROWINGS - Annexure -VIII**

(₹ in Million)

**Terms of Repayment of Long Term Borrowings**

S.No	Particulars	Outstanding as at 31st December , 2017		Nature of Loan	Repayment Schedule	Rate of Interest p.a.(%)	Sanction Amount	Securities Offered	Foreclosure Charges
		Disclosed under Long Term Borrowings	Disclosed under Other Current Liabilities						
<b>1</b>	<b>HDFC Bank Limited</b>	14.58	8.33	Term Loan	Repayable in 12 equal quarterly instalments of Rs. 2.08 millions	7.95%	25.00	Term loan is secured by way of 100% fixed deposit margin	As Mutually Agreed
<b>2</b>	<b>HDFC Bank Limited</b>	1.55	2.32	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.19 millions	9.26%	6.00	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
<b>3</b>	<b>ICICI BANK</b>	0.00	0.42	Vehicle Loan	Repayable in 24 equal monthly instalments of Rs.0.06 millions	9.81%	1.20	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	The lesser of the following: (i) 4% of the principal outstanding plus applicable service tax. (ii) The interest outstanding for the unexpired period of the loan
<b>4</b>	<b>HDFC Bank Limited</b>	0.26	0.00	Vehicle Loan	Repayable in 24 equal monthly instalments of Rs.0.05 millions	9.65%	1.15	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed

5	HDFC Bank Limited	3.70	1.86	Vehicle Loan	Repayable in 24 equal monthly instalments of Rs.0.19 millions	9.26%	6.00	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
6	HDFC Bank Limited	3.22	1.54	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.16 millions	9.26%	5.00	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
7	HDFC Bank Limited	2.54	1.53	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.15 millions	8.50%	4.78	The Vehicle Loan is secured by way of hypothecation of the vehicles purchased from the loan proceedings	As Mutually Agreed
8	HDFC Bank Limited	2.56	1.54	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.15 millions	8.50%	4.82	The Vehicle Loan is secured by way of hypothecation of the vehicles purchased from the loan proceedings	As Mutually Agreed
		<b>28.41</b>	<b>17.54</b>					<b>53.95</b>	

**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII

**Annexure IX**

**(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Deferred Tax Liability</b>						
Opening Balance	7.29	11.79	17.32	33.18	31.39	31.42
<b>Add/(Less):</b> Deferred Liability/(Asset) for the year as per audited financial statements on account of Depreciation	0.82	(4.54)	(4.38)	(14.42)	1.83	0.30
<b>Add/(Less):</b> Restated Deferred Liability/(Asset) on account of						
Depreciation	-	0.34	(0.86)	(1.30)	-	-
Employee benefits	-	(0.30)	(0.29)	(0.14)	(0.04)	(0.33)
<b>Total</b>	<b>8.11</b>	<b>7.29</b>	<b>11.79</b>	<b>17.32</b>	<b>33.18</b>	<b>31.39</b>

**Note:**

The above statement should be read with the explanatory notes to the statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and significant accounting policies as appearing in Annexure V and annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF LONG TERM PROVISIONS -****Annexure X****(₹ in Million)**

<b>Particulars</b>	<b>As at December 31,2017</b>	<b>As at March 31,2017</b>	<b>As at March 31,2016</b>	<b>As at March 31,2015</b>	<b>As at March 31,2014</b>	<b>As at March 31,2013</b>
Provision for gratuity	4.34	3.25	2.38	1.54	1.13	1.00
<b>Total</b>	<b>4.34</b>	<b>3.25</b>	<b>2.38</b>	<b>1.54</b>	<b>1.13</b>	<b>1.00</b>

**Note:**

The above statement should be read with the explanatory notes to the statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and significant accounting policies as appearing in Annexure V and annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXVII.

**Restated Standalone Summary Statement of Short Term Borrowings -**

**Annexure XI**

**(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Secured</b>						
PCFC Loan	393.28	251.82	150.97	185.56	175.41	78.51
Packing Credit Loan	-	109.94	49.96	-	-	-
FDBP Loan	301.35	297.79	317.19	317.62	235.02	60.38
Overdraft	-	57.75	74.99	-	-	-
	<b>694.63</b>	<b>717.30</b>	<b>593.11</b>	<b>503.18</b>	<b>410.43</b>	<b>138.89</b>

**Note:**

The above statement should be read with the explanatory notes to the statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and significant accounting policies as appearing in Annexure V and annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXVII.



**Restated Standalone Summary Statement of Short Term Borrowings -**

**Annexure - XI**

**(₹ in Million)**

S.No	Particulars	Outstanding as at 31st December, 2017	Rate of Interest p.a.(%)	Repayment Amount	Sanctioned Amount	Security offered
<b>Working Capital Loans from Banks</b>						
	<b>(Fund Based Limit)</b>					
1	PCFC Loan - UBI	293.02	As approved by IBD from time to time	Credit 90days	350.00	Primary Security:-  Hypothecation of stocks & Consumables & Export Documents. Collateral Securities:-1) 4.12 Cents of land with factory building of around 63800 sft at sy 124/1,126/2,124/2,3&4 (Door no.4/170) at Poolapalli village, Palakol mandal, West Godavari Dist. With plant and machinery ,Dg Sets Plumps, Air Conditioners cold storage units, Lab equipment etc., at factory at poolipalli Village, W.G District in the name of the Borrower Company Sandhya Marines Limited. 2) 2710.4 sq yds of land with cold storage building of 8772 sft, at sy 52/2 & 3 part Paradesipalem, Visakhapatnam With Plant & Machinery standing in the name of borrower company Sandhya Marines Limited. 3). 1548.80 sq yds of industrial land at sy. no. 53 paradesipalem, chinnagadili mandal, Visakhapatnam within GVMC limits owned by M/s.Surya Enterprises. 4)

2	Packing credit Loan - UBI	-	1YMCLR+0.15			<p>5711.2 sq.yards. vacant industrial site at sy. no. 52/2,3 (part) and 53 Paradesipalem,Chinnagadili Mandal,Visakhapatnam in the name of the Borrower Company Sandhya Marines Limited. 5)2081.2 sq.yds. of factory land with 5450 sft.of AC sheet Building at sy.no.53 Paradesipalem,Chinnagadili Mandal, Visakhapatnam with Plant &amp; Machinery used in Ice factory owned by M/s.Padma enterprises. 6) Ac.6.80 Cents of Land with factory building of around 61400 sft. housing a Hatchery unit at New sy. no.306 Palmenpet Village, Payakaraopeta mandal, Visakhapatnam dist. with Plant &amp; Machinery in the name of the borrower company Sandhya Marines Limited. 7)3340 Sq. Yds. of land with Ice factory building of 1210 Sft. at Sy. No.124/1, Poolapalli village, Palakollu mandal, West Godavari district with P&amp;M owned by M/s Srivasa Ice factory.</p> <p><b>Details Of Guarantees (Personal/Corporate)</b> 1. Dr. K.V.Prasad 2. Mr.C.S.Prasad 3. Mr.K.Anand Kumar 4. Mr.K.Arun Kumar 5. M/s Surya enterprises 6. M/s Padma Enterprises 7. M/s Srinivasa Ice factory</p>
3	PCFC Loan - Yes Bank	100.26	LIBOR+0.9%	Credit 90 days	150.00	<p>1) Pari Passu charge on current assets and movable fixed assets of the Company. 2) Pari Passu charge on immovable fixed assets of the borrower ( only land and factory building, cold storage land and building and Vacant industrial site in the name of the borrower. 3) Personal guarnatees of promoters ( Mr K.V.Prasad, Mr. K.Anand Kumar, Mr. K. Arun Kumar - Total network of the promoters is around INR 235 MM).</p>

						Primary	Security:-
4	FDBP - UBI	301.35	1YMCLR+0.15	Credit 90 days	400.00	<p>Hypothecation of stocks &amp; Consumables &amp; Export Documents. Collateral Securities:-1) 4.12 Cents of land with factory building of around 63800 sft at sy 124/1,126/2,124/2,3&amp;4 (Door no.4/170) at Poolapalli village, Palakol mandal, West Godavari Dist. With plant and machinery ,Dg Sets Plumps, Air Conditioners cold storage units, Lab equipment etc., at factory at poolipalli Village, W.G District in the name of the Borrower Company Sandhya Marines Limited. 2) 2710.4 sq yds of land with cold storage building of 8772 sft, at sy 52/2 &amp; 3 part Paradesipalem, Visakhapatnam With Plant &amp; Machinery standing in the name of borrower company Sandhya Marines Limited. 3). 1548.80 sq yds of industrial land at sy. no. 53 paradesipalem, chinnagadili mandal, Visakhapatnam within GVMC limits owned by M/s.Surya Enterprises. 4) 5711.2 sq.yards. vacant industrial site at sy. no. 52/2,3 (part) and 53 Paradesipalem,Chinnagadili Mandal,Visakhapatnam in the name of the Borrower Company Sandhya Marines Limited. 5)2081.2 sq.yds. of factory land with 5450 sft.of AC sheet Building at sy.no.53 Paradesipalem,Chinnagadili Mandal, Visakhapatnam with Plant &amp; Machinery used in Ice factory owned by M/s.Padma enterprises. 6) Ac.6.80 Cents of Land with factory building of around 61400 sft. housing a Hatchery unit at New sy. no.306 Palmenpet Village, Payakaraopeta mandal, Visakhapatnam dist. with Plant &amp; Machinery in the name of the borrower company Sandhya Marines Limited. 7)3340 Sq. Yds. of land with Ice factory building of 1210 Sft. at Sy. No.124/1, Poolapalli village, Palakollu mandal, West Godavari district with P&amp;M owned by M/s Srivasa Ice factory.</p> <p><b>DETAILS OF GUARANTEES (PERSONAL/CORPORATE)</b>  1. Dr. K.V.Prasad 2. Mr.C.S.Prasad 3. Mr.K.Anand Kumar 4. Mr.K.Arun Kumar 5. M/s Surya enterprises 6. M/s Padma Enterprises 7. M/s Srinivasa Ice factory</p>	
	<b>Total</b>	<b>694.63</b>			<b>900.00</b>		

**Note:-** The above statement should be read with the explanatory notes to the statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and significant accounting policies as appearing in Annexure V and annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF TRADE PAYABLES****- Annexure XII****(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Dues to</b>						
Micro, Small and Medium Enterprises	-	-	-	-	-	-
Others	193.91	210.48	272.28	242.17	228.86	129.32
<b>Total</b>	<b>193.91</b>	<b>210.48</b>	<b>272.28</b>	<b>242.17</b>	<b>228.86</b>	<b>129.32</b>

**Of Which Dues to Related Party**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Mallikarjuna Enterprises	-	0.37	10.05	13.50	2.43	-
Padma Enterprises	-	0.50	0.52	0.53	0.55	0.51

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

2. Based on the information and explanation available with the company, there are no outstanding dues to Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006

**RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES****Annexure XIII****(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Current Maturities of Long Term Borrowings	17.54	3.86	3.35	6.00	4.62	1.74
Statutory Liabilities	1.73	1.25	2.46	1.33	0.93	0.25
Advances from Customers	7.54	3.24	-	4.68	-	-
Salary Payables	7.85	2.47	0.19	1.07	1.05	1.18
Unpaid Expenses	8.70	5.92	3.41	4.50	3.34	1.86
Other Payables	0.68	0.89	2.06	0.94	0.82	0.15
<b>Total</b>	<b>44.04</b>	<b>17.63</b>	<b>11.48</b>	<b>18.52</b>	<b>10.76</b>	<b>5.18</b>

**Note :**

The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF SHORT TERM PROVISIONS - Annexure XIV**

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Income-Tax (Net of Advance Tax)	74.87	14.99	21.06	6.33	1.44	0.72
Provision for CSR	19.83	12.38	6.13	3.31	-	-
Provision for Antidumping Duty	23.19	23.56	25.49	23.45	19.54	-
Provision for Electricity	4.66	2.91	3.32	2.18	2.51	1.38
Provision for Custom Charges	6.00	9.46	11.61	3.92	10.69	1.41
Other Provisions	8.12	2.97	2.66	0.05	0.05	0.25
<b>Total</b>	<b>136.67</b>	<b>66.27</b>	<b>70.27</b>	<b>39.24</b>	<b>34.23</b>	<b>3.76</b>

**Note :**

The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS**

**Annexure XV**

**(₹ in Million)**

**From April 1, 2017 to December 31, 2017**

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2017	Additions	Disposal s/ Adjust ments	As at December 31, 2017	As at April 1, 2017	For the Year	As at December 31, 2017	As at December 31, 2017	As at March 31, 2017
<b>Tangible Assets</b>									
Building	93.25	21.16	0.00	114.41	32.56	4.94	37.49	76.92	60.69
Furniture & Fixtures	5.92	1.41	0.00	7.33	4.63	0.47	5.10	2.23	1.29
Electrical installation	3.79	0.12	0.00	3.91	2.67	0.25	2.92	0.99	1.12
Lab Equipment	1.31	0.80	0.00	2.11	0.77	0.18	0.94	1.17	0.54
Plant & Machinery	233.23	107.32	0.00	340.55	147.63	22.13	169.77	170.78	85.60
Computer	1.73	0.49	0.00	2.21	1.36	0.37	1.73	0.48	0.37
Vehicles	82.95	28.42	0.17	111.20	54.54	10.60	65.13	46.07	28.41
Equipments	1.43	0.02	0.00	1.45	1.33	0.05	1.38	0.07	0.10
Land	51.72	14.84	0.00	66.56	0.00	0.00	0.00	66.56	51.72
<b>Sub Total</b>	<b>475.34</b>	<b>174.59</b>	<b>0.17</b>	<b>649.74</b>	<b>245.48</b>	<b>38.99</b>	<b>284.46</b>	<b>365.27</b>	<b>229.84</b>
<b>Capital work-in-progress</b>									
Buildings	17.00	18.33	17.00	18.33			0.00	18.33	17.00
Plant & Machinery	84.91	4.28	84.91	4.28			0.00	4.28	84.91
<b>Sub Total</b>	<b>101.91</b>	<b>22.61</b>	<b>101.91</b>	<b>22.61</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>22.61</b>	<b>101.91</b>
<b>Total</b>	<b>577.25</b>	<b>197.21</b>	<b>102.08</b>	<b>672.35</b>	<b>245.48</b>	<b>38.99</b>	<b>284.46</b>	<b>387.88</b>	<b>331.75</b>
<b>Previous year</b>	<b>434.88</b>	<b>142.37</b>	<b>0.00</b>	<b>577.25</b>	<b>209.55</b>	<b>35.92</b>	<b>245.48</b>	<b>331.75</b>	<b>225.32</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS**

Annexure XV

**From April 1, 2016 to March 31, 2017****(₹ in Million)**

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2016	Additions	Disposal s/ Adjustm ents	As at March 31, 2017	As at April 1, 2015	for the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets</b>									
Building	87.79	5.46		93.25	27.37	5.19	32.56	60.69	60.42
Furniture & Fixtures	5.10	0.82		5.92	4.37	0.25	4.63	1.29	0.72
Electrical installation	3.68	0.11		3.79	2.25	0.42	2.67	1.12	1.43
Lab Equipment	0.88	0.43		1.31	0.63	0.13	0.77	0.54	0.25
Plant & Machinery	223.57	9.66		233.23	129.56	18.07	147.63	85.60	94.01
Computer	1.16	0.57		1.73	0.94	0.42	1.36	0.37	0.22
Vehicles	68.04	14.91		82.95	43.18	11.36	54.54	28.41	24.86
Equipments	1.42	0.02		1.43	1.25	0.09	1.33	0.10	0.17
Land	43.24	8.48		51.72	0.00	0.00	0.00	51.72	43.24
<b>Sub Total</b>	<b>434.88</b>	<b>40.46</b>	<b>0.00</b>	<b>475.34</b>	<b>209.55</b>	<b>35.92</b>	<b>245.48</b>	<b>229.84</b>	<b>225.32</b>
<b>Capital work-in-progress</b>									
Building		17.00		17.00			0.00	17.00	0.00
plant & machinery		84.91		84.91			0.00	84.91	0.00
<b>Sub Total</b>	<b>0.00</b>	<b>101.91</b>	<b>0.00</b>	<b>101.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>101.91</b>	<b>0.00</b>
<b>Total</b>	<b>434.88</b>	<b>142.37</b>	<b>0.00</b>	<b>577.25</b>	<b>209.55</b>	<b>35.92</b>	<b>245.48</b>	<b>331.75</b>	<b>225.32</b>
<b>Previous year</b>	<b>420.74</b>	<b>23.05</b>	<b>8.90</b>	<b>434.88</b>	<b>170.21</b>	<b>39.34</b>	<b>209.55</b>	<b>225.32</b>	<b>250.52</b>

**Note :**

1. Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2017 is Lower by 0.97 million & Deffered tax on the same 0.33 million.

2. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.



**RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS**
**Annexure XV**
**From April 1, 2015 to March 31, 2016**
**(₹ in Million)**

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	for the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>									
Building	87.79	0.00		87.79	22.00	5.37	27.37	60.42	65.78
Furniture & Fixtures	4.96	0.14		5.10	4.01	0.36	4.37	0.72	0.94
Electrical installation	3.50	0.18		3.68	1.70	0.55	2.25	1.43	1.80
Lab Equipment	0.79	0.10		0.88	0.56	0.08	0.63	0.25	0.23
Plant & Machinery	230.85	1.63	8.90	223.57	108.62	20.94	129.56	94.01	122.22
Computer	0.91	0.25		1.16	0.78	0.16	0.94	0.22	0.12
Vehicles	65.07	2.97		68.04	31.41	11.77	43.18	24.86	33.67
Equipments	1.33	0.09		1.42	1.12	0.12	1.25	0.17	0.21
Land	25.54	17.70		43.24		0.00	0.00	43.24	25.54
<b>Sub Total</b>	<b>420.74</b>	<b>23.05</b>	<b>8.90</b>	<b>434.88</b>	<b>170.21</b>	<b>39.34</b>	<b>209.55</b>	<b>225.32</b>	<b>250.52</b>
<b>Total</b>	<b>420.74</b>	<b>23.05</b>	<b>8.90</b>	<b>434.88</b>	<b>170.21</b>	<b>39.34</b>	<b>209.55</b>	<b>225.32</b>	<b>250.52</b>
<b>Previous year</b>	<b>409.17</b>	<b>35.99</b>	<b>24.43</b>	<b>420.74</b>	<b>121.25</b>	<b>48.96</b>	<b>170.21</b>	<b>250.52</b>	<b>287.92</b>

**Note :**

1. Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2016 is higher by 2.5 million & Deferred tax on the same 0.87 million.

2. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS -

Annexure XV

From April 1, 2014 to March 31, 2015

(₹ in Million)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	for the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>									
Building	82.72	5.28	0.22	87.79	16.25	5.76	22.00	65.78	66.47
Furniture & Fixtures	4.12	0.84		4.96	3.33	0.69	4.01	0.94	0.80
Electrical installation	3.15	0.35		3.50	1.05	0.66	1.70	1.80	2.11
Lab Equipment	0.66	0.12		0.79	0.44	0.11	0.56	0.23	0.22
Plant & Machinery	241.69	13.33	24.17	230.85	80.40	28.23	108.62	122.22	161.29
Computer	0.77	0.14		0.91	0.49	0.29	0.78	0.12	0.28
Vehicles	49.22	15.85		65.07	18.53	12.88	31.41	33.67	30.69
Equipments	1.29	0.07	0.04	1.33	0.77	0.35	1.12	0.21	0.52
Land	25.54	0.00		25.54	0.00	0.00	0.00	25.54	25.54
<b>Sub Total</b>	<b>409.17</b>	<b>35.99</b>	<b>24.43</b>	<b>420.74</b>	<b>121.25</b>	<b>48.96</b>	<b>170.21</b>	<b>250.52</b>	<b>287.92</b>
<b>Total</b>	<b>409.17</b>	<b>35.99</b>	<b>24.43</b>	<b>420.74</b>	<b>121.25</b>	<b>48.96</b>	<b>170.21</b>	<b>250.52</b>	<b>287.92</b>
<b>Previous year</b>	<b>331.87</b>	<b>78.42</b>	<b>1.12</b>	<b>409.17</b>	<b>103.17</b>	<b>18.08</b>	<b>121.25</b>	<b>287.92</b>	<b>228.71</b>

**Note :**

1. Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2015 is higher by 3.82 million & Deferred tax on the same 1.3 million.

2. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS**
**Annexure XV**
**From April 1, 2013 to March 31, 2014**
**(₹ in Million)**

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2013	Additions	Disposal s/ Adjustm ents	As at March 31, 2014	As at April 1, 2013	for the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>									
Building	70.02	12.89	0.19	82.72	14.05	2.20	16.25	66.47	55.97
Furniture & Fixtures	3.77	0.35		4.12	3.13	0.20	3.33	0.80	0.64
Electrical installation	2.85	0.31		3.15	0.85	0.19	1.05	2.11	2.00
Lab Equipment	0.66	0.00		0.66	0.41	0.03	0.44	0.22	0.25
Plant & Machinery	196.90	45.71	0.93	241.69	69.45	10.95	80.40	161.29	127.45
Computer	0.62	0.14		0.77	0.43	0.07	0.49	0.28	0.20
Vehicles	30.24	18.98		49.22	14.16	4.37	18.53	30.69	16.08
Equipments	1.26	0.03		1.29	0.69	0.08	0.77	0.52	0.57
Land	25.54	0.00		25.54	0.00	0.00	0.00	25.54	25.54
<b>Sub Total</b>	<b>331.87</b>	<b>78.42</b>	<b>1.12</b>	<b>409.17</b>	<b>103.17</b>	<b>18.08</b>	<b>121.25</b>	<b>287.92</b>	<b>228.71</b>
<b>Total</b>	<b>331.87</b>	<b>78.42</b>	<b>1.12</b>	<b>409.17</b>	<b>103.17</b>	<b>18.08</b>	<b>121.25</b>	<b>287.92</b>	<b>228.71</b>
<b>Previous year</b>	<b>289.76</b>	<b>42.11</b>	<b>0.00</b>	<b>331.87</b>	<b>88.92</b>	<b>14.25</b>	<b>103.17</b>	<b>228.71</b>	<b>200.84</b>

**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS**
**Annexure XV**
**From April 1, 2012 to March 31, 2013**
**(₹ in Million)**

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2012	Additions	Disposal s/ Adjustm ents	As at March 31, 2013	As at April 1, 2012	for the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>Tangible Assets</b>									
Building	63.64	6.38		70.02	12.15	1.90	14.05	55.97	51.50
Furniture & Fixtures	3.77	0.00		3.77	2.93	0.20	3.13	0.64	0.84
Electrical installation	2.85	0.00		2.85	0.67	0.18	0.85	2.00	2.17
Lab Equipment	0.59	0.07		0.66	0.38	0.03	0.41	0.25	0.21
Plant & Machinery	171.61	25.29		196.90	60.74	8.71	69.45	127.45	110.87
Computer	0.55	0.07		0.62	0.38	0.05	0.43	0.20	0.17
Vehicles	30.01	0.24		30.24	11.06	3.10	14.16	16.08	18.95
Equipment	1.19	0.07		1.26	0.61	0.08	0.69	0.57	0.57
Land	15.55	9.99		25.54			0.00	25.54	15.55
<b>Sub Total</b>	<b>289.76</b>	<b>42.11</b>	<b>0.00</b>	<b>331.87</b>	<b>88.92</b>	<b>14.25</b>	<b>103.17</b>	<b>228.71</b>	<b>200.84</b>
<b>Total</b>	<b>289.76</b>	<b>42.11</b>	<b>0.00</b>	<b>331.87</b>	<b>88.92</b>	<b>14.25</b>	<b>103.17</b>	<b>228.71</b>	<b>200.84</b>
<b>Previous year</b>	<b>266.47</b>	<b>26.13</b>	<b>1.02</b>	<b>291.58</b>	<b>77.87</b>	<b>12.81</b>	<b>90.68</b>	<b>200.90</b>	<b>188.60</b>

**Note:**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS**
**Annexure XVI**  
**(₹ in Million)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Non Trade Investments : (Unquoted)</b>						
(Valued at cost, fully paid up, unless otherwise specified)						
(A) Investment in Equity Shares :						
(i) In Subsidiary Companies in India						
(a) Aquatica Frozen Foods Global Pvt Ltd Equity Shares of Rs.10 Each, As at 31.12.2017-74,90,000 As at 31.03.2017 - 74,90,000, As at 31.03.2016- 74,90,000, As at 31.03.2015 - 15,99,000, As at 31.03.2014 - NIL, As at 31.03.2013 - NIL	74.90	74.90	74.90	15.99	0.00	-
(b) Sandhya Holdings private Limited Equity Shares of 10 Each, As at 31.03.2017- 2,24,50,000 As at 31.03.2016 - 1,93,42,200, As at 31.03.2015 - 1,93,42,200, As at 31.03.2014 - 93,95,500, As at 31.03.2013 - NIL,		224.50	193.42	193.42	93.95	-
(B) Investment in Preference Shares : Sandhya Holdings Private Limited Preference Shares of 100 Each,As at 31.03.2017-14,29,000 As at 31.03.2016 - 14,29,000 As at 31.03.2015 - Nil; As at 31.03.2014 - Nil; As at 31.03.2013 – Nil		142.90	142.90	-	-	-
(C)Application money						
(a) Sandhya Holdings private Limited	-	-	-	14.93	34.86	73.67
(b) Aquatica Frozen Foods Global Pvt Ltd	-	-	-	36.50	5.49	-
(D) Others						
(a) Investment in Equity Shares : Sandhya Holdings Private Limited Equity Shares of 10 Each,As at 31.12.2017- 56,50,000	56.50	-	-	-	-	-
(b) Investment in Preference Shares : Sandhya Holdings Private Limited Preference Shares of 100 Each,As at 31.12.2017- 15,42,500	154.25	-	-	-	-	-
<b>Total</b>	<b>285.65</b>	<b>442.30</b>	<b>411.22</b>	<b>260.84</b>	<b>134.30</b>	<b>73.67</b>
Aggregate of unquoted investments	285.65	442.30	411.22	260.84	134.30	73.67
<b>Total</b>	<b>285.65</b>	<b>442.30</b>	<b>411.22</b>	<b>260.84</b>	<b>134.30</b>	<b>73.67</b>

**Note:-** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

# **RESTATED STANDALONE SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES**

**Annexure - XVII**

**(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>(Unsecured considered good unless other wise stated)</b>						
(a)Capital Advances	42.06	-	9.19	5.27	0.26	11.59
(b)Security Deposit	9.07	9.14	8.14	5.79	5.69	5.63
(c)Loan and Advances to related parties	5.39	5.39	5.45	23.18	23.24	23.27
(d)Others	0.20	0.22	0.42	0.30	0.30	0.30
<b>Total</b>	<b>56.72</b>	<b>14.75</b>	<b>23.20</b>	<b>34.54</b>	<b>29.49</b>	<b>40.79</b>

## **Of Which Dues to Related Party**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Srinivasa Ice Factory	5.39	5.39	5.45	5.50	5.56	5.62
Maple Constructions	-	-	-	17.68	17.68	17.65

### **Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

# RESTATED STANDALONE SUMMARY STATEMENT OF CURRENT INVESTMENT

Annexure - XVIII

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Quoted (Valued at Lower of Cost or market value, unless other wise stated)</b>						
Investment in Mutual Funds	720.83	583.29	363.66	-	-	-
National Saving Certificates	0.02	0.02	0.02	0.02	0.02	0.01
<b>Total</b>	<b>720.85</b>	<b>583.31</b>	<b>363.68</b>	<b>0.02</b>	<b>0.02</b>	<b>0.01</b>
Quoted Investments (Cost Value)	720.85	583.29	363.66	-	-	-
Quoted Investments (Market Value)	783.02	615.82	364.82	-	-	-

## **Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF INVENTORIES -****Annexure XIX****(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Valued at Lower of Cost or net realisable value</b>						
Finished goods	86.51	34.42	28.58	27.83	33.44	4.60
<b>Total</b>	<b>86.51</b>	<b>34.42</b>	<b>28.58</b>	<b>27.83</b>	<b>33.44</b>	<b>4.60</b>

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.



**RESTATED STANDALONE SUMMARY STATEMENT OF TRADE RECEIVABLES -**
**Annexure XX**
**(₹ in Million)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured considered good unless other wise stated)</b>						
<b>Dues Outstanding</b>						
More than six months	0.04	2.30	3.06	5.28	0.80	1.20
Others	649.16	282.64	286.19	88.17	145.56	77.64
<b>(Secured considered good unless other wise stated)</b>						
<b>Dues Outstanding</b>						
More than six months	0.00	0.00	0.00	1.61	0.00	2.53
Others	86.37	173.14	193.63	448.52	320.12	81.28
<b>Total</b>	<b>735.57</b>	<b>458.08</b>	<b>482.88</b>	<b>543.58</b>	<b>466.48</b>	<b>162.65</b>

**Of Which Dues from Related Party**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Aquatica Frozen Foods Global Private Limited	-	-	1.46	2.25	-	-

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF CASH AND BANK BALANCES - Annexure XXI**

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(Cash and Cash Equivalents)</b>						
Cash on hand	0.55	0.32	0.84	0.90	2.13	0.50
Balances with banks						
Current Account	213.00	131.47	64.83	102.81	21.92	21.15
Fixed Deposit With Bank with maturity within 3 months	-	-	-	-	1.26	14.46
	<b>213.55</b>	<b>131.79</b>	<b>65.67</b>	<b>103.71</b>	<b>25.31</b>	<b>36.11</b>
<b>Other Bank Balance</b>						
Fixed Deposit With Bank with maturity more than 3 months	91.96	124.53	209.88	241.84	142.64	43.61
	<b>91.96</b>	<b>124.53</b>	<b>209.88</b>	<b>241.84</b>	<b>142.64</b>	<b>43.61</b>
<b>Total</b>	<b>305.51</b>	<b>256.32</b>	<b>275.55</b>	<b>345.55</b>	<b>167.95</b>	<b>79.72</b>

**Details of Fixed Deposit pledged**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
FD pledged against statutory authority	0.25	0.25	0.25	0.25	0.25	0.25
FD in Lien against Term loan	25.00	-	-	-	-	-
FD pledged against overdraft facility (Yes Bank)	-	60.41	75.72	-	-	-
FD pledged on behalf of Subsidiary Company (With Union Bank of India)	10.03	10.03	9.69	2.68	-	-
FD towards letter of credit	3.93	3.93	3.79	3.52	2.66	-
FD against MPEDA subsidy	0.95	0.95	0.92	0.85	-	-
FD favouring coastal aqua culture authority	0.60	0.60	0.57	0.53	-	-
<b>TOTAL</b>	<b>40.76</b>	<b>76.17</b>	<b>90.94</b>	<b>7.83</b>	<b>2.91</b>	<b>0.25</b>

The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

# **RESTATED STANDALONE SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES**

**Annexure XXII**

**(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>(Unsecured considered good unless other wise stated)</b>						
(a) Prepaid expenses	1.22	0.65	0.76	1.06	1.98	1.02
(b) Salary Advances	0.73	1.50	4.01	1.48	1.13	1.06
(c) Advances to Creditors	24.37	24.63	3.85	2.48	6.72	4.62
(d) Advance for fixed assets	-	-	-	-	0.11	1.25
(e) Others	24.27	8.07	8.56	8.91	6.53	6.74
<b>Total</b>	<b>50.59</b>	<b>34.85</b>	<b>17.18</b>	<b>13.93</b>	<b>16.47</b>	<b>14.69</b>

## **Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. For Details of Transactions with related parties, refer Annexure XXXIII B

**RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT ASSETS**
**Annexure - XXIII**
**(₹ in Million)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>OTHER CURRENT ASSETS</b>						
Duty draw back receivable	10.33	30.03	19.35	27.70	24.46	9.78
US Antidumping duty receivable	4.69	4.77	4.86	-	-	-
MEIS/VKGUY Scrips	95.77	64.04	50.90	35.91	63.27	27.11
Others	2.15	0.58	0.43	2.80	2.55	2.26
<b>Total</b>	<b>112.94</b>	<b>99.42</b>	<b>75.54</b>	<b>66.41</b>	<b>90.28</b>	<b>39.15</b>

**Note :**

The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF REVENUE FROM OPERATIONS****Annexure – XXIV****(₹ in Million)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Sale of Products	3,502.78	3,691.36	3,168.89	3,399.57	3,030.58	1,337.30
Export Benefits(Net)	289.48	308.06	265.54	234.35	205.98	85.82
<b>Total</b>	<b>3,792.26</b>	<b>3,999.42</b>	<b>3,434.43</b>	<b>3,633.92</b>	<b>3,236.56</b>	<b>1,423.12</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. For Details of Transactions with related parties, refer Annexure XXXIII B.

**RESTATED STANDALONE SUMMARY STATEMENT OF OTHER INCOME**
**Annexure XXV**
**(₹ in Million)**

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Nature (Recurring / Non-Recurring)	Related / Not Related to Business activity
CVD Refund	-	-	22.88	5.05	-	-	Non-Recurring	Related
Forex Gain	99.16	33.07	-	54.59	-	17.15	Recurring	Related
Income from Mutual Funds/Bonds	14.55	18.89	2.21	-	-	-	Recurring	Non-Related
Insurance Claim	7.15	0.04	30.83	5.00	-	-	Non-Recurring	Non-Related
Interest income	6.16	12.67	23.10	20.19	9.17	5.40	Recurring	Non-Related
Rental income	1.64	0.64	0.84	0.58	2.71	10.98	Recurring	Related
Wind power sale	-	-	0.00	2.94	2.70	2.57	Non-Recurring	Non-Related
Profit on sale of Assets	0.13	-	-	-	-	-	Non-Recurring	Non-Related
Other Income	0.20	0.02	-	0.01	0.00	0.04	Non-Recurring	Non-Related
<b>Total</b>	<b>128.99</b>	<b>65.33</b>	<b>79.86</b>	<b>88.36</b>	<b>14.58</b>	<b>36.14</b>		

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. For Details of Transactions with related parties, refer Annexure XXXIII B

**RESTATED STANDALONE SUMMARY STATEMENT OF COST OF MATERIAL CONSUMED**

(₹ in Million)

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Purchases of Raw Material	2,624.14	2,925.93	2,495.54	2,719.13	2,468.72	1,049.79
<b>Total</b>	<b>2,624.14</b>	<b>2,925.93</b>	<b>2,495.54</b>	<b>2,719.13</b>	<b>2,468.72</b>	<b>1,049.79</b>
Material purchased comprise of BT	-	-	-	-	-	47.61
Vannamei	2,624.14	2,925.93	2,495.54	2,719.13	2,468.72	1,002.18
<b>Total Consumption</b>	<b>2,624.14</b>	<b>2,925.93</b>	<b>2,495.54</b>	<b>2,719.13</b>	<b>2,468.72</b>	<b>1,049.79</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

## RESTATED STANDALONE SUMMARY STATEMENT OF CHANGES IN INVENTORY

(₹ in Million)

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Inventories at the beginning of the year</b>						
Finished Goods	34.42	28.58	27.83	33.44	4.60	6.34
	<b>34.42</b>	<b>28.58</b>	<b>27.83</b>	<b>33.44</b>	<b>4.60</b>	<b>6.34</b>
<b>Inventories at the end of the year</b>						
Finished Goods	86.51	34.42	28.58	27.83	33.44	4.60
	<b>86.51</b>	<b>34.42</b>	<b>28.58</b>	<b>27.83</b>	<b>33.44</b>	<b>4.60</b>
<b>Total Changes in Inventory</b>	<b>(52.09)</b>	<b>(5.84)</b>	<b>(0.75)</b>	<b>5.61</b>	<b>(28.84)</b>	<b>1.74</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.



## Annexure XXVIII

## RESTATED STANDALONE SUMMARY STATEMENT OF MANUFACTURING EXPENSES

(₹ in Million)

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Rates, Taxes and Cess	5.87	6.00	4.06	3.06	2.00	1.12
Inward Transportaion Charges	44.68	17.58	10.73	16.37	11.21	7.81
Labour Charges	96.21	92.28	96.95	73.40	49.20	31.64
Other production expenses	5.92	8.27	5.79	10.33	6.53	4.27
Chemicals	25.58	31.39	24.68	23.17	18.75	12.26
Plant-Machinery Repairs & Maintenance	17.15	12.86	11.11	15.62	9.52	5.09
Power & Fuel	58.28	51.77	55.00	54.26	44.96	34.02
Processing & Packing charges	62.11	61.50	72.01	56.54	46.51	31.20
Cold Storage Expenses	1.73	2.15	1.88	5.03	1.53	1.27
<b>Total</b>	<b>317.53</b>	<b>283.80</b>	<b>282.21</b>	<b>257.78</b>	<b>190.21</b>	<b>128.68</b>

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF EMPLOYEE BENEFITS AND EXPENSES****Annexure XXIX****(₹ in Million)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Salary, Bonus and Allowances	32.74	25.06	20.29	17.63	13.01	10.45
Directors' Remuneration	28.62	38.16	38.20	39.10	36.70	6.70
Contribution to Provident Fund, ESI	3.53	3.02	3.05	1.35	1.04	1.00
Gratuity	1.09	0.87	0.84	0.41	0.13	1.00
Staff Welfare Exp.	0.17	0.30	0.30	0.35	0.19	0.22
<b>Total</b>	<b>66.15</b>	<b>67.41</b>	<b>62.68</b>	<b>58.84</b>	<b>51.07</b>	<b>19.37</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF FINANCE COST**
**Annexure XXX**
**(₹ in Million)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Interest on Borrowing	22.62	16.77	13.78	11.22	10.66	14.17
Interest Expenses Others	0.03	0.00	0.07	0.00	0.22	0.01
Bank Charges	5.74	7.03	7.52	4.78	4.56	4.53
<b>Total</b>	<b>28.39</b>	<b>23.80</b>	<b>21.37</b>	<b>16.00</b>	<b>15.44</b>	<b>18.71</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF OTHER EXPENSES**
**Annexure XXXI**
**(₹ in Million)**

<b>Particulars</b>	<b>Nine Months Ended December 31,2017</b>	<b>Year Ended March 31,2017</b>	<b>Year Ended March 31,2016</b>	<b>Year Ended March 31,2015</b>	<b>Year Ended March 31,2014</b>	<b>Year Ended March 31,2013</b>
Rent, Rates and Taxes	1.31	1.80	1.86	3.01	1.72	0.94
Fees & Subscriptions	4.11	3.12	4.26	3.50	3.38	2.52
Vehicle & Other Maintenance expenses	2.28	2.69	9.37	8.30	6.73	4.20
Discounts	0.27	14.95	0.16	-	0.30	-
Loss on sale of Assets	-	-	-	1.17	-	-
Donations	0.53	0.34	-	0.60	1.23	0.05
Administrative expenses	6.28	3.03	3.81	3.30	2.56	1.81
Insurance	19.61	59.32	42.40	96.10	30.26	13.57
Wind Power Expenses	-	-	-	0.88	0.83	0.78
Ocean Freight & Transportation charges	89.19	106.08	99.55	85.69	71.65	56.98
Commission & Promotion expenses	6.97	14.05	15.53	16.45	10.24	6.08
U.S.Customs & Other Charges	67.22	91.17	79.90	70.13	122.08	30.82
Forex Loss	-	-	4.36	-	20.75	-
<b>Sub Total</b>	<b>197.77</b>	<b>296.55</b>	<b>261.20</b>	<b>289.13</b>	<b>271.73</b>	<b>117.75</b>
<b>Payment to Auditors</b>						
Statutory Audit Fee	-	0.05	0.05	0.06	0.06	0.06
BRC Certification Charges	-	0.11	0.20	-	-	-
Stock Audit Fee	0.05	0.05	0.05	0.04	0.04	0.02
Audit expenses	0.01	0.01	0.05	0.03	-	0.02
<b>Total</b>	<b>197.83</b>	<b>296.77</b>	<b>261.55</b>	<b>289.26</b>	<b>271.83</b>	<b>117.85</b>

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

**RESTATED STANDALONE SUMMARY STATEMENT OF DIVIDEND**
**Annexure XXXII**
**(₹ in Million)**

<b>Particulars</b>	<b>Nine Months Ended December 31,2017</b>	<b>Year Ended March 31,2017</b>	<b>Year Ended March 31,2016</b>	<b>Year Ended March 31,2015</b>	<b>Year Ended March 31,2014</b>	<b>Year Ended March 31,2013</b>
Equity Share Capital of Rs 10 each in Million	887.35	34.13	34.13	34.13	34.13	34.13
Number of Equity Shares	88,735,400	3,412,900	3,412,900	3,412,900	3,412,900	3,412,900
Rate of Interim Dividend (%)	175%	0%	0%	0%	0%	0%
Rate of Final Dividend (%)	0%	0%	0%	0%	0%	0%
Interim Dividend per share	17.50	-	-	-	-	-
Interim Dividend (Amount in Million)	59.73	-	-	-	-	-
Final Dividend per share	-	-	-	-	-	-
Final Dividend (Amount in Million)	-	-	-	-	-	-
Tax on Dividend (Amount in Million)	12.16	-	-	-	-	-

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. Interim dividend has been declared before issuance of bonus shares.

**RESTATED STANDALONE SUMMARY STATEMENT OF LIST OF RELATED PARTY**

**Annexure XXXIII A**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
<b>Enterprises where control exists</b>						
<b>a ) Subsidiaries</b>						
<b>Indian Subsidiary</b>	-	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited
	Aquatica Frozen Foods Global Private Limited	Aquatica Frozen Foods Global Private Limited	Aquatica Frozen Foods Global Private Limited	Aquatica Frozen Foods Global Private Limited		
<b>Associate to Subsidiary</b>	-	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited
<b>b ) Enterprises in which Company / Key Management personnel / Directors have significant influence</b>	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises
	Padma Enterprises	Padma Enterprises	Padma Enterprises	Padma Enterprises	Padma Enterprises	Padma Enterprises
	Surya Enterprises	Surya Enterprises	Surya Enterprises	Surya Enterprises	Surya Enterprises	Surya Enterprises
	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory
	Maple Constructions	Maple Constructions	Maple Constructions	Maple Constructions	Maple Constructions	Maple Constructions
	-	-	-	Sri Sai Mookamba Jewelleries	Sri Sai Mookamba Jewellers	Sri Sai Mookamba Jewellers

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>c ) Key Managerial Persons</b>	K. V. Prasad	K. V. Prasad	K. V. Prasad	K. V. Prasad	K. V. Prasad	K. V. Prasad
	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar
	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar
	-	K. Suryanarayana	K. Suryanarayana	K. Suryanarayana	K. Suryanarayana	K. Suryanarayana
	-	C. Satyanarayana Prasad	C. Satyanarayana Prasad	C. Satyanarayana Prasad	C. Satyanarayana Prasad	C. Satyanarayana Prasad
<b>d ) Relatives of Key Managerial Personnel</b>	K. Sruthi	K. Sruthi	K. Sruthi	K. Sruthi	K. Sruthi	K. Sruthi
	K. Niveditha	K. Niveditha	K. Niveditha	K. Niveditha	K. Niveditha	K. Niveditha
	K. Suryanarayana					
	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited
<b>e ) Directors having significant influence</b>	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. As at 31st December, 2017, Smt.K.Suryanarayanaamma and Sri C. Satyanarayana Prasad vacated their office's in the Company.
3. Sandhya Holding Private Limited ceased to be a subsidiary as at December 31, 2017

# **RESTATED STANDALONE SUMMARY STATEMENT OF RELATED PARTY TRANSACTIONS**

**Annexure XXXIII B**

**(₹ in Million)**

Nature of transaction	Entity / Person	Nine Months Ended December 31,2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Sale of goods	Aquatica Frozen Foods Global Private Limited	3.82	0.81	0.80	2.75	-	-
Purchase of Raw materials	Aquatica Frozen Foods Global Private Limited	-	476.05	-	-	-	-
	Mallikarjuna enterprises	-	-	16.38	19.40	21.41	15.90
Payment to trade payables	Padma enterprises	-	0.02	0.01	0.02	0.02	0.07
Advance paid	Maple Constructions	-	-	-	0.00	0.02	17.65
Land Purchase	Maple Constructions	-	-	17.68	-	-	-
Rent Received	Mallikarjuna enterprises	-	0.36	0.36	0.36	0.36	0.18
Rent Expenses	Padma enterprises	-	-	-	-	0.06	0.06
	Srinivasa Ice factory	-	0.06	0.06	0.06	0.06	0.06
	K.V.Prasad (Managing director)	-	0.72	0.72	0.60	0.60	0.60
Remuneration to Directors	K.V.Prasad (Managing director)	9.30	12.40	12.40	13.30	11.80	1.80
	K.Surya Narayanamma (Director)	1.35	1.80	1.80	1.80	0.90	0.90
	K.Arun Kumar (Director)	8.99	11.98	12.00	12.00	12.00	2.00
	K.Anand Kumar (Director)	8.99	11.98	12.00	12.00	12.00	2.00
Investment in Subsidiary	Sandhya Holdings Private Limited	-	31.08	142.90	99.47	93.96	
	Aquatica Frozen Foods Global Private Limited		-	22.41	47.00	5.49	
Sale of Non Current Investments	K.V.Prasad (Managing director)	61.60	-	-	-	-	-
	K.Arun Kumar (Director)	61.60	-	-	-	-	-
	K.Anand Kumar (Director)	61.60	-	-	-	-	-

**Note :** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.



**RESTATED STANDALONE SUMMARY STATEMENT OF RELATED PARTY OUTSTANDING BALANCES**
**Annexure XXXIII C**
**(₹ in Million)**

Nature of transaction	Entity / Person	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Unsecured Loan to Partnership firm	Surya Enterprises	-	0.01	0.01	0.01	0.01	0.02
Trade Receivables	Aquatica Frozen Foods Global Private Limited	-	-	1.46	2.25	-	-
Reimbursement of Expense (payable)	K.V.Prasad (Managing director)	-	0.05	-	-	0.07	-
	K.Anand Kumar (Director)	-	-	-	0.09	0.06	0.05
Advance to Partnership firm	Srinivasa Ice factory	5.39	5.39	5.45	5.50	5.56	5.62
	Maple Constructions	-	-	-	17.68	17.68	17.65
Investment in Subsidiary *	Sandhya Holdings Private Limited - Equity	-	224.50	193.42	193.42	93.96	-
	Sandhya Holdings Private Limited - Preference	-	142.90	142.90	-	-	-
	Aquatica Frozen Foods Global Private Limited (Equity Share Capital)	74.90	74.90	74.90	15.99	-	-
	Aquatica Frozen Foods Global Private Limited (Share application money)	-	-	-	36.50	5.49	-
Trade Payable	Padma Enterprises	-	0.50	0.52	0.53	0.55	0.51
	Mallikarjuna enterprises	-	0.37	10.05	13.50	2.43	-
Remuneration Paid in advance	K.V.Prasad (Managing director)	-	-	0.53	-	-	-
	K.Arun Kumar (Director)	-	-	0.50	-	-	-
	K.Anand Kumar (Director)	-	-	0.42	-	-	-
Remuneration Payable	K.V.Prasad (Managing director)	0.69	0.58	-	0.17	0.19	0.17

	K.Surya Narayanamma (Director)	0.12	0.13	-	0.03	0.07	0.07
	K.Arun Kumar (Director)	0.66	0.54	-	0.03	0.17	0.36
	K.Anand Kumar (Director)	0.66	0.58	-	0.14	0.17	0.15
Bank Guarantee given on behalf of Subsidiary	Aquatica Frozen Foods Global Private Limited	-	10.03	9.69	2.68	-	-
Corporate Guarantee given on behalf of Subsidiary	Aquatica Frozen Foods Global Private Limited	72.48	72.48	51.02	-	-	-

**Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. As at and for the 9 months period ending as on 31-12-2017 Sandhya Holdings Private Limited was ceased to be subsidiary.
3. As at 31st December, 2017, Smt.K.Suryanarayanamma and Sri C. Satyanarayana Prasad vacated their office's in the Company.

**RESTATED STANDALONE SUMMARY STATEMENT OF OTHER NOTES**

**Annexure XXXIV**

**(₹ in Million)**

**A. Contingent Liability**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1) Appeal pending before CESTAT for Customs duty	11.13	11.13	11.13	11.13	11.13	11.13
2) Appeal pending before Sales Tax Appellate Tribunal	-	-	1.70	1.70	1.70	1.70
3) Appeal pending before Commercial Tax Dept.,	-	-	2.90	2.90	2.90	2.90
<b>4) Guarantee given</b>						
Bank Guarantee	-	10.03	9.69	2.68	-	-
Corporate Guarantee	724.80	724.80	510.20	-	-	-
6) Letters of Credit	86.18	74.59	-	-	-	16.29
7) Outstanding IT demand	-	-	-	-	0.62	-
<b>Total</b>	<b>822.11</b>	<b>820.55</b>	<b>535.62</b>	<b>18.41</b>	<b>16.35</b>	<b>32.02</b>

**B. Capital commitments**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
EPCG License duty saved	7.20	21.70	0.40	0.67	4.77	11.21
Export Obligation under EPCG Scheme	43.20	130.17	2.39	4.03	28.63	67.26

**C) RESTATED STANDALONE SUMMARY STATEMENT OF CIF VALUE OF IMPORT**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
CIF Value of Capital Goods	18.54	72.73	1.22	2.45	16.69	42.36

#### D) RESTATED STANDALONE SUMMARY STATEMENT OF EMPLOYEE BENEFITS

##### Post- Employment benefits

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(i) Provident Fund</b>						
Employer's Contribution to Provident Fund (including administrative and insurance expenses)	3.53	3.02	3.05	1.35	1.04	1.00
<b>(ii) Gratuity</b>	4.34	3.25	2.38	1.54	1.13	1.00

#### E) RESTATED STANDALONE SUMMARY STATEMENT OF SEGMENT REPORTING

Segment information has been presented in Restated Consolidated Financial Statements as permitted by Accounting Standard (AS) 17 on Segment reporting as notified under the Companies (Accounting Standard) rules, 2015.

#### F) RESTATED STANDALONE SUMMARY STATEMENT OF EARNINGS PER SHARE

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Profit / (Loss) After Tax as restated as per Restated Standalone Summary Statement of profit and loss	463.97	287.81	223.00	212.94	172.03	73.44
Weighted average number of equity shares outstanding during the period / year considered for calculating basic earning per share (Refer Note 1 & 2)	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400
<b>Earning per share of Rs 10 each</b>						
Basic / Diluted earning Per Share (Rs.)* (Refer Note 3)	5.23	3.24	2.51	2.40	1.94	0.83

\*Not Annualized for the nine months period ended December 31, 2017

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

2. Number of Shares for previous years have been adjusted with the Bonus shares issued during the 9 months period ending on 31st December, 2017

3. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts Rules, 2014)

4. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

#### **G) RESTATED STANDALONE SUMMARY STATEMENT OF CSR EXPENDITURE**

(₹ in Million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Gross Amount required to be spent by the company*	21.79	14.34	7.99	3.31	-	-
Amount Spent	-	0.10	1.85	-	-	-

\* Gross Amount required to be spent by the company for FY 17- 18 is based on the prorating for the Nine Months Ended December 31, 2017

#### **H) RESTATED STANDALONE SUMMARY STATEMENT under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities:

(₹ in Million)

Particulars	As at December 31,2017	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
The amounts remaining unpaid to micro and small suppliers as at the end of the period/year						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
The amounts of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period/year	-	-	-	-	-	-

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 period/year but without adding the interest specified under MSMED Act, 2006	-	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/ year	-	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding period/year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under the MSMED Act, 2006	-	-	-	-	-	-

# RESTATED STANDALONE STATEMENT OF CAPITALIZATION

Annexure XXXV

(₹ in Million)

PARTICULARS	Pre Issue as at December 31, 2017	Post issue
<b>Borrowings :</b>		
Long Term (A)	45.95	[•]
Short Term (B)	694.63	[•]
<b>Total Borrowings (C=A+B)</b>	<b>740.58</b>	[•]
<b>Shareholders' Fund</b>		
Equity Share Capital (D)	887.35	[•]
Reserves & Surplus (E)	734.05	[•]
<b>Total Shareholders' Fund (F = D+E)</b>	<b>1,621.40</b>	[•]
<b>Long term borrowings / Total shareholders' fund (A/F)</b>	<b>0.03</b>	[•]
<b>Total Borrowings / Total shareholders' fund (C/F)</b>	<b>0.46</b>	[•]

## **Note :**

1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.
2. The figures disclosed above are based on the Restated Standalone Summary Statement of Assets and Liabilities of the Company
3. Long Term borrowings is considered as borrowing other than short term borrowing, as defined above but includes the current maturities of long term borrowings.
4. The Corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.
5. Reserves & Surplus does not include capital reserve.

**RESTATED STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS.**
**Annexure XXXVI**
**(₹ in Million)**

Particulars		As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Restated net worth at the end of the period / year (Refer Note 3)	A	1,621.41	1,229.32	941.51	718.51	505.57	333.53
Profit / (Loss) After Tax as restated as per Restated Standalone Summary Statement of profit and loss	B	463.97	287.81	223.00	212.94	172.03	73.44
Weighted average number of equity shares outstanding during the period / year considered for calculating basic earning per share (Refer Note 4 & 5)	C	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>
<b>Earning per share of Rs 10 each</b>							
Basic / Diluted earning Per Share (Rs.)* (Refer Note 6)	D= B/C	5.23	3.24	2.51	2.40	1.94	0.83
Return on Net Worth (%)	E=B/A	28.62%	23.41%	23.69%	29.64%	34.03%	22.02%
No of Shares outstanding at the end of the period / year (Refer Note 5)	F	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>	<b>88,735,400</b>
Net Asset Value Per Share (Rs.)	G=A/F	18.27	13.85	10.61	8.10	5.70	3.76

**Notes:**

1. The above ratios have been computed on the basis of Restated Standalone Summary Statements of the company.

**2. The Ratios have been computed as below:**

a) Basic / diluted earning per share = Net profit after tax as restated / weighted average number of equity shares outstanding during the period / year

b) Return on net worth (%) = Net profit after tax as restated \* 100 / Restated Net worth at the end of the period / year

c) Net Asset value per share = Restated Net worth at the end of the period / year / No. of shares outstanding at the end of period / year



3. Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss but does not include revaluation reserve.

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Number of Shares for previous years have been adjusted with the Bonus shares issued during the 9 months period ending on 31st December, 2017.

6. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts Rules, 2014)

7. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Standalone Summary Statements appearing from Annexure VI to Annexure XXXVII.

# RESTATED STANDALONE STATEMENT OF TAX SHELTER

Annexure XXXVII

(₹ in Million)

	Particulars	As at December 31,2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>A</b>	Profit Before Tax As Per Restated P & L	717.11	436.96	352.35	326.70	264.63	108.87
<b>B</b>	Normal Corporate Tax Rates	34.61%	34.61%	34.61%	33.99%	33.99%	32.45%
	Minimum Alternate Tax Rates	21.34%	21.34%	21.34%	20.96%	20.96%	20.01%
<b>C</b>	Tax thereon at the above rates	248.18	151.22	121.94	111.04	89.95	35.32
<b>D</b>	<b>Permanent Differences</b>						
	Expenses disallowed under Income Tax Act						
	Donation	-	0.34	-	-	0.50	0.01
	Forex Fluctuation	-	(28.93)	(1.22)	(0.41)	3.08	(0.06)
	(Profit)/Loss on sale of assets	(16.80)	-	-	1.17	-	-
	Disallowance U/s. 37	-	-	1.92	1.03	-	-
	Disallowance U/s. 36(1)(va)	-	0.20	0.19	-	-	-
	<b>Total (D)</b>	<b>(16.80)</b>	<b>(28.39)</b>	<b>0.90</b>	<b>1.79</b>	<b>3.58</b>	<b>(0.05)</b>
<b>E</b>	<b>Timing Differences</b>						
	Difference in Book Depreciation and Depreciation under Income Tax Act	(3.45)	12.12	16.65	23.23	(5.32)	(0.94)
	Gratuity Expenses Debited	1.09	0.87	0.84	0.41	0.13	1.00
	<b>Total (E)</b>	<b>(2.36)</b>	<b>12.99</b>	<b>17.49</b>	<b>23.64</b>	<b>(5.19)</b>	<b>0.06</b>
<b>F</b>	<b>Net Adjustments (D+E)</b>	<b>(19.16)</b>	<b>(15.40)</b>	<b>18.39</b>	<b>25.43</b>	<b>(1.61)</b>	<b>0.02</b>
<b>G</b>	<b>Tax Expenses thereon</b>	<b>(6.63)</b>	<b>(5.33)</b>	<b>6.36</b>	<b>8.64</b>	<b>(0.55)</b>	<b>0.01</b>
<b>H</b>	<b>Income under Special tax Rate</b>						
	Capital Gain on Sales of Investments	(15.28)	-	-	21.47	-	-
<b>I</b>	<b>Tax on Income under Special tax Rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.87</b>	<b>-</b>	<b>-</b>
<b>J</b>	<b>Tax Payable under normal provisions (C+G+I)</b>	<b>241.55</b>	<b>145.89</b>	<b>128.30</b>	<b>124.55</b>	<b>89.40</b>	<b>35.33</b>
<b>K</b>	<b>Tax Payable under MAT</b>	<b>153.04</b>	<b>93.25</b>	<b>75.20</b>	<b>68.48</b>	<b>55.47</b>	<b>21.78</b>
<b>L</b>	<b>Total tax on Profit (higher of H,I)</b>	<b>241.55</b>	<b>145.89</b>	<b>128.30</b>	<b>124.55</b>	<b>89.40</b>	<b>35.33</b>
<b>M</b>	<b>Provision for interest on income tax</b>	<b>3.32</b>	<b>1.40</b>	<b>1.90</b>	<b>1.77</b>	<b>1.41</b>	<b>0.12</b>
<b>N</b>	<b>Total Tax on Profit as per restated Summary Statement of Profit &amp; loss</b>	<b>244.87</b>	<b>147.29</b>	<b>130.20</b>	<b>126.32</b>	<b>90.81</b>	<b>35.45</b>

**Note:-** The above statement should be read with the explanatory notes to the Statement of restatement adjustments to standalone statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated S Summary Statements appearing from Annexure VI to Annexure XXXVII.

## **RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

### **Independent Auditor's Examination Report on the Restated Consolidated Summary Financial Information of Sandhya Marines Limited as at and for the nine months ended December 31, 2017 and as at and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013**

To  
The Board of Directors  
Sandhya Marines Limited  
D.No.7-5-108/1, Plot No.62 & 67,  
IInd Floor, Pandurangapuram,  
Vishakhapatnam,  
Andhra Pradesh-530003

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Sandhya Marines Limited ("the company"), and its subsidiaries (collectively known as "Group"), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the years financial ended March 31, 2017, 2016, 2015, 2014 and 2013, the summary of Significant Accounting Policies and Notes forming part of the Restated Standalone Financial Information as approved by the Board of Directors of the company prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
- b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on Clarification regarding disclosures in Offer Documents issued by the Securities and Exchange Board of India (the "SEBI")

The preparation of the Restated Consolidated Financial Information including the interim financial information mentioned in paragraph 4 below is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2. We have examined such Restated Consolidated Financial Information taking into consideration:

- (a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 05, 2018, in connection with the proposed issue of equity shares of the company, and
- (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("The Guidance Note").

3. These Restated Consolidated Financial Information have been compiled by the management from the Re-Audited Consolidated Financial Statements as at March 31, 2017 and for the financial year ended March 31, 2017 issued by using pursuance of Clause IX, Part A of Schedule VIII of ICDR Regulations and from the Audited Consolidated Financial Statements as at March 31, 2016, 2015, 2014 and 2013 and for the financial years ended March 31, 2016, 2015, 2014 and 2013, which have been approved by the Board of Directors at the meeting held on February 12, 2018, September 01, 2016, June 30, 2015, June 30, 2014, and June 30, 2013.

Audit for the financial years ended March 31, 2016, 2015, 2014 and 2013 was conducted by previous auditors, M/s Chowdary & Rao, Chartered Accountants, and accordingly reliance has been placed on the consolidated financial information examined by them for the said financial years. The financial report included for these financial years are based solely on the report submitted by them.

4. We have also examined the Consolidated Financial Information of the company and its subsidiary for the period April 01, 2017 to December 31, 2017 prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of the company.

Based on the above, we report that in our opinion and according to the information and explanations given to us, the above interim financial information are in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable and the interim financial information are presented with the Restated Consolidated Financial Information appropriately.

We did not audit the financial statements of the subsidiary for the period ended December 31, 2017 whose Financial Statements reflect total assets of Rs. 1,194.09 million, total revenue of Rs. 2,278.44 million and net cash flows of Rs. 1.57 and Group's share of net profit/loss of Rs. 162.94 million. These financial statements have been audited by another firm of Chartered Accountants, M/s Chowdary & Rao, Chartered Accountants, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Consolidated Summary Statement of Asset and Liabilities and Summary Statement of Profit and Loss Account are based solely on the report of other auditors.

5. The Restated Consolidated Financial Information which includes information in relation to the Company's Subsidiaries are listed below:

Name of the Entity	Component Type	Incorporation	Period Covered
Aquatica Frozen Foods Global Private Limited	Subsidiary	India	As at and for the nine months ended on December 31, 2017 and as at and for the years ended on March 31, 2017, 2016, 2015 and 2014.
*Sandhya Holdings Private Limited	Subsidiary	India	As at and for the years ended on March 31, 2017, 2016, 2015, 2014 and 2013.

*\* Sandhya Holdings Private Limited cease to be a subsidiary company as on December 31, 2017.*

We did not audit the financial statements of subsidiaries for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 whose share of total assets, total revenues, and net cash flows and Group's share of net profit/loss, included in the Restated Consolidated Financial Information, for the relevant years is tabulated below:

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Total Assets	1173.81	811.31	375.92	211.54	130.74
Revenues	1700.53	66.90	3.28	0	0
Net Cash Inflows	9.36	24.09	(9.73)	15.01	0.02
Group's share of net profit / loss	23.71	(1.72)	0.18	0	0

These financial statements have been audited by another firm of Chartered Accountants M/s Chowdary & Rao, Chartered Accountants, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information are based solely on the report of other auditors.

These other auditors, as mentioned in paragraphs 3, 4 and 5 of the Company and Subsidiaries have confirmed that the restated consolidated financial information:

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.

6. Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies(Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:

- (a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at December 31, 2017 and as at March 31, 2017 examined by us and including as at March 31, 2016, 2015, 2014 and 2013 examined and reported upon by M/s Chowdary & Rao, Chartered Accountants, on which reliance has been placed by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV of the Restated Consolidated Financial Statements.
- (b) The Restated Consolidated Summary Statement of Profit and Loss of the Group for the nine months ended December 31, 2017 and for the financial year ended March 31, 2017, examined by us and including as at March 31, 2016, 2015, 2014 and 2013 examined and reported upon by M/s Chowdary & Rao, Chartered Accountants, on which reliance has been placed by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV of the Restated Consolidated Financial Statements..
- (c) The Restated Consolidated Summary Statement of Cash Flows of the Group for the nine months ended December 31, 2017 and for the financial year ended March 31, 2017, examined by us and including as at March 31, 2016, 2015, 2014 and 2013 examined and reported upon by M/s Chowdary & Rao, Chartered Accountants, on which reliance has been placed by us ,as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV of the Restated Consolidated Financial Statements.
- (d) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors, M/s Chowdary & Rao, Chartered Accountants for the respective financial years, we further report that the Restated Consolidated Financial Information:
  - (i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - (ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
  - (iii) do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information;
  - (iv) has no qualifications in the auditors' reports, which require any adjustments to the Restated Consolidated Financial Information; and
  - (v) Other observations included in the Annexure to the auditor's report on the Audited Consolidated Financial Statements, a statement on certain matters specified for the period ended December 31, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Consolidated Financial Information which are mentioned in Non-adjusting items under Annexure IV of the Restated Consolidated Financial Statements..

7. We have also examined the following Restated Consolidated Financial Information of the Group set out in Annexures prepared by the management and approved by the Board of Directors on February 12, 2018 for the nine months ended December 31, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013. In respect of the financial years ended March 31, 2016, 2015, 2014 and 2013 these information have been included based upon the reports submitted by M/s Chowdary & Rao, Chartered Accountants and relied upon by us:

- (i) Restated Consolidated Summary Statement of Share Capital, enclosed as Annexure VI
- (ii) Restated Consolidated Summary Statement of Reserves and Surplus, enclosed as Annexure VII
- (iii) Restated Consolidated Summary Statement of Long term borrowings, enclosed as Annexure VIII
- (iv) Restated Consolidated Summary Statement of Deferred Tax Liability (Net), enclosed as Annexure IX
- (v) Restated Consolidated Summary Statement of Long term provisions, enclosed as Annexure X

- (vi) Restated Consolidated Summary Statement of Short term borrowings, enclosed as Annexure XI
- (vii) Restated Consolidated Summary Statement of Trade Payables, enclosed as Annexure XII
- (viii) Restated Consolidated Summary Statement of Other Current Liabilities, enclosed as Annexure XIII
- (ix) Restated Consolidated Summary Statement of Short term provisions, enclosed as Annexure XIV
- (x) Restated Consolidated Summary Statement of Fixed Assets , enclosed as Annexure XV
- (xi) Restated Consolidated Summary Statement of Non-Current Investments, enclosed as Annexure XVI
- (xii) Restated Consolidated Summary Statement of Long term Loans and Advances, enclosed as Annexure XVII
- (xiii) Restated Consolidated Summary Statement of Current Investments, enclosed as Annexure XVIII
- (xiv) Restated Consolidated Summary Statement of Inventory, enclosed as Annexure XIX
- (xv) Restated Consolidated Summary Statement of Trade Receivables, enclosed as Annexure XX
- (xvi) Restated Consolidated Summary Statement of Cash and Bank Balances, enclosed as Annexure XXI
- (xvii) Restated Consolidated Summary Statement of Short term Loans and Advances, enclosed as Annexure XXII
- (xviii) Restated Consolidated Summary Statement of Other Current Assets, enclosed as Annexure XXIII
- (xix) Restated Consolidated Summary Statement of Revenue from Operations, enclosed as Annexure XXIV
- (xx) Restated Consolidated Summary Statement of Other Income, enclosed as Annexure XXV
- (xxi) Restated Consolidated Summary Statement of Cost of Materials Consumed enclosed as Annexure XXVI
- (xxii) Restated Consolidated Summary Statement of Changes in Inventories of Finished Goods, enclosed as Annexure XXVII
- (xxiii) Restated Consolidated Summary Statement of Manufacturing Expenses, enclosed as Annexure XXVIII
- (xxiv) Restated Consolidated Summary Statement of Employee Benefits, enclosed as Annexure XXIX
- (xxv) Restated Consolidated Summary Statement of Finance Cost, enclosed as Annexure XXX
- (xxvi) Restated Consolidated Summary Statement of Other Expenses enclosed as Annexure XXXI
- (xxvii) Restated Consolidated Summary Statement of Dividend, enclosed as Annexure XXXII
- (xxviii) Restated Consolidated Summary Statement of Related Party Transaction, enclosed as Annexure XXXIII, Annexure XXXIIIB and Annexure XXXIIIC
- (xxix) Restated Consolidated Summary Statement of Other Notes, enclosed as Annexure XXXIV
- (xxx) Restated Consolidated Capitalization Statements, enclosed as Annexure XXXV
- (xxxi) Restated Statement of Accounting Ratios Statement, enclosed as Annexure XXXVI

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s Chowdary & Rao, Chartered Accountants, in our opinion, the Restated Consolidated Financial Information and the above Restated Consolidated Financial Information contained in [Annexures VI to XXXVI] accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

8. This report should not be in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad, BSE Limited and National Stock Exchange of India Limited in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For, P. LAKSHMANARAO & CO  
Chartered Accountants  
Firm Registration No.: 001826S

P.LakshmanaRao  
Partner  
Membership Number: 024159

Place: Visakhapatnam  
Date: February 12, 2018

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**
**Annexure – I**  
**(₹ in Millions)**

	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1</b>	<b>Shareholders' funds</b>						
	(a) Share capital	887.35	34.13	34.13	34.13	34.13	34.13
	(b) Reserves and surplus	979.78	1,231.07	943.57	684.54	471.44	299.41
		<b>1,867.13</b>	<b>1,265.20</b>	<b>977.70</b>	<b>718.67</b>	<b>505.57</b>	<b>333.54</b>
<b>2</b>	<b>Minority Interest</b>	174.20	124.08	105.48	101.60	77.15	57.05
<b>3</b>	<b>Non-current liabilities</b>						
	(a) Long term borrowings	69.41	28.85	100.78	2.74	2.18	0.91
	(b) Deferred tax liabilities (Net)	0.12	0.37	10.01	17.32	33.18	31.39
	(c) Long term Provisions	4.98	3.64	2.38	1.54	1.13	1.00
		<b>74.51</b>	<b>32.86</b>	<b>113.17</b>	<b>21.60</b>	<b>36.49</b>	<b>33.30</b>
<b>4</b>	<b>Current liabilities</b>						
	(a) Short term borrowings	1,201.87	1,159.67	701.33	503.18	410.43	138.89
	(b) Trade payables						
	Dues to Micro, Small and Medium Enterprises	-	-	-	-	-	-
	Dues to Others	307.68	281.78	295.67	244.42	228.86	129.32
	(c) Other current liabilities	86.58	31.91	36.24	29.26	10.76	5.18
	(d) Short term provisions	141.54	84.27	71.88	39.57	34.32	3.78
		<b>1,737.67</b>	<b>1,557.63</b>	<b>1,105.12</b>	<b>816.43</b>	<b>684.37</b>	<b>277.17</b>
	<b>Total</b>	<b>3,853.51</b>	<b>2,979.77</b>	<b>2,301.47</b>	<b>1,658.30</b>	<b>1,303.58</b>	<b>701.06</b>
<b>II</b>	<b>ASSETS</b>						
<b>1</b>	<b>Non - current assets</b>						
	<i>(a) Fixed assets:</i>						
	(i) Tangible assets	592.63	474.19	500.37	255.56	292.72	228.71
	(ii) Capital work-in-progress	79.93	101.91	-	59.79	0.29	-
		<b>672.56</b>	<b>576.10</b>	<b>500.37</b>	<b>315.35</b>	<b>293.01</b>	<b>228.71</b>
	(b) Goodwill on Consolidation	0.08	0.08	0.08	-	-	-
	(c) Non-current investments	210.75	384.54	390.32	262.12	189.40	130.10
	(d) Long term loans and advances	73.03	17.13	31.18	70.46	29.49	40.79
		<b>283.86</b>	<b>401.75</b>	<b>421.58</b>	<b>332.58</b>	<b>218.89</b>	<b>170.89</b>
<b>2</b>	<b>Current assets</b>						
	(a) Current investments	810.85	583.31	363.68	0.02	0.02	0.01
	(b) Inventories	266.90	117.80	63.43	27.83	33.44	4.60
	(c) Trade receivables	1,153.72	795.58	542.83	543.82	466.72	162.76
	(d) Cash and bank balances	346.66	296.91	306.63	352.41	182.98	79.74
	(e) Short term loans and advances	138.49	49.98	17.60	15.45	16.47	14.69
	(f) Other current assets	180.47	158.34	85.35	70.84	92.05	39.66
		<b>2,897.09</b>	<b>2,001.92</b>	<b>1,379.52</b>	<b>1,010.37</b>	<b>791.68</b>	<b>301.46</b>
	<b>Total</b>	<b>3,853.51</b>	<b>2,979.77</b>	<b>2,301.47</b>	<b>1,658.30</b>	<b>1,303.58</b>	<b>701.06</b>

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS**
**Annexure – II**
**(₹ in Millions)**

	<b>Particulars</b>	<b>Nine Months Ended December 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
<b>I</b>	<b>Revenue</b>						
	1. Revenue from operations	6,032.04	5,220.43	3,499.87	3,633.87	3,236.56	1,423.12
	2. Other income	163.82	68.00	80.04	88.94	14.58	36.14
	<b>Total Revenue</b>	<b>6,195.86</b>	<b>5,288.43</b>	<b>3,579.91</b>	<b>3,722.81</b>	<b>3,251.14</b>	<b>1,459.26</b>
<b>II</b>	<b>Expenses</b>						
	1. Cost of Materials Consumed	4,352.02	3,892.10	2,577.95	2,718.63	2,468.72	1,049.79
	2. Changes in inventories of finished goods	(149.10)	(54.37)	(35.60)	5.61	(28.84)	1.74
	3. Manufacturing expenses	483.00	404.26	288.91	257.78	190.21	128.68
	4. Employee benefits expenses	107.95	95.35	65.78	58.84	51.07	19.36
	5. Finance cost	42.24	38.73	24.74	16.00	15.45	18.71
	6. Depreciation and amortization expenses	65.48	76.93	42.94	48.97	18.08	14.25
	7. Other expenses	322.84	365.16	267.54	290.72	272.36	117.89
	<b>Total expenses</b>	<b>5,224.43</b>	<b>4,818.16</b>	<b>3,232.26</b>	<b>3,396.55</b>	<b>2,987.05</b>	<b>1,350.42</b>
<b>III</b>	<b>Profit / (loss) before exceptional, extraordinary items and tax</b>	<b>971.43</b>	<b>470.27</b>	<b>347.65</b>	<b>326.26</b>	<b>264.09</b>	<b>108.84</b>
	Exceptional items / Prior period Items	-	-	-	-	-	-
<b>IV</b>	<b>Profit / (loss) before extraordinary items and tax</b>	<b>971.43</b>	<b>470.27</b>	<b>347.65</b>	<b>326.26</b>	<b>264.09</b>	<b>108.84</b>
	Extraordinary items	40.99	-	-	-	-	-
	Transferred to Pre - operative Expenses	-	1.80	0.05	1.04	0.54	0.03
<b>V</b>	<b>Profit / (loss) before tax</b>	<b>1,012.42</b>	<b>472.07</b>	<b>347.70</b>	<b>327.30</b>	<b>264.63</b>	<b>108.87</b>
<b>VI</b>	<b>Provision for CSR</b>	<b>7.66</b>	<b>6.35</b>	<b>4.68</b>	<b>3.31</b>	<b>-</b>	<b>-</b>
	Current tax	302.73	159.44	130.20	126.51	90.81	35.45
	Deferred tax Liability/(Asset)	(0.25)	(9.64)	(7.31)	(15.86)	1.79	(0.02)
	MAT Credit / (Asset)	(57.82)	(11.45)	-	-	-	-
<b>VII</b>	<b>Tax expenses</b>	<b>244.66</b>	<b>138.35</b>	<b>122.89</b>	<b>110.65</b>	<b>92.60</b>	<b>35.43</b>
<b>VIII</b>	<b>Profit / (loss) after tax, as restated before adjustment for Minority Interest</b>	<b>760.10</b>	<b>327.37</b>	<b>220.13</b>	<b>213.34</b>	<b>172.03</b>	<b>73.44</b>
<b>IX</b>	<b>Less: Share of Profit/(Loss) transferred to Minority Interest</b>	<b>108.99</b>	<b>15.86</b>	<b>(1.16)</b>	<b>0.40</b>	<b>-</b>	<b>-</b>
<b>X</b>	<b>Share of Pre acquisition Profit/(Loss) transferred to Capital reserve / (Goodwill)</b>	<b>-</b>	<b>-</b>	<b>(0.08)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XI</b>	<b>Add: Share in profit/(Loss) of subsidiary's associate</b>	<b>7.95</b>	<b>(32.30)</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XII</b>	<b>Profit for the year (after adjustment for Minority Interest)</b>	<b>659.06</b>	<b>279.21</b>	<b>221.53</b>	<b>212.94</b>	<b>172.03</b>	<b>73.44</b>
	Basic and diluted EPS*	7.43	3.15	2.50	2.40	1.94	0.83

\* Not Annualised for the nine months ended December 31, 2017

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.



**RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW STATEMENT**
**Annexure – III**
**(₹ in Millions)**

Particulars	Nine Months Ended December 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>A. Cash flows from operating activities</b>						
Profit / (loss) before tax, as restated	1,012.42	472.07	347.70	327.30	264.63	108.87
<b><u>Adjustments for:</u></b>						
Depreciation	65.48	76.93	42.94	48.97	18.08	14.25
Minority Interest	(108.99)	(15.86)	1.16	(0.40)	-	-
Loss on sale of fixed assets	-	-	-	1.17	-	-
Preliminary Exps.	0.41	0.55	0.55	-	-	-
Interest on Borrowings	30.09	26.74	17.12	11.22	10.66	14.17
Profit on sale of fixed assets	(0.13)	-	-	-	-	-
Extraordinary items	(40.99)					
Interest income	(6.30)	(12.95)	(23.27)	(20.77)	(9.17)	(5.40)
Income from MF's/Bonds	(14.55)	(18.89)	(2.22)	-	-	-
<b>Operating cash flow before working capital changes</b>	<b>937.45</b>	<b>528.59</b>	<b>383.98</b>	<b>367.49</b>	<b>284.20</b>	<b>131.89</b>
Increase/(Decrease) in Trade Payables	25.90	(13.89)	51.25	15.56	99.54	11.25
(Increase)/Decrease in Inventories	(149.10)	(54.36)	(35.60)	5.60	(28.84)	(8.61)
(Increase)/Decrease in Trade Receivables	(358.13)	(252.76)	0.99	(77.10)	(303.96)	1.16
(Increase)/Decrease in other current assets	(22.54)	(73.54)	(15.06)	21.21	(52.38)	(1.44)
Increase/(Decrease) in Short Term Provisions	(1.99)	6.04	14.95	(3.14)	30.01	(0.30)
Increase/(Decrease) in Long Term Provisions	1.34	1.26	0.84	0.41	0.13	1.00
Increase/(Decrease) in Other Current Liabilities	54.68	(4.33)	6.97	18.50	5.59	(11.96)
(Increase)/Decrease in Short Term loans & advances	(30.70)	(20.92)	(2.14)	1.01	(1.78)	7.46
Cash generated from operations	<b>456.90</b>	<b>116.09</b>	<b>406.18</b>	<b>349.54</b>	<b>32.51</b>	<b>130.45</b>
<b><u>Less: Adjustment for Taxes:</u></b>						
Direct Taxes paid	251.14	159.36	115.67	121.42	90.29	43.56
CSR Payment	-	0.10	1.85	-	-	-
	<b>251.14</b>	<b>159.46</b>	<b>117.52</b>	<b>121.42</b>	<b>90.29</b>	<b>43.56</b>
<b>Net cash provided by / (used in) operating activities - (A)</b>	<b>205.76</b>	<b>(43.37)</b>	<b>288.66</b>	<b>228.12</b>	<b>(57.78)</b>	<b>86.89</b>
<b>B. Cash flows from investing activities</b>						
Interest income	6.30	12.95	23.27	20.77	9.17	5.40
(Increase)/Decrease in Current Investments	(213.00)	(200.73)	(361.45)	-	(0.01)	-
(Increase)/Decrease in Non Current Investments	173.45	(30.73)	(128.04)	(72.55)	(59.30)	(57.34)
Net Investment in Bank Deposits (Having Original Maturity of more than 3 Months)	31.13	85.20	31.85	(100.76)	(99.03)	-
Sale of fixed assets	0.30	0.01	-	22.50	-	-
Increase in Capital Advances	(53.02)	13.99	26.74	(40.87)	11.33	(11.59)
Purchase of fixed assets	(162.11)	(152.67)	(227.95)	(94.98)	(82.39)	(42.06)
<b>Net cash flow from / (used in) investing activities - (B)</b>	<b>(216.94)</b>	<b>(271.98)</b>	<b>(635.58)</b>	<b>(265.89)</b>	<b>(220.23)</b>	<b>(105.59)</b>
<b>C. Cash flows from financing activities</b>						
Proceeds From / (repayment of) Long Term Borrowings	40.56	(71.93)	98.04	0.56	1.27	(7.24)
Proceeds From / (repayment of) Short Term Borrowings	42.20	458.33	198.15	92.75	271.54	58.51
Subsidy Received	10.71	12.50	37.50	-	-	-

Particulars	Nine Months Ended December 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Share application money received	-	-	-	-	-	-
Change in Minority Interest	103.47	18.60	3.88	24.45	20.10	39.31
(Increase)/Decrease in Long Term loans & advances	(2.88)	0.06	12.54	(0.10)	(0.03)	(29.20)
Interest on Borrowings	(30.09)	(26.74)	(17.12)	(11.22)	(10.66)	(14.17)
Dividend paid	(59.73)	-	-	-	-	-
Tax paid on dividends	(12.16)	-	-	-	-	-
<b>Net cash flow from / (used in) financing Activities - (C)</b>	<b>92.08</b>	<b>390.82</b>	<b>332.99</b>	<b>106.44</b>	<b>282.22</b>	<b>47.21</b>
Net increase ( decrease ) in Cash and Cash Equivalents (A+B+C)	80.89	75.47	(13.93)	68.67	4.21	28.51
Cash and Cash equivalents at the beginning of the period / year	170.55	95.08	109.01	40.34	36.13	7.62
<b>Cash and Cash equivalents at the end of the period / year</b>	<b>251.44</b>	<b>170.55</b>	<b>95.08</b>	<b>109.01</b>	<b>40.34</b>	<b>36.13</b>

**Note:**

<b>1. Cash and Cash Equivalents include (Refer Annexure XXI)</b>						
Cash on hand	0.62	0.33	1.42	1.98	2.23	0.50
Balances with banks						
Current Account	250.82	170.22	87.65	107.03	36.85	21.17
Fixed Deposit With Bank with maturity within 3 months	-	-	6.01	-	1.26	14.46
<b>Total</b>	<b>251.44</b>	<b>170.55</b>	<b>95.08</b>	<b>109.01</b>	<b>40.34</b>	<b>36.13</b>

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

# STATEMENT OF RESTATEMENT ADJUSTMENTS TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENT

Annexure – IV

## I. Notes on Material Adjustments

The summary of restatements made to Audited Consolidated Financial Statements for the respective period/years and its impact on the profit / (loss) of the Company is as follows:

### Impact on Material Adjustments

(₹ in Millions)

Particulars	Note No	Nine Months Ended December 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Profit / (Loss) after minority interest as per consolidated financial statements</b>		760.10	301.24	225.53	215.73	175.20	74.05
<b>Restatement Adjustments</b>							
Increase / (decrease) in profits for restatement adjustments:							
Forex Gain/(Loss)	1	-	31.24	1.70	0.41	(3.09)	0.06
Depreciation	2	-	(22.02)	(4.13)	(3.83)	0.00	0.00
Provision for CSR	3	-	-	(1.56)	-	0.00	0.00
Employee Benefits	4	-	(1.26)	(0.84)	(0.41)	(0.13)	(1.00)
Consolidation adjustment	5	-	-	(2.29)	-	-	-
MAT Credit	6	-	10.74	-	-	-	-
<b>Total effect of adjustments before tax (B)</b>		760.10	319.94	218.41	211.90	171.99	73.11
<b>Effect of Deferred Tax on Adjustments (C )</b>		-	7.43	1.72	1.44	0.04	0.33
<b>Profit / (Loss) after tax as restated before adjustment for minority interest (D) = (A+B+C)</b>		760.10	327.37	220.13	213.34	172.03	73.44

#### Note 1 – Forex Gain / (Loss)

During the previous years the monetary assets have not been restated using the closing rate of the reporting period as per AS-11 "The Effects of Changes in Foreign Exchange Rates". For the purpose of the above statement, such amounts have been appropriately adjusted to the respective years to which they relate.

#### Note 2 – Depreciation

During the years ended March 31, 2017, 2016 and 2015 the Company has not adopted the useful lives for providing the depreciation as specified in Schedule II of the Companies Act, 2013. For the purpose of the above statement, such amounts have been appropriately adjusted to the respective years to which they relate.

#### Note 3 – Short Provision for CSR

During the year ended March 31, 2016, the provision for Corporate Social Responsibility required under Section 135 of the Companies Act, 2013 was short provided by ₹ 1.56 Million in the books of accounts which have been suitably recorded in the restated standalone financial statements.

#### Note 4 - Provision for Employee Benefits - Gratuity

During the Nine months period ended December 31, 2017 the company has recorded the Gratuity as per the Accounting Standard – 15 "Employee Benefits". The Gratuity for the years ended March 31, 2017, 2016, 2015, 2014, 2013 have been recognised to reflect consistent accounting policy across all years/period presented on the basis of the actuarial valuation report provided by a registered actuary.

**Note 5 – Consolidation Adjustment**

Consolidation adjustment arised due to the application of Accounting Standard 21 "Consolidated Financial statements".

**Note 6 – MAT Credit**

MAT Credit is provided in the Consolidated financial statements as per Guidance on accounting for MAT credit issued by The Institute of Chartered Accountants of India. The MAT credit is arised on account of claiming deduction under section 80IB(11A) of The Indian Income Tax Act, 1961.

**Note 7 - Material Regrouping**

W.e.f, April 1, 2014, schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the figures for the previous financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 in accordance with the those requirements.

Appropriate adjustments have been made in the respective years of Restated Standalone Summary Statement of Assets and Liabilities, Restated Standalone Summary Statement of Profits and Losses and Restated Standalone Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the Audited Standalone financials of the Company for the nine months ended December 31, 2017, prepared in accordance with Schedule III, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**Note 8 – Restatements adjustments made in the audited opening balance figure in the net surplus in the statement of profit and loss for the year ended 31 March 2013**

<b>Particulars</b>	<b>₹ in Million</b>
<b>(A) Net Surplus in statement of Profit and Loss as at 1 April 2012 as per consolidated audited financial statements</b>	127.51
<b>Adjustments :</b>	
Short provision of Income tax for earlier years	(0.95)
Short deduction of TDS	(0.01)
Prior period expenses	(0.23)
<b>Net surplus in the Statement of Profit and Loss as at 1 April 2012 (as restated)</b>	126.32

**Corporate Information:**

The Company was incorporated on July 1st, 1987 under the provisions of Part IX - Conversion of Companies Act, 1956 as a private limited company M/s Sandhya Marines Private Limited. The Company further converted itself into a public limited company on December 22nd, 1995 and the name of the Company was further changed to Sandhya Marines Limited.

**Basis of Accounting and preparation of Consolidated financial statements:**

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), and Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) regulations 2009 as amended (the “Regulations”) as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those followed in the current period. The accounting policies have been consistently applied by the Company and are consistent across all the years and for the 9 months period ended as on December 31, 2017 presented.

**Principles of Consolidation**

The Consolidated financial statements relate to Sandhya Marines Limited (‘the Company’) and its subsidiary companies.

The Consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c) Offset (eliminate) the carrying amount of the parent’s investment in subsidiary and the parent’s portion of equity of subsidiary.
- d) The difference between the proceeds from disposal of investment in the subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- e) The difference between the proceeds from disposal of investment in the subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- f) Non Controlling Interest’s share of net assets of Consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company’s shareholders.

The Consolidated Summary Statement of Assets and Liabilities of the company as at December, 31, 2017, March, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Consolidated Summary Statement of Profits and Losses and Cash Flows Statement as at and for the period/year ended December, 31, 2017, March, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (herein after collectively referred to as 'Consolidated Summary Statements') have been prepared by the management from the Reaudited Financial Statements of the Company as at and for the period/year ended December, 31, 2017, March, 31, 2017 and from the Standalone Reaudited/Audited Financial Statements of the Company as at and for the period/year ended December, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. As of December 31, 2017 the restated consolidated financial statements are prepared by consolidating Sandhya Marines Limited and Aquatica Frozen Foods Global Private Limited.

The Consolidated Summary Statement of Assets and Liabilities of the company as at December, 31, 2017, March, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Consolidated Summary Statement of Profits and Losses and Cash Flows Statement as at and for the period/year ended December, 31, 2017, March, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (herein after collectively referred to as 'Consolidated Summary Statements') have been prepared by the management from the Reaudited Financial Statements of the Company as at and for the period/year ended December, 31, 2017, March, 31, 2017 and from the Standalone Reaudited/Audited Financial Statements of the Company as at and for the period/year ended December, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. As of December 31, 2017 the restated consolidated financial statements are prepared by consolidating Sandhya Marines Limited and Aquatica Frozen Foods Global Private Limited.

The Consolidated Summary Financial Statements along with the stub period financial statements are prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (SEBI) in connection with its proposed Initial Public Offering.

The Consolidated Summary statements of Assets and Liabilities, Consolidated Summary Statement of Profits and Losses and Cash Flows Statement along with stub period financial statements have been prepared to comply in all material respects with the requirements of Subclause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (the "SEBI Regulations") issued by SEBI on August 26, 2009 as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each year / period immediately preceding the issue of the draft red herring Prospectus.

All the assets and liabilities have been classified as current or non - current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

The Consolidated Summary Financial Statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

- (a) Adjustments, if any, for audit qualification requiring corrective adjustment in the financial statements;
- (b) Adjustments for the material amounts in respective years / periods to which they relate;
- (c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred;
- (d) Adjustments, if any, to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years;
- (e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Financial Statements of the Company as at and for the year ended March, 31, 2017 including the stub period financial statements and the requirements of the SEBI Regulations;
- (f) The resultant impact of deferred taxes if any due to the aforesaid adjustments.

The Consolidated Summary Financial Statements are presented in Indian Rupees in Million.

The Consolidated Summary Financial Statements along with stub period financial statements were approved by the Board of Directors of the Company in their meeting held on February 12, 2018.

#### **Use of estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

#### **Fixed Assets:**

Fixed Assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits in accordance with Accounting Standards 10 and 26 issued by ICAI. Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).

#### **Depreciation:**

Depreciation on Fixed assets is provided based on WDV Method as stated in Schedule XIV of the Companies Act, 1956 for the Financial Years 2012-13 and 2013-14, and on WDV Method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 for the FY ended 2014-15, 2015-16 and 2016-17.

#### **Impairment of Assets:**

The company periodically tests its assets for impairment and if the carrying values are found in excess of value in use, the same is charged to Statement of profit and loss as per AS 28. The impaired loss charged to Statement of profit and loss will be reversed in the year on the event and to that extent of enhancement in estimate of value in use.

**Inventories:**

Raw Materials are valued at cost or net realizable value whichever is lower. Cost includes all charges in bringing the goods to the point of destination which includes transportation and handling charges. Finished goods are valued at lower of cost or net realizable value and Work-in-progress is valued at cost. Stores and packing materials are valued at cost. Since the company purchases stores and spares as and when they are required for consumption, the value of stores and spares as on the date of balance sheet are very negligible.

**Interest and Financial Charges:**

Documentation, Commitment and Service Charges other than for term loans are spread over the tenure of the finance facility.

**Revenue Recognition:**

Revenue from operations includes Sale proceeds from frozen shrimp, head waste sales and Income from Export incentives namely Duty Draw Back, MEIS Scrips and VKGUY benefits.

Income from sale of products is recognized upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer and raising of invoices.

Income from export benefits is recognised as and when the right to utilise the export benefits is established.

**Interest Income is recognized on accrual basis**

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

**Other Income:**

Other Income includes Interest income, Income from mutual funds, Rental income, Forex fluctuations, Sale of wind power, CVD refund, insurance claims and other miscellaneous income.

**Foreign Currency Transactions:**

- 1. Initial Recognition:** Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transaction.
- 2. Conversion:** Foreign currency monetary items are reported using the closing rate.
- 3. Exchange differences:** Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of Profit and Loss.

**Taxes on Income:**

Provision for current tax is made in accordance with the provisions of the Income-tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

**Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized till the date in which asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

**Government grants:**

Government grants are recognised either in Capital reserve or as income in Statement of Profit & Loss as and when the grant is actually received by the company depending on the nature of the grant received and the conditions for the recognition of Government grants are met as per Accounting Standard 12 "Accounting for Government Grants".

**Employee Benefits:**

Provision for Gratuity is provided in the Consolidated financial statements for complying with the Accounting Standards AS-15, and with the Payment of Gratuity Act, 1972.

Provident Fund: Expenditures pertaining to contributory provident fund account are charged to Statement of profit and loss.

**Provisions and contingencies:**

A provision is recognized when an enterprise has a present obligation as a result of the past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognized, however contingent liabilities are disclosed in the notes on accounts.

**Earnings per Share:**

The Basic earnings per share ("BEPS") is calculated by dividing the net profit or loss after taxes for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted Earnings per share ("DEPS") is calculated after the weighted average number of Equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Cash and Cash Equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand, at bank (excluding margin deposits with banks).

**Bad-Debts:**

Bad-Debts are written off to Statement of profit and loss as and when the debt is determined as un-realizable as per the opinion of the Management.

**Cash flow statement:**

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 -Cash flow Statement. Cash and Cash equivalents for cash flow statement comprises cash at bank and in hand and bank deposits.



**RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHARE CAPITAL**
**Annexure – VI**  
**(₹ in Millions)**

Particulars	As at December 31,2017	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
<b>Equity shares of Rs.10 each</b>						
<b>Authorised Share Capital</b>						
- Equity Shares	<b>1,200.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>
<b>Issued, Subscribed and fully paid up</b>						
- Equity Shares	<b>887.35</b>	<b>34.13</b>	<b>34.13</b>	<b>34.13</b>	<b>34.13</b>	<b>34.13</b>

**Reconciliation of the shares outstanding**

Particulars	As at December 31, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
<b>Equity shares of Rs.10 each</b>												
At the beginning of the period / year	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13	3,412,900	34.13
Add: New issue during the period / year	85,322,500	853.22	-	-	-	-	-	-	-	-	-	-
<b>Outstanding at the end of period / year</b>	<b>88,735,400</b>	<b>887.35</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>	<b>3,412,900</b>	<b>34.13</b>

**Details of shareholders holding more than 5% shares in the Company**

Particulars	As at December 31,2017		As at March 31,2017		As at March 31,2016		As at March 31,2015		As at March 31,2014		As at March 31,2013	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
K.V. Prasad	33,659,600	37.93%	1,494,700	43.80%	1,461,500	42.82%	1,461,500	42.82%	1,461,500	42.82%	1,461,500	42.82%
K. Anand Kumar	21,610,940	24.35%	786,190	23.04%	786,190	23.04%	786,190	23.04%	786,190	23.04%	786,190	23.04%
K. Arun Kumar	21,420,100	24.14%	778,850	22.82%	778,850	22.82%	778,850	22.82%	778,850	22.82%	778,850	22.82%
K. Suryanarayanamma	6,062,160	6.83%	233,160	6.83%	233,160	6.83%	233,160	6.83%	233,160	6.83%	233,160	6.83%

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Terms and rights attached to Equity Shares**

The Company has single class of equity shares having par value of Rs 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**Details of Shares allotted for consideration other than cash**

Particulars	As at December 31,2017	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Fully paid up no of equity shares by way of bonus issue	85,322,500	-	-	-	-	-

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF RESERVES AND SURPLUS**
**Annexure – VII**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31,2013
<b>a) General Reserves</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>	<b>97.94</b>
<b>b) Securities Premium</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>	<b>1.71</b>
<b>c) Capital Reserves</b>						
Balance at the beginning of Period/Year	45.95	37.66	0.16	-	-	-
Add : Subsidy received	10.71	12.50	37.50	-	-	-
Add/(Less) : On account of consolidation	4.05	(4.21)	-	0.16	-	-
Balance at the end Period/Year	<b>60.71</b>	<b>45.95</b>	<b>37.66</b>	<b>0.16</b>	<b>-</b>	<b>-</b>
<b>d) Surplus / (Deficit) in Statement of Profit and Loss</b>						
Balance at the beginning of Period / Year	1,085.47	806.26	584.73	371.79	199.76	126.32
Add : Consolidated restated Profit/(Loss) after tax, Minority interest and Capital reserve/(Goodwill)	659.06	279.21	221.53	212.94	172.03	73.44
<b>Appropriations</b>						
Interim Dividend	(59.73)	-	-	-	-	-
Tax on Dividend	(12.16)	-	-	-	-	-
Bonus Issue	(853.22)	-	-	-	-	-
Balance at the end of Period / Year	<b>819.42</b>	<b>1,085.47</b>	<b>806.26</b>	<b>584.73</b>	<b>371.79</b>	<b>199.76</b>
<b>Total</b>	<b>979.78</b>	<b>1,231.07</b>	<b>943.57</b>	<b>684.54</b>	<b>471.44</b>	<b>299.41</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM BORROWINGS**
**Annexure – VIII**  
**(₹ in Millions)**

		NON CURRENT PORTION OF LONG TERM BORROWINGS						CURRENT MATURITIES OF LONG TERM BORROWINGS					
	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31,2013	As at December 31,2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I	<b>SECURED</b>												
	Term Loans From Banks												
	HDFC Bank Ltd.	14.58	-	-	-	-	-	8.33	-	-	-	-	-
	Union Bank Of India	-	22.24	96.00	-	-	-	-	-	12.57	-	-	-
	YES Bank	41.00	-	-	-	-	-	9.13	-	-	-	-	-
	Vehicle Loans - From banks												
	HDFC Bank Limited	13.83	5.24	4.44	1.81	1.72	0.20	11.39	5.85	4.48	3.74	2.08	0.40
	ICICI Limited	-	0.27	0.34	0.93	0.46	0.71	0.43	0.95	1.53	2.26	2.54	0.94
	Vehicle Loans - Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	0.40
	<b>Total Secured</b>	69.41	27.75	100.78	2.74	2.18	0.91	29.28	6.80	18.58	6.00	4.62	1.74
II	<b>UNSECURED</b>												
	Term Loan												
	From Related Parties	-	1.10	-	-	-	-	-	-	-	-	-	-
	<b>Total Unsecured</b>	-	1.10	-	-	-	-	-	-	-	-	-	-
	Amount disclosed under the head "Long Term Borrowings"	69.41	28.85	100.78	2.74	2.18	0.91						
	Amount disclosed under the head "Other Current Liabilities"	-	-	-	-	-	-	29.28	6.80	18.58	6.00	4.62	1.74
	<b>Total</b>	<b>69.41</b>	<b>28.85</b>	<b>100.78</b>	<b>2.74</b>	<b>2.18</b>	<b>0.91</b>	<b>29.28</b>	<b>6.80</b>	<b>18.58</b>	<b>6.00</b>	<b>4.62</b>	<b>1.74</b>

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. For details of transactions with related parties, refer Annexure XXXIII.

**Terms of Repayment of Long Term Borrowings**
**(₹ in Millions)**

S.No	Particulars	Outstanding as at 31st December , 2017		Nature of Loan	Repayment Schedule	Rate of Interest p.a.(%)	Sanction Amount	Securities Offered	Foreclosure Charges
		Disclosed under Long Term Borrowings	Disclosed under Other Current Liabilities						
1	HDFC Bank Limited	14.58	8.33	Term Loan	Repayable in 12 equal quarterly instalments of Rs. 2.08 millions	7.95%	25.00	100% By way of Fixed deposits	As Mutually Agreed
2	HDFC Bank Limited	1.55	2.32	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.19 millions	9.26%	6.00	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
3	ICICI BANK	-	0.42	Vehicle Loan	Repayable in 24 equal monthly instalments of Rs.0.06 millions	9.81%	1.20	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	The lessor of the following 1. 4% of the principal out standing plus applicable service tax.2 the interest out standing for the the unexpired period of the loan
4	HDFC Bank Limited	0.26	-	Vehicle Loan	Repayable in 24 equal monthly instalments of Rs.0.05 millions	9.65%	1.15	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
5	HDFC Bank Limited	3.70	1.86	Vehicle Loan	Repayable in 24 equal monthly instalments of Rs.0.19 millions	9.26%	6.00	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
6	HDFC Bank Limited	3.22	1.54	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.16 millions	9.26%	5.00	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
7	HDFC Bank Limited	2.54	1.52	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.15 millions	8.50%	4.78	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed
8	HDFC Bank Limited	2.56	1.54	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 0.15 millions	8.50%	4.82	The Vehicle Loan is secured by way of hypothecation of the vehicle purchased from the loan proceedings	As Mutually Agreed

S.No	Particulars	Outstanding as at 31st December , 2017		Nature of Loan	Repayment Schedule	Rate of Interest p.a.(%)	Sanction Amount	Securities Offered	Foreclosure Charges
		Disclosed under Long Term Borrowings	Disclosed under Other Current Liabilities						
9	HDFC Bank Limited	-	2.61	Vehicle Loan	Repayable in 36 equal monthly instalments of Rs. 2.18 Millionss commencing from Nov 2015	9.76%	8.48	The Vehicle Loan is secured by way of hypothecation of the vehicles purchased from the loan proceedings.	4 % of Principal Outstanding for preclosures within 6 Months from 1st EMI 4 % of Principal Outstanding for preclosures within 7 Months to 12 Months from 1st EMI 2 % of Principal Outstanding for preclosures within 13-24 months from 1st EMI 2 % of Principal Outstanding for preclosures within 25 to 36 months from 1st EMI. 2 % of Principal Outstanding for preclosures within 25 to 36 months from 1st EMI 2 % of Principal Outstanding for preclosures within 37 to 60 months from 1st EMI 2 % of Principal Outstanding for preclosures after 60 Months from 1st EMI
10	YES Bank	41.00	9.14	Term Loan	Repayable in 50 equal Monthly instalments of Rs. 1.6 million commencing from April 2018	YBL MCLR	80.00	Exclusive charge on IQF/Cold Storage. DETAILS OF GUARANTEES (PERSONAL/CORPORATE) Mr K.V.Prasad, Mr. K.Anand Kumar, Mr. K. Arun Kumar, Mr. D. Hitesh Chenchu Ram	As Mutually Agreed
Total		69.41	29.28				142.43		

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEFERRED TAX LIABILITY****Annexure – IX**  
**(₹ in Millions)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Deferred Tax Liability</b>						
Opening Balance	0.37	10.01	17.32	33.18	31.39	31.42
Add/Less:Deferred tax Liability/(Asset) for the year as per audited financial statements on account of Depreciation	(0.25)	(2.20)	(5.59)	(14.42)	1.83	0.30
Add/Less:Restated Deferred tax Liability/(Asset) on account of						
Depreciation	-	(7.01)	(1.43)	(1.30)	-	-
Employee benefits	-	(0.43)	(0.29)	(0.14)	(0.04)	(0.33)
<b>Total</b>	<b>0.12</b>	<b>0.37</b>	<b>10.01</b>	<b>17.32</b>	<b>33.18</b>	<b>31.39</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEFERRED TAX LIABILITY****Annexure – X**  
**(₹ in Millions)**

<b>Particulars</b>	<b>As at December 31,2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Provision for gratuity	4.98	3.64	2.38	1.54	1.13	1.00
<b>Total</b>	<b>4.98</b>	<b>3.64</b>	<b>2.38</b>	<b>1.54</b>	<b>1.13</b>	<b>1.00</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM BORROWINGS**
**Annexure – XI**  
**(₹ in Millions)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>Loans Repayable on Demand</b>						
(a) From Banks	1,171.37	1,119.17	660.83	503.18	410.43	138.89
(b) From Other Parties	30.50	40.50	40.50	-	-	-
<b>Total</b>	<b>1,201.87</b>	<b>1,159.67</b>	<b>701.33</b>	<b>503.18</b>	<b>410.43</b>	<b>138.89</b>
<b>Secured</b>						
PCFC Loan	676.32	395.94	203.28	185.56	175.41	78.51
Packing Credit Loan	-	150.23	49.97	-	-	-
FDBP Loan	495.05	515.25	332.59	317.62	235.02	60.38
Overdraft	-	57.75	74.99	-	-	-
	<b>1,171.37</b>	<b>1,119.17</b>	<b>660.83</b>	<b>503.18</b>	<b>410.43</b>	<b>138.89</b>
<b>Unsecured</b>						
From Related Parties	30.50	40.50	40.50	-	-	-
	<b>30.50</b>	<b>40.50</b>	<b>40.50</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,201.87</b>	<b>1,159.67</b>	<b>701.33</b>	<b>503.18</b>	<b>410.43</b>	<b>138.89</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. For details of transactions with related parties, refer Annexure XXXIII.



**Terms of Repayment of Short Term Borrowings**
**(₹ in Millions)**

S.No	Particulars	Outstanding as at 31st December, 2017	Rate of Interest p.a.(%)	Repayment Amount	Sanctioned Amount	Security offered
	<b>Working Capital Loans from Banks</b>					
	<b>(Fund Based Limit)</b>					
1	PCFC Loan - UBI	293.02	As approved by IBD from time to time	Credit 90days	350.00	<p>Primary Security:- Hypothecation of stocks &amp; Consumbles &amp; Export Documents. Collateral Securities:-1) 4.12 Cents of land with factory building of around 63800 sft at sy 124/1,126/2,124/2,3&amp;4 (Door no.4/170) at Poolapalli village, Palakol mandal, West Godavari Dist. With plant and machinery ,Dg Sets Plumps, Air Conditioners cold storage units, Lab equipment etc., at factory at poolipalli Village, W.G District in the name of the Borrower Company Sandhya Marines Limited. 2) 2710.4 sq yds of land with cold storage building of 8772 sft, at sy 52/2 &amp; 3 part Paradesipalem, Visakhapatnam With Plant &amp; Machinery standing in the name of borrower company Sandhya Marines Limited. 3). 1548.80 sq yds of industrial land at sy. no. 53 paradesipalem, chinnagadili mandal, Visakhapatnam within GVMC limits owned by M/s.Surya Enterprises. 4) 5711.2 sq.yards. vacant industrial site at sy. no. 52/2,3 (part) and 53 Paradesipalem,Chinnagadili Mandal,Visakhapatnam in the name of the Borrower Company Sandhya Marines Limited. 5)2081.2 sq.yds. of factory land with 5450 sft.of AC sheet Building at sy.no.53 Paradesipalem,Chinnagadili Mandal, Visakhapatnam with Plant &amp; Machinery used in Ice factory owned by M/s.Padma enterprises. 6) Ac.6.80 Cents of Land with factory building of around 61400 sft. housing a Hatchery unit at New sy. no.306 Palmenpet Village, Payakaraopeta mandal, Visakhapatnam dist. with Plant &amp; Machinery in the name of the borrower company Sandhya Marines Limited. 7)3340 Sq. Yds. of land with Ice factory building of 1210 Sft. at Sy. No.124/1, Poolapalli village, Palakollu mandal, West Godavari district with P&amp;M owned by M/s Srivasa Ice factory.</p> <p><b>DETAILS OF GUARANTEES (PERSONAL/CORPORATE)</b> 1. Dr. K.V.Prasad 2. Mr.C.S.Prasad 3. Mr.K.Anand Kumar 4. Mr.K.Arun Kumar 5. M/s Surya enterprises 6. M/s Padma Enterprises 7. M/s Srinivasa Ice factory</p>
2	Packing credit Loan - UBI	-	MCLR+ 0.15			
3	PCFC Loan - Yes Bank	100.27	LIBOR+ 0.9%	Credit 90 days	150.00	<p>1) Pari Passu charge on current assets and movable fixed assets of the Company. 2) Pari Passu charge on immovable fixed assets of the borrower ( only land and factory building, cold storage land and building and Vacant industrial site in the name of the borrower. 3) Personal guarnatees</p>

S.No	Particulars	Outstanding as at 31st December, 2017	Rate of Interest p.a.(%)	Repayment Amount	Sanctioned Amount	Security offered
						of promoters ( Mr K.V.Prasad, Mr. K.Anand Kumar, Mr. K. Arun Kumar - Total network of the promoters is around INR 235 MM).
4	FDBP - UBI	301.35	1YMCL R+0.15	Credit 90 days	400.00	<p>Primary Security:-  Hypothecation of stocks &amp; Consumables &amp; Export Documents.  Collateral Securities:-1) 4.12 Cents of land with factory building of around 63800 sft at sy 124/1,126/2,124/2,3&amp;4 (Door no.4/170) at Poolapalli village, Palakol mandal, West Godavari Dist. With plant and machinery ,Dg Sets Plumps, Air Conditioners cold storage units, Lab equipment etc., at factory at poolipalli Village, W.G District in the name of the Borrower Company Sandhya Marines Limited. 2) 2710.4 sq yds of land with cold storage building of 8772 sft, at sy 52/2 &amp; 3 part Paradesipalem, Visakhapatnam With Plant &amp; Machinery standing in the name of borrower company Sandhya Marines Limited. 3). 1548.80 sq yds of industrial land at sy. no. 53 paradesipalem, chinnagadili mandal, Visakhapatnam within GVMC limits owned by M/s.Surya Enterprises. 4) 5711.2 sq.yards. vacant industrial site at sy. no. 52/2,3 (part) and 53 Paradesipalem,Chinnagadili Mandal,Visakhapatnam in the name of the Borrower Company Sandhya Marines Limited. 5)2081.2 sq.yds. of factory land with 5450 sft.of AC sheet Building at sy.no.53 Paradesipalem,Chinnagadili Mandal, Visakhapatnam with Plant &amp; Machinery used in Ice factory owned by M/s.Padma enterprises. 6) Ac.6.80 Cents of Land with factory building of around 61400 sft. housing a Hatchery unit at New sy. no.306 Palmenpet Village, Payakaraopeta mandal, Visakhapatnam dist. with Plant &amp; Machinery in the name of the borrower company Sandhya Marines Limited. 7)3340 Sq. Yds. of land with Ice factory building of 1210 Sft. at Sy. No.124/1, Poolapalli village, Palakollu mandal, West Godavari district with P&amp;M owned by M/s Srivasa Ice factory.</p> <p><b>DETAILS OF GUARANTEES (PERSONAL/CORPORATE)</b>  1. Dr. K.V.Prasad 2. Mr.C.S.Prasad 3. Mr.K.Anand Kumar 4. Mr.K.Arun Kumar 5. M/s Surya enterprises 6. M/s Padma Enterprises 7. M/s Srinivasa Ice factory</p>

S.No	Particulars	Outstanding as at 31st December, 2017	Rate of Interest p.a.(%)	Repayment Amount	Sanctioned Amount	Security offered
5	Union Bank of India-Packing Credit/PCFC	214.86	1YMCL R+0.90 %	Repayable on Demand	160.00	1)Being undivided and unspecified share out of totat extent of 983 5q. Yards, with Duplex Residential flat No.402, DNo. 6-22-5(8), Third (Plinth Area 2125 Sft) & Fourth Floor 6-22-5(8), Third (Plinth Area 2125 Sft) & Fourth Floor (Ptinth Area 575 Sft), Vantage Apartment, East Point Colony, China Wattair, Visakhapatnam-530003, TS No.375,376 &.377. owned bv Dr. Kondragunta Venkateswara Prasad 2)All that piece & parcel of land admeasuring of 370 sq. yds. With residential house bearing municipal no.8-2-674/2/2/29,Plot No.29 situated at Road No.13 extension, Banjara Hills, Ward No.8, Block No.2 in Sy NO,129/75/3 of shaikpet Village ,Golconda taluk, Hyderabad owned by Smt.D.Purandeswari,W/O Dr. Venkateswara rao. 3)All that piece & parcel of Vacant land measuring Ac.2.00 Cents in RS NO.143/1B,143/2A,143/3A1,143/3C2,143/4C2A,143/5C2A& 143/14A1 and vacant land measuring Ac.0.50 in rS No. 143/4C2a & 143/5C2A (total extent Ac.2.32 Cents) as Ac.0.18 Cents Left Deducted For road widening under laxmaneswaram Village & panchayat , Narsapuram Revenue mandal , Narsapuram Jolnt sub-Registrar Office, Wg Dist. Owned by Mr.Kondragunta Anand Kumar & Mr. Kondragunta Arun Kumar, S/o Mr. Kondragunta Venkateswara Prasad.
6	Union Bank of India-FDBP/FUDBP/AFDBC (Under LC DP/DA 90 Days)	193.70	1YMCL R+0.65 %	Repayable On Demand	300.00	Primary Security Export Bills Drawn under LC & Contract 1)Being undivided and unspecified share out of totat extent of 983 5q. Yards, with Duplex Residential flat No.402, DNo. 6-22-5(8), Third (Plinth Area 2125 Sft) & Fourth Floor 6-22-5(8), Third (Plinth Area 2125 Sft) & Fourth Floor (Ptinth Area 575 Sft), Vantage Apartment, East Point Colony, China Wattair, Visakhapatnam-530003, TS No.375,376 &.377. owned bv Dr. Kondragunta Venkateswara Prasad

S.No	Particulars	Outstandin g as at 31st December, 2017	Rate of Interest p.a.(%)	Repayment Amount	Sanctioned Amount	Security offered
	Union Bank of India- W/w FDBP/FUDBP (Non LC/under contracts DP/DA 90 Days)		1YMCL R+1.15 %			2)All that piece & parcel of land admeasuring of 370 sq. yds. With residential house bearing municipal no.8-2-674/2/2/29,Plot No.29 situated at Road No.13 extension, Banjara Hills, Ward No.8, Block No.2 in Sy NO,129/75/3 of shaikpet Village ,Golconda taluk, Hyderabad owned by Smt.D.Purandeswari,W/O Dr.Venkateswara rao. 3)All that piece & parcel of Vacant land measuring Ac.2.00 Cents in RS NO.143/1B,143/2A,143/3A1,143/3C2,143/4C2A, 143/5C2A & 143 /14A1 and vacant land measuring Ac.0.50 in rS No. 143/4C2a & 143/5C2A (total extent Ac.2.32 Cents) as Ac.0.18 Cents Left Deducted For road widening under laxmaneswaram Village & panchayat , Narsapuram Revenue mandal , Narsapuram Jolnt sub-Registrar Office, Wg Dist. Owned by Mr.Kondragunta Anand Kumar & Mr. Kondragunta Arun Kumar, S/o Mr. Kondragunta Venkateswara Prasad.
7	Packing Credit Foreign Currency/Post Shipment Credit in Foreign Currency/Packing Credit in Indian Millions/Post Shipment Credit in Indian Millions	68.17	LIBOR+ 0.95%	Repayment On Demand	80.00	Exclusive charge on IQF/Cold Storage. <b>DETAILS OF GUARANTEES (PERSONAL/CORPORATE)</b> Mr K.V.Prasad, Mr. K.Anand Kumar, Mr. K. Arun Kumar, Mr. D. Hitesh Chenchu Ram
8	D. Hitesh Chenchu Ram	4.00	NA	NA	NA	NA
9	D. Venkateswara Prasad	11.50	NA	NA	NA	NA
10	K. Shri Puja	15.00	NA	NA	NA	NA
	<b>Total</b>	<b>1,201.87</b>			<b>1,440.00</b>	

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF TRADE PAYABLES**
**Annexure – XII**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Dues to</b>						
Micro, Small and Medium Enterprises	-	-	-	-	-	-
Others	307.68	281.78	295.67	244.42	228.86	129.32
<b>Total</b>	<b>307.68</b>	<b>281.78</b>	<b>295.67</b>	<b>244.42</b>	<b>228.86</b>	<b>129.32</b>

**Of Which Dues to Related Party**

Particulars	As at December 31, 2017	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Mallikarjuna Enterprises	-	0.37	10.05	13.50	2.43	-
Padma Enterprises	-	0.50	0.52	0.53	0.55	0.51

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. Based on the information and explanation available with the company, there are no outstanding dues to Micro, Small and Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES**
**Annexure – XIII**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Current Maturities of Long Term Borrowings	29.28	6.80	18.58	6.00	4.62	1.74
Statutory Liabilities	2.06	1.42	2.67	1.60	0.93	0.25
Advances from Customers	8.91	3.24	1.87	4.68	-	-
Creditors For Capital Goods	13.52	0.41	1.10	10.47	-	-
Salary Payables	11.35	5.32	2.03	1.07	1.05	1.18
Unpaid Expenses	20.78	13.83	7.11	4.50	3.34	1.86
Other Payables	0.68	0.89	2.88	0.94	0.82	0.15
<b>Total</b>	<b>86.58</b>	<b>31.91</b>	<b>36.24</b>	<b>29.26</b>	<b>10.76</b>	<b>5.18</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM PROVISIONS**
**Annexure – XIV**
**(₹ in Millions)**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Provision for Income-Tax (Net of Advance Tax)	72.73	21.14	21.06	6.53	1.43	0.72
Provision for CSR	20.05	12.38	6.13	3.31	-	-
Provision for Antidumping Duty	26.53	32.65	25.49	23.45	19.55	-
Provision for Electricity	8.10	5.51	4.76	2.17	2.51	1.37
Provision for Custom Charges	6.00	9.46	11.61	3.92	10.69	1.41
Other Provisions	8.13	3.13	2.83	0.19	0.14	0.28
<b>Total</b>	<b>141.54</b>	<b>84.27</b>	<b>71.88</b>	<b>39.57</b>	<b>34.32</b>	<b>3.78</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF FIXED ASSETS**
**Annexure – VI**
**From April 1, 2017 to December 31, 2017**
**(₹ in Millions)**

Description of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION		NET BLOCK		
	As at April 1, 2017	Additions	Disposals/ Adjustments	As at December 31, 2017	As at April 1, 2017	Depreciation for the year	As at December 31, 2017	As at December 31, 2017	As at March 31, 2017
<b>Tangible Assets</b>									
Building	242.80	23.30	-	266.09	47.55	14.44	61.99	204.10	195.25
Furniture & Fixtures	7.34	1.41	-	8.75	5.02	0.67	5.69	3.05	2.32
Electrical installation	23.36	0.38	-	23.74	8.04	3.06	11.09	12.64	15.32
Lab Equipment	2.82	1.17	-	3.98	1.15	0.42	1.57	2.41	1.65
Plant & Machinery	329.22	113.37	-	442.58	165.31	33.25	198.55	244.03	163.91
Computer	2.25	0.51	0.00	2.76	1.71	0.46	2.17	0.60	0.54
Vehicles	95.15	29.09	0.17	124.07	58.60	12.53	71.12	52.95	36.55
Equipments	4.62	0.02	-	4.64	2.73	0.66	3.39	1.25	1.89
Land	56.75	14.84	-	71.59	-	-	-	71.59	56.75
<b>Sub Total</b>	<b>764.31</b>	<b>184.09</b>	<b>0.17</b>	<b>948.22</b>	<b>290.10</b>	<b>65.48</b>	<b>355.58</b>	<b>592.63</b>	<b>474.19</b>
<b>Capital work-in-progress</b>									
Buildings	17.00	29.07	17.00	29.07	-	-	-	29.07	17.00
Plant & Machinery	84.91	50.86	84.91	50.86	-	-	-	50.86	84.91
<b>Sub Total</b>	<b>101.91</b>	<b>79.93</b>	<b>101.91</b>	<b>79.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79.93</b>	<b>101.91</b>
<b>Total</b>	<b>866.22</b>	<b>264.02</b>	<b>102.08</b>	<b>1,028.15</b>	<b>290.10</b>	<b>65.48</b>	<b>355.58</b>	<b>672.55</b>	<b>576.09</b>
<b>Previous year</b>	<b>713.54</b>	<b>152.69</b>	<b>0.01</b>	<b>866.22</b>	<b>213.16</b>	<b>76.93</b>	<b>290.10</b>	<b>576.09</b>	<b>500.37</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**From April 1, 2016 to March 31, 2017**

**(₹ in Millions)**

Description of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2016	Additions	Disposals/ Adjustments	As at March 31, 2017	As at April 1, 2015	Depreciation for the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets</b>									
Building	235.85	6.95	-	242.80	28.57	18.98	47.55	195.25	207.22
Furniture & Fixtures	6.52	0.82	-	7.34	4.41	0.61	5.02	2.32	2.11
Electrical installation	22.94	0.43	-	23.36	2.69	5.34	8.04	15.32	20.29
Lab Equipment	2.20	0.62	-	2.82	0.66	0.48	1.15	1.66	1.53
Plant & Machinery	311.76	17.47	0.01	329.22	130.96	34.35	165.31	163.91	180.80
Computer	1.68	0.57	-	2.25	0.99	0.72	1.71	0.54	0.69
Vehicles	80.24	14.91	-	95.15	43.52	15.07	58.60	36.55	36.72
Equipments	4.10	0.52	-	4.62	1.35	1.38	2.73	1.89	2.75
Land	48.27	8.48	-	56.75	-	-	-	56.75	48.27
<b>Sub Total</b>	<b>713.54</b>	<b>50.78</b>	<b>0.01</b>	<b>764.31</b>	<b>213.16</b>	<b>76.93</b>	<b>290.10</b>	<b>474.19</b>	<b>500.37</b>
<b>Capital work-in-progress</b>									
Building	-	17.00	-	17.00	-	-	-	17.00	-
plant & machinery	-	84.91	-	84.91	-	-	-	84.91	-
<b>Sub Total</b>	<b>-</b>	<b>101.91</b>	<b>-</b>	<b>101.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.91</b>	<b>-</b>
<b>Total</b>	<b>713.54</b>	<b>152.69</b>	<b>0.01</b>	<b>866.22</b>	<b>213.16</b>	<b>76.93</b>	<b>290.10</b>	<b>576.09</b>	<b>500.37</b>
<b>Previous year</b>	<b>485.58</b>	<b>296.66</b>	<b>68.69</b>	<b>713.54</b>	<b>170.23</b>	<b>42.94</b>	<b>213.16</b>	<b>500.37</b>	<b>315.35</b>

**Note: -** 1. Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2017 is Higher by 22.02 million & Deffered tax on the same 7.01 million.

2.The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.



**From April 1, 2015 to March 31, 2016**

**(₹ in Millions)**

Description of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at April 1, 2015	Depreciation for the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>									
Building	87.73	148.06	-	235.79	22.00	6.57	28.57	207.22	65.78
Furniture & Fixtures	4.96	1.56	-	6.52	4.01	0.39	4.41	2.11	0.94
Electrical installation	3.56	19.43	-	22.99	1.70	0.99	2.69	20.29	1.80
Lab Equipment	0.79	1.41	-	2.20	0.56	0.11	0.66	1.53	0.23
Plant & Machinery	230.85	89.81	8.90	311.76	108.62	22.34	130.96	180.80	122.22
Computer	0.93	0.75	-	1.68	0.80	0.19	0.99	0.69	0.13
Vehicles	65.07	15.18	-	80.24	31.41	12.11	43.52	36.72	33.67
Equipments	1.33	2.77	-	4.10	1.12	0.23	1.35	2.75	0.21
Land	30.57	17.70	-	48.27	-	-	-	48.27	30.57
<b>Sub Total</b>	<b>425.79</b>	<b>296.66</b>	<b>8.90</b>	<b>713.54</b>	<b>170.23</b>	<b>42.94</b>	<b>213.16</b>	<b>500.37</b>	<b>255.56</b>
<b>Capital work-in-progress</b>									
Buildings	44.28	-	44.28	-	-	-	-	-	44.28
Plant and Machinery	11.26	-	11.26	-	-	-	-	-	11.26
Cold Storage	3.98	-	3.98	-	-	-	-	-	3.98
Machinery under installation	0.27	-	0.27	-	-	-	-	-	0.27
<b>Sub Total</b>	<b>59.79</b>	<b>-</b>	<b>59.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.79</b>
<b>Total</b>	<b>485.58</b>	<b>296.66</b>	<b>68.69</b>	<b>713.54</b>	<b>170.23</b>	<b>42.94</b>	<b>213.16</b>	<b>500.37</b>	<b>315.35</b>
<b>Previous year</b>	<b>414.27</b>	<b>95.76</b>	<b>24.45</b>	<b>485.58</b>	<b>121.25</b>	<b>48.97</b>	<b>170.23</b>	<b>315.35</b>	<b>293.01</b>

**Note: -** 1. Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2016 is higher by 4.13 million & Deferred tax on the same 1.43 million.

2.The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**From April 1, 2014 to March 31, 2015**

**(₹ in Millions)**

Description of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2014	Additions	Disposals/ Adjustments	As at March 31, 2015	As at April 1, 2014	Depreciation for the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>									
Building	82.72	5.28	0.22	87.79	16.25	5.76	22.00	65.78	66.47
Furniture & Fixtures	4.12	0.84	-	4.96	3.33	0.69	4.01	0.94	0.80
Electrical installation	3.15	0.35	-	3.50	1.05	0.66	1.70	1.80	2.11
Lab Equipment	0.66	0.12	-	0.79	0.44	0.11	0.56	0.23	0.22
Plant & Machinery	241.69	13.33	24.17	230.85	80.40	28.23	108.62	122.22	161.29
Computer	0.77	0.17	-	0.93	0.49	0.31	0.80	0.13	0.28
Vehicles	49.22	15.85	-	65.07	18.53	12.88	31.41	33.67	30.69
Equipments	1.29	0.07	0.04	1.33	0.77	0.35	1.12	0.21	0.52
Land	30.35	0.23	-	30.57	-	-	-	30.57	30.35
<b>Sub Total</b>	<b>413.98</b>	<b>36.24</b>	<b>24.43</b>	<b>425.79</b>	<b>121.25</b>	<b>48.97</b>	<b>170.23</b>	<b>255.56</b>	<b>292.72</b>
<b>Capital work-in-progress</b>									
Computers	0.02	-	0.02	-	-	-	-	-	0.02
Buildings	-	44.28	-	44.28	-	-	-	44.28	-
Plant and Machinery	-	11.26	-	11.26	-	-	-	11.26	-
Cold Storage	-	3.98	-	3.98	-	-	-	3.98	-
Machinery under installation	0.27	-	-	0.27	-	-	-	0.27	0.27
<b>Sub Total</b>	<b>0.29</b>	<b>59.52</b>	<b>0.02</b>	<b>59.79</b>			<b>-</b>	<b>59.79</b>	<b>0.29</b>
<b>Total</b>	<b>414.27</b>	<b>95.76</b>	<b>24.45</b>	<b>485.58</b>	<b>121.25</b>	<b>48.97</b>	<b>170.23</b>	<b>315.35</b>	<b>293.01</b>
<b>Previous year</b>	<b>331.87</b>	<b>83.51</b>	<b>1.12</b>	<b>414.27</b>	<b>103.17</b>	<b>18.08</b>	<b>121.25</b>	<b>293.01</b>	<b>228.71</b>

**Note:** - 1. Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2015 is higher by 3.83 million & Deffered tax on the same 1.3 million.

2.The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**From April 1, 2013 to March 31, 2014**

**(₹ in Millions)**

Description of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2013	Additions	Disposals/ Adjustments	As at March 31, 2014	As at April 1, 2013	Depreciation as per restated Financials	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>									
Building	70.02	12.89	0.19	82.72	14.05	2.20	16.25	66.47	55.97
Furniture & Fixtures	3.77	0.35	-	4.12	3.13	0.20	3.33	0.80	0.64
Electrical installation	2.85	0.31	-	3.15	0.85	0.19	1.05	2.11	2.00
Lab Equipment	0.66	-	-	0.66	0.41	0.03	0.44	0.22	0.25
Plant & Machinery	196.90	45.71	0.93	241.69	69.45	10.95	80.40	161.29	127.45
Computer	0.62	0.14	-	0.77	0.43	0.07	0.49	0.28	0.20
Vehicles	30.24	18.98	-	49.22	14.16	4.37	18.53	30.69	16.08
Equipments	1.26	0.03	-	1.29	0.69	0.08	0.77	0.52	0.57
Land	25.54	4.80	-	30.35	-	-	-	30.35	25.54
<b>Sub Total</b>	<b>331.87</b>	<b>83.22</b>	<b>1.12</b>	<b>413.98</b>	<b>103.17</b>	<b>18.08</b>	<b>121.25</b>	<b>292.72</b>	<b>228.71</b>
<b>Capital work-in-progress</b>									
Computer		0.02		0.02	-	-	-	0.02	-
Machinery under installation		0.27		0.27	-	-	-	0.27	-
<b>Sub Total</b>	<b>-</b>	<b>0.29</b>	<b>-</b>	<b>0.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.29</b>	<b>-</b>
<b>Total</b>	<b>331.87</b>	<b>83.51</b>	<b>1.12</b>	<b>414.27</b>	<b>103.17</b>	<b>18.08</b>	<b>121.25</b>	<b>293.01</b>	<b>228.71</b>
<b>Previous year</b>	<b>289.76</b>	<b>42.11</b>	<b>-</b>	<b>331.87</b>	<b>88.92</b>	<b>14.25</b>	<b>103.17</b>	<b>228.71</b>	<b>200.84</b>

**Note:** - 1.The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**From April 1, 2012 to March 31, 2013**

**(₹ in Millions)**

Description of Assets	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	As at April 1, 2012	Depreciation for the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>Tangible Assets</b>									
Building	63.64	6.38	-	70.02	12.15	1.90	14.05	55.97	51.50
Furniture & Fixtures	3.77	0.00	-	3.77	2.93	0.20	3.13	0.64	0.84
Electrical installation	2.85	-	-	2.85	0.67	0.18	0.85	2.00	2.17
Lab Equipment	0.59	0.07	-	0.66	0.38	0.03	0.41	0.25	0.21
Plant & Machinery	171.61	25.29	-	196.90	60.74	8.71	69.45	127.45	110.87
Computer	0.55	0.07	-	0.62	0.38	0.05	0.43	0.20	0.17
Vehicles	30.01	0.24	-	30.24	11.06	3.10	14.16	16.08	18.95
Equipments	1.19	0.07	-	1.26	0.61	0.08	0.69	0.57	0.57
Land	15.55	9.99	-	25.54	-	-	-	25.54	15.55
<b>Sub Total</b>	<b>289.76</b>	<b>42.11</b>	<b>-</b>	<b>331.87</b>	<b>88.92</b>	<b>14.25</b>	<b>103.17</b>	<b>228.71</b>	<b>200.84</b>
<b>Previous year</b>	<b>266.47</b>	<b>26.13</b>	<b>1.02</b>	<b>291.58</b>	<b>77.87</b>	<b>12.81</b>	<b>90.68</b>	<b>200.90</b>	<b>188.60</b>

**Note:** - 1.The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS**
**Annexure – XVI**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Non Trade Investments : (Unquoted)</b> (Valued at cost, fully paid up, unless otherwise specified)						
<b>(A) Investment in Equity Shares :</b>						
(i) In Associate company in India						
Pinnacle Hospitals India Private limited	-	350.54	390.32	249.68	125.90	125.90
<b>(B) Investment in Preference Shares :</b>						
Pinnacle Hospitals India Private limited	-	34.00	-	-	-	-
<b>(C) Application money</b>						
Pinnacle Hospitals India Private limited	-	-	-	12.44	63.50	4.20
<b>(D) Others</b>						
<b>(a) Investment in Equity Shares :</b>						
Sandhya Holdings private Limited						
Equity Shares of 10 Each, As at 31.12.2017- 56,50,000	56.50	-	-	-	-	-
<b>(b) Investment in Preference Shares :</b>						
Sandhya Holdings Private Limited						
Preference Shares of 100 Each, As at 31.12.2017- 15,42,500	154.25	-	-	-	-	-
<b>Total</b>	<b>210.75</b>	<b>384.54</b>	<b>390.32</b>	<b>262.12</b>	<b>189.40</b>	<b>130.10</b>
Aggregate of unquoted investments	210.75	384.54	390.32	262.12	189.40	130.10
<b>Total</b>	<b>210.75</b>	<b>384.54</b>	<b>390.32</b>	<b>262.12</b>	<b>189.40</b>	<b>130.10</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. Sandhya Holdings Private Limited ceased to be subsidiary as on December, 31, 2017.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG TERM LOANS AND ADVANCES**
**Annexure – XVII**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(a) Capital Advances	53.42	0.40	14.39	41.14	0.26	11.59
(b) Security Deposit	14.02	11.12	10.92	5.84	5.69	5.63
(c) Loan and Advances to related parties	5.39	5.39	5.45	23.18	23.24	23.27
(d) Others	0.20	0.22	0.42	0.30	0.30	0.30
<b>Total</b>	<b>73.03</b>	<b>17.13</b>	<b>31.18</b>	<b>70.46</b>	<b>29.49</b>	<b>40.79</b>

**Of Which Dues to Related Party**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Srinivasa Ice Factory	5.39	5.39	5.45	5.50	5.56	5.62
Maple Constructions	-	-	-	17.68	17.68	17.65

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF CURRENT INVESTMENTS**
**Annexure – XVIII**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Quoted (Valued at Lower of Cost or market value, unless other wise stated)</b>						
Investment in Mutual Funds	810.83	583.29	363.66	-	-	-
National Saving Certificates	0.02	0.02	0.02	0.02	0.02	0.01
	<b>810.85</b>	<b>583.31</b>	<b>363.68</b>	<b>0.02</b>	<b>0.02</b>	<b>0.01</b>
Quoted Investments (Cost Value)	810.85	583.31	363.68	0.02	0.02	0.01
Quoted Investments (Market Value)	873.91	615.82	364.82	-	-	-

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF INVENTORIES**
**Annexure – XIX**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(Valued at Lower of Cost or net realisable value)</b>						
Finished goods	266.90	117.80	63.43	27.83	33.44	4.60
<b>Total</b>	<b>266.90</b>	<b>117.80</b>	<b>63.43</b>	<b>27.83</b>	<b>33.44</b>	<b>4.60</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF TRADE RECEIVABLES**
**Annexure – XX**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured considered good unless other wise stated)</b>						
<b>Dues Outstanding</b>						
More than six months	0.04	2.52	3.30	5.52	1.04	1.31
Others	747.19	369.30	286.19	88.17	145.56	77.64
<b>(Secured considered good unless other wise stated)</b>						
<b>Dues Outstanding</b>						
More than six months	-	0.02	-	1.61	-	2.53
Others	406.49	423.74	253.34	448.52	320.12	81.28
<b>Total</b>	<b>1,153.72</b>	<b>795.58</b>	<b>542.83</b>	<b>543.82</b>	<b>466.72</b>	<b>162.76</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH AND BANK BALANCES**
**Annexure – XXI**
**(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(Cash and Cash Equivalents)</b>						
Cash on hand	0.62	0.33	1.42	1.98	2.23	0.50
Balances with banks						
(i) Current Account	250.82	170.22	87.65	107.03	36.85	21.17
(ii) Fixed Deposit With Bank with maturity within 3 months	-	-	6.01	-	1.26	14.46
	<b>251.44</b>	<b>170.55</b>	<b>95.08</b>	<b>109.01</b>	<b>40.34</b>	<b>36.13</b>
<b>Other Bank Balance</b>						
Fixed Deposit - Maturity more than 3 months	<b>95.22</b>	<b>126.36</b>	<b>211.55</b>	<b>243.40</b>	<b>142.64</b>	<b>43.61</b>
	<b>95.22</b>	<b>126.36</b>	<b>211.55</b>	<b>243.40</b>	<b>142.64</b>	<b>43.61</b>
<b>Total</b>	<b>346.66</b>	<b>296.91</b>	<b>306.63</b>	<b>352.41</b>	<b>182.98</b>	<b>79.74</b>

**Details of Fixed Deposit pledged**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
FD pledged against statutory authority	0.25	0.25	0.25	0.25	0.25	0.25
FD pledged for Merchant Exporter Registration	1.90	1.83	1.68	1.55	-	-
FD in Lien against Term loan	26.36	-	-	-	-	-
FD pledged against overdraft facility	-	60.41	75.72	-	-	-
FD pledged towards EPCG License	10.03	10.03	9.69	2.68		
FD towards letter of credit	3.93	3.93	3.79	3.52	2.66	-
FD against MPEDA subsidy	0.95	0.95	0.92	0.85	-	-
FD favouring coastal aqua culture authority	0.60	0.60	0.57	0.53	-	-
<b>TOTAL</b>	<b>44.02</b>	<b>78.00</b>	<b>92.62</b>	<b>9.38</b>	<b>2.91</b>	<b>0.25</b>

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES**      **Annexure – XXII**  
(₹ in Millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured considered good unless otherwise stated)</b>						
(a) Prepaid expenses	1.22	0.65	1.12	2.38	1.98	1.02
(b) Salary Advances	0.89	1.51	4.01	1.48	1.13	1.06
(c) Advances to Creditors	29.62	24.63	3.85	2.48	6.72	4.62
(d) Advance for fixed assets	-	-	0.01	-	0.11	1.25
(e) Others	106.76	23.19	8.61	9.11	6.53	6.74
<b>Total</b>	<b>138.49</b>	<b>49.98</b>	<b>17.60</b>	<b>15.45</b>	<b>16.47</b>	<b>14.69</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. For Details of Transactions with related parties, refer Annexure XXXIII B

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS**      **Annexure – XXIII**  
(₹ in Millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Duty draw back receivable	27.98	53.39	21.69	27.70	24.46	9.78
US Antidumping duty receivable	4.69	4.76	4.86	-	-	-
MEIS/VKGUY Scrips	144.41	93.91	53.90	36.02	63.81	27.11
Others	3.39	6.28	4.90	7.12	3.78	2.77
<b>Total</b>	<b>180.47</b>	<b>158.34</b>	<b>85.35</b>	<b>70.84</b>	<b>92.05</b>	<b>39.66</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.



**RESTATED CONSOLIDATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS**
**Annexure – XXIV**
**(₹ in Millions)**

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Sale of Products	5,569.01	4,814.61	3,228.97	3,399.34	3,030.58	1,337.30
Export Benefits(Net)	463.03	405.82	270.90	234.53	205.98	85.82
<b>Total</b>	<b>6,032.04</b>	<b>5,220.43</b>	<b>3,499.87</b>	<b>3,633.87</b>	<b>3,236.56</b>	<b>1,423.12</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. For Details of Transactions with related parties, refer Annexure XXXIII B

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER INCOME**
**Annexure – XXV**
**(₹ in Millions)**

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Nature (Recurring / Non-Recurring)	Related / Not Related to Business activity
CVD Refund	-	-	22.88	5.05	-	-	Non-Recurring	Related
Forex Gain	133.86	35.39	-	54.59	-	17.15	Recurring	Related
Income from Mutual Funds/Bonds	14.55	18.89	2.22	-	-	-	Recurring	Non-Related
Insurance Claim	7.15	0.04	30.83	5.00	-	-	Non-Recurring	Non-Related
Interest income	6.30	12.95	23.27	20.77	9.17	5.40	Recurring	Non-Related
Rental income	1.63	0.64	0.84	0.58	2.71	10.98	Recurring	Related
Wind power sale	-	-	0.00	2.94	2.70	2.57	Non-Recurring	Non-Related
Profit on sale of Assets	0.13	-	-	-	-	-	Non-Recurring	Non-Related
Other Income	0.20	0.09	-	0.01	0.00	0.04	Non-Recurring	Non-Related
<b>Total</b>	<b>163.82</b>	<b>68.00</b>	<b>80.04</b>	<b>88.94</b>	<b>14.58</b>	<b>36.14</b>		

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. For Details of Transactions with related parties, refer Annexure XXXIII B

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF COST OF MATERIALS CONSUMED**
**Annexure – XXVI**
**(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Purchases of Raw Material	4,352.02	3,892.10	2,577.95	2,718.63	2,468.72	1,049.79
<b>Total</b>	<b>4,352.02</b>	<b>3,892.10</b>	<b>2,577.95</b>	<b>2,718.63</b>	<b>2,468.72</b>	<b>1,049.79</b>
<b>Material purchased comprise of</b>						
BT	-	-	-	-	-	47.61
Vannamei	4,352.02	3,892.10	2,577.95	2,718.63	2,468.72	1,002.18
<b>Total Consumption</b>	<b>4,352.02</b>	<b>3,892.10</b>	<b>2,577.95</b>	<b>2,718.63</b>	<b>2,468.72</b>	<b>1,049.79</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN INVENTORY**
**Annexure – XXVII**
**(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
<b>Inventories at the beginning of the year</b>						
Finished Goods	117.80	63.43	27.83	33.44	4.60	6.34
	<b>117.80</b>	<b>63.43</b>	<b>27.83</b>	<b>33.44</b>	<b>4.60</b>	<b>6.34</b>
<b>Inventories at the end of the year</b>						
Finished Goods	266.90	117.80	63.43	27.83	33.44	4.60
	<b>266.90</b>	<b>117.80</b>	<b>63.43</b>	<b>27.83</b>	<b>33.44</b>	<b>4.60</b>
<b>Total Changes in Inventory</b>	<b>(149.10)</b>	<b>(54.37)</b>	<b>(35.60)</b>	<b>5.61</b>	<b>(28.84)</b>	<b>1.74</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF MANUFACTURING EXPENSES****Annexure – XXVIII****(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Rates, Taxes and Cess	9.03	7.72	4.21	3.06	2.00	1.12
Inward Transportation Charges	48.39	18.62	10.77	13.26	11.21	7.81
Labour Charges	148.29	133.58	97.81	73.40	49.20	31.64
Other Production expenses	13.91	13.83	6.08	10.33	6.53	4.27
Chemicals	39.12	37.28	26.01	23.17	18.75	12.26
Plant-Machinery Repairs & Maintenance	22.07	15.14	11.30	15.62	9.52	5.09
Power & Fuel	95.34	87.02	56.91	54.26	44.96	34.02
Processing & Packing charges	105.12	88.92	73.94	56.54	46.51	31.20
Cold Storage Expenses	1.73	2.15	1.88	5.03	1.53	1.27
<b>Total</b>	<b>483.00</b>	<b>404.26</b>	<b>288.91</b>	<b>257.78</b>	<b>190.21</b>	<b>128.68</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS AND EXPENSES****Annexure – XXIX****(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Salaries, Bonus and allowances	73.53	52.00	23.39	17.63	13.01	10.45
Directors' Remuneration	28.74	38.16	38.20	39.10	36.70	6.70
Contribution to Provident Fund, ESI	4.16	3.62	3.05	1.35	1.04	1.00
Gratuity	1.34	1.26	0.84	0.41	0.13	1.00
Staff Welfare Exp.	0.18	0.31	0.30	0.35	0.19	0.21
<b>Total</b>	<b>107.95</b>	<b>95.35</b>	<b>65.78</b>	<b>58.84</b>	<b>51.07</b>	<b>19.36</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF FINANCE COST****Annexure – XXX****(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31, 2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Interest on Borrowing	30.09	26.74	17.12	11.22	10.66	14.17
Interest Expenses Others	0.03	0.01	0.07	-	0.23	0.01
Bank Charges	12.12	11.98	7.55	4.78	4.56	4.53
<b>Total</b>	<b>42.24</b>	<b>38.73</b>	<b>24.74</b>	<b>16.00</b>	<b>15.45</b>	<b>18.71</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER EXPENSES**
**Annexure – XXXI**
**(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31,2017</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Rent, Rates and Taxes	2.67	3.49	1.89	3.01	1.72	0.94
Fees & Subscriptions	6.18	5.51	5.88	3.50	3.86	2.52
Vehicle & Other Maintenance expenses	11.07	5.65	9.77	8.30	6.73	4.20
Discounts	3.79	16.43	0.16	-	0.30	-
Loss on sale of Assets	-	-	-	1.17	-	-
Donations	0.53	0.34	-	0.60	1.23	0.05
Administrative expenses	8.32	6.61	5.23	4.35	2.56	1.84
Insurance	27.50	67.09	42.93	96.10	30.26	13.56
Wind Power Expenses	-	-	-	0.88	0.83	0.78
Ocean Freight & Transportation charges	143.69	132.35	100.87	85.74	71.65	56.99
Commission & Promotion expenses	12.83	20.58	16.37	16.45	10.24	6.08
U.S.Customs & Other Charges	106.20	106.76	80.10	70.38	122.08	30.83
Forex Loss	-	-	3.88	-	20.75	-
<b>Sub Total</b>	<b>322.78</b>	<b>364.81</b>	<b>267.08</b>	<b>290.48</b>	<b>272.21</b>	<b>117.79</b>
<b>Payment to Auditors</b>						
Statutory Audit Fee	-	0.17	0.16	0.17	0.11	0.06
BRC Cetification Charges	-	0.12	0.20	-	-	-
Stock Audit Fee	0.05	0.05	0.05	0.04	0.04	0.02
Audit expenses	0.01	0.01	0.05	0.03	-	0.02
<b>Total</b>	<b>322.84</b>	<b>365.16</b>	<b>267.54</b>	<b>290.72</b>	<b>272.36</b>	<b>117.89</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF DIVIDEND**
**Annexure – XXXII**
**(₹ in Millions)**

<b>Particulars</b>	<b>Nine Months Ended December 31,2017</b>	<b>Year Ended March 31,2017</b>	<b>Year Ended March 31,2016</b>	<b>Year Ended March 31,2015</b>	<b>Year Ended March 31,2014</b>	<b>Year Ended March 31,2013</b>
Equity Share Capital of Rs 10 each in Million	887.35	34.13	34.13	34.13	34.13	34.13
Number of Equity Shares	88,735,400	3,412,900	3,412,900	3,412,900	3,412,900	3,412,900
Rate of Interim Dividend (%)	175%	0%	0%	0%	0%	0%
Rate of Final Dividend (%)	0%	0%	0%	0%	0%	0%
Interim Dividend per share	17.50	-	-	-	-	-
Interim Dividend	59.73	-	-	-	-	-
Final Dividend per share	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-
Tax on Dividend	12.16	-	-	-	-	-

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Enterprises where control exists</b>						
<b>a ) Enterprises in which Company / Key Management personnel / Directors have significant influence</b>	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises	Mallikarjuna Enterprises
	Padma Enterprises	Padma Enterprises	Padma Enterprises	Padma Enterprises	Padma Enterprises	Padma Enterprises
	Surya Enterprises	Surya Enterprises	Surya Enterprises	Surya Enterprises	Surya Enterprises	Surya Enterprises
	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory	Srinivasa Ice Factory
	Maple Constructions	Maple Constructions	Maple Constructions	Maple Constructions	Maple Constructions	Maple Constructions
	-	-	-	Sri Sai Mookamba Jewellers	Sri Sai Mookamba Jewellers	Sri Sai Mookamba Jewellers
<b>b ) Key Managerial Persons</b>	K.V. Prasad	K.V. Prasad	K.V. Prasad	K.V. Prasad	K.V. Prasad	K.V. Prasad
	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar	K. Anand Kumar
	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar	K. Arun Kumar
	-	K. Suryanarayanam ma	K. Suryanarayanam ma	K. Suryanarayanam ma	K. Suryanarayanam ma	K. Suryanarayanam ma
	-	C. Satyanarayana Prasad	C. Satyanarayana Prasad	C. Satyanarayana Prasad	C. Satyanarayana Prasad	C. Satyanarayana Prasad
	D. Venkatewara Rao	D. Venkatewara Rao	D. Venkatewara Rao	-	-	-
	D.Hitesh Chenchu Ram	D.Hitesh Chenchu Ram	D.Hitesh Chenchu Ram	D.Hitesh Chenchu Ram	-	-
	K Shri puja	K Shri puja	K Shri puja	K Shri puja	-	-
<b>c ) Relatives of Key Managerial Personnel</b>	K. Sruthi	K. Sruthi	K. Sruthi	K. Sruthi	K. Sruthi	K. Sruthi
	K. Nivedita	K. Nivedita	K. Nivedita	K. Nivedita	K. Nivedita	K. Nivedita
	D. Purandeswari	D. Purandeswari	D. Purandeswari	D. Purandeswari	D. Purandeswari	D. Purandeswari

Particulars	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
	K. Suryanarayanamma	K. Suryanarayanamma	K. Suryanarayanamma	K. Suryanarayanamma	K. Suryanarayanamma	K. Suryanarayanamma
<b>d ) Directors having significant influence</b>	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited	Sandhya Holdings Private Limited
	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited	Pinnacle Hospitals India Private Limited

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. As at 31st December, 2017, Smt.K.Suryanarayanamma and Sri C. Satyanarayana Prasad vacated their office's in the Company.

3. Sandhya Holdings Private Limited ceased to be subsidiary as at December 31, 2017.

**Annexure – XXXIIIB**  
**(₹ in Millions)**

Nature of transaction	Entity / Person	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Purchase of Rawmaterial	Mallikarjuna enterprises	-	-	16.38	19.40	21.41	15.90
Payment to trade payables	Padma enterprises	-	0.02	0.01	0.02	0.02	0.07
Advance paid	Maple Constructions	-	-	-	-	0.02	17.65
Land Purchase	Maple Constructions	-	-	17.68	0.00	-	-
Rent Received	Mallikarjuna enterprises	-	0.36	0.36	0.36	0.36	0.18
Rent Expenses	Padma enterprises	-	-	-	-	0.06	0.06
	Srinivasa Ice factory	-	0.06	0.06	0.06	0.06	0.06
	K.V.Prasad (Managing director)	-	0.72	0.72	0.60	0.60	0.60
Remuneration to Directors	K.V.Prasad (Managing director)	9.30	12.40	12.40	13.30	11.80	1.80
	K.Surya Narayanamma (Director)	1.35	1.80	1.80	1.80	0.90	0.90
	K.Arun Kumar (Director)	8.99	11.98	12.00	12.00	12.00	2.00
	K.Anand Kumar (Director)	8.99	11.98	12.00	12.00	12.00	2.00
Remuneration to Directors in Subsidiary (Aquatica Frozen Foods Global Private Limited)	K. Shri puja	0.16	-	-	-	-	-
Remuneration to relatives of KMP in Subsidiary (Aquatica Frozen Foods Global Private Limited)	K. Nivedita	1.24	-	-	-	-	-
	K. Anand	1.24	-	-	-	-	-
Sale of Non Current Investments	K.V.Prasad (Managing director)	61.60	-	-	-	-	-
	K.Arun Kumar (Director)	61.60	-	-	-	-	-
	K.Anand Kumar (Director)	61.60	-	-	-	-	-
Unsecured Loan received	K.V.Prasad (Managing director)	-	1.10	-	-	-	-

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. As at 31st December, 2017, Smt.K.Suryanarayanamma and Sri C. Satyanarayana Prasad vacated their office's in the Company.

3. Sandhya Holdings Private Limited ceased to be subsidiary as at December 31, 2017.



**RESTATED CONSOLIDATED SUMMARY STATEMENT OF RELATED PARTY OUTSTANDING BALANCES**
**Annexure – XXXIIIC**
**(₹ in Millions)**

Nature of transaction	Entity / Person	Nine Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Unsecured Loan to Partnership firm	Surya Enterprises	-	0.01	0.01	0.01	0.01	0.02
Reimbursement of Expense (payable)	K.V.Prasad (Managing director)	-	0.05	-	-	0.07	-
	K.Anand Kumar (Director)	-	-	-	0.09	0.06	0.05
Advance to Partnership firm	Srinivasa Ice factory	5.39	5.39	5.45	5.50	5.56	5.62
	Maple Constructions	-	-	-	17.68	17.68	17.65
Trade Payable	Padma Enterprises	-	0.50	0.52	0.53	0.55	0.51
	Mallikarjuna enterprises	-	0.37	10.05	13.50	2.43	-
Unsecured Loan from Director in Subsidiary	D. Hitesh Chenchu Ram	4.00	4.00	4.00	-	-	-
	D. Venkateswara Prasad	11.50	21.50	21.50	-	-	-
	K. Shri Puja	15.00	15.00	15.00	-	-	-
Remuneration Paid in advance	K.V.Prasad (Managing director)	-	-	0.53	-	-	-
	K.Arun Kumar (Director)	-	-	0.50	-	-	-
	K.Anand Kumar (Director)	-	-	0.42	-	-	-
Remuneration Payable	K.V.Prasad (Managing director)	0.69	0.58	-	0.17	0.19	0.17
	K.Surya Narayanamma (Director)	0.12	0.13	-	0.03	0.07	0.07
	K.Arun Kumar (Director)	0.66	0.54	-	0.03	0.17	0.36
	K.Anand Kumar (Director)	0.66	0.58	-	0.14	0.17	0.15
Unsecured Loan received	K.V.Prasad (Managing director)	-	1.10	-	-	-	-

**Note:** - 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. As at 31st December, 2017, Smt.K.Suryanarayanamma and Sri C. Satyanarayana Prasad vacated their office's in the Company.

3. Sandhya Holdings Private Limited ceased to be subsidiary as at December 31, 2017.

**A. CONTINGENT LIABILITY**

(₹ in Millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1) Appeal pending before CESTAT for Customs duty	11.13	11.13	11.13	11.13	11.13	11.13
2) Appeal pending before Sales Tax Appellate Tribunal	-	-	1.70	1.70	1.70	1.70
3) Appeal pending before Commercial Tax Dept.,	-	-	2.90	2.90	2.90	2.90
4) Guarantee given						
Bank Guarantee	-	10.03	9.69	2.68	-	-
Corporate Guarantee	724.80	724.80	510.20	-	-	-
6) Letters of Credit	86.18	74.59	-	-	-	16.29
7) Outstanding IT demand	-	-	-	-	0.62	-
<b>Total</b>	<b>822.11</b>	<b>820.55</b>	<b>535.62</b>	<b>18.41</b>	<b>16.35</b>	<b>32.02</b>

**B. CAPITAL COMMITMENTS**

(₹ in Millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
EPCG License duty saved	32.88	30.40	36.44	18.55	4.77	11.21
Export Obligation under EPCG Scheme	197.29	182.41	218.65	111.29	28.63	67.26

**C. RESTATED CONSOLIDATED SUMMARY STATEMENT OF CIF VALUE OF IMPORT**

(₹ in Millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
CIF Value of Capital Goods	70.43	74.78	40.33	60.26	16.69	42.36

**D. RESTATED CONSOLIDATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>(i) Provident Fund</b>						
Employer's Contribution to Provident Fund (including administrative and insurance expenses)	4.16	3.62	3.05	1.35	1.04	1.00
<b>(ii) Gratuity</b>	4.98	3.64	2.38	1.54	1.13	1.00

## E. RESTATED CONSOLIDATED SUMMARY STATEMENT OF SEGMENT REPORTING

### Primary Business Segment

The Company is engaged in a single business segment of Export of Shrimp.

### Geographical Segment

Secondary segment reporting is performed on basis of geographical location of customers. The following is the distribution of the company's sale by geographical markets:-

(₹ in Millions)

Particulars	For the Period Ended December 31,2017	For the Year Ended March 31,2017	For theYear Ended March 31,2016	For the Year Ended March 31,2015	For the Year Ended March 31,2014	For the Year Ended March 31,2013
<b>Revenue</b>						
USA	4,744.28	3,797.28	2,265.33	2,111.57	1,920.35	1,036.64
United Kingdom	101.29	140.73	205.85	176.12	223.17	51.68
Saudi Arabia	-	81.02	376.24	448.19	168.71	127.26
Nether Lands	198.13	322.95	169.92	201.48	205.98	-
Other Geographical Segments	988.34	878.45	482.53	696.51	718.35	207.54
<b>Total Revenue from Operations</b>	<b>6,032.04</b>	<b>5,220.43</b>	<b>3,499.87</b>	<b>3,633.87</b>	<b>3,236.56</b>	<b>1,423.12</b>
<b>Segment Assets</b>						
USA	936.75	768.20	312.08	83.16	173.88	91.05
United Kingdom	3.19	21.31	38.86	12.88	18.04	7.67
Saudi Arabia	-	-	104.29	38.93	15.73	19.56
Nether Lands	51.22	20.13	1.72	54.73	19.62	-
Other Geographical Segments	331.31	129.41	155.22	83.51	90.34	17.16
Unallocated Assets	2,531.04	2,040.72	1,689.30	1,385.09	985.97	565.62
<b>Total Assets</b>	<b>3,853.51</b>	<b>2,979.77</b>	<b>2,301.47</b>	<b>1,658.30</b>	<b>1,303.58</b>	<b>701.06</b>

**F. RESTATED CONSOLIDATED SUMMARY STATEMENT OF EARNINGS PER SHARE****(₹ in Millions)**

Particulars		As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Profit / (Loss) After Tax as restated as per Restated Consolidated Summary Statement of profit and loss	A	659.06	279.21	221.53	212.95	172.03	73.43
Weighted average number of equity shares outstanding during the period / year considered for calculating basic earning per share (Refer Note 1 & 2)	B	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400
<b>Earning per share of Rs 10 each</b> Basic / Diluted earning Per Share (Rs.)* (Refer Note 3)	C= A/B	7.43	3.15	2.50	2.40	1.94	0.83

\*Not Annualised for the nine months period ended December 31, 2017

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
2. Number of Shares for previous years have been adjusted with the Bonus shares issued during the 9 months period ending on 31st December, 2017
3. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts Rules, 2014)
4. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

**G. RESTATED CONSOLIDATED SUMMARY STATEMENT OF CSR EXPENDITURE****(₹ in Millions)**

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Gross Amount required to be spent by the company*	21.74	14.29	7.99	3.31	-	-
Amount Spent	-	0.10	1.85	-	-	-

\* Gross Amount required to be spent by the company for FY 17- 18 is based on the prorating for the Nine Months Ended December 31, 2017

## H. RESTATED CONSOLIDATED SUMMARY STATEMENT UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities:

(₹ in Millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
The amounts remaining unpaid to micro and small suppliers as at the end of the period/year						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
The amounts of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period/year	-	-	-	-	-	-
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 period/year but without adding the interest specified under MSMED Act, 2006	-	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/year	-	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding period/year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under the MSMED Act, 2006	-	-	-	-	-	-

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF CAPITALIZATION**

**Annexure – XXXV**  
**(₹ in Millions)**

<b>Particulars</b>	<b>Pre issue as at Dec 31, 2017</b>	<b>Post issue</b>
<b>Borrowings :</b>		
Long Term (A)	98.69	[•]
Short Term (B)	1,201.87	[•]
<b>Total Borrowings (C=A+B)</b>	<b>1,300.56</b>	<b>[•]</b>
<b>Shareholders' Fund</b>		
Equity Share Capital (D)	887.35	[•]
Reserves & Surplus (E)	919.07	[•]
<b>Total Shareholders' Fund (F = D+E)</b>	<b>1,806.42</b>	<b>[•]</b>
<b>Long term borrowings / Total shareholders' fund (A/F)</b>	<b>0.05</b>	<b>[•]</b>
<b>Total Borrowings / Total shareholders' fund (C/F)</b>	<b>0.72</b>	<b>[•]</b>

**Note: -** 1. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

2. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

3. Long Term borrowings is considered as borrowing other than short term borrowing, as defined above but includes the current maturities of long term borrowings.

4. The Corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

5. Reserves & Surplus does not include capital reserve.

**RESTATED CONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS**
**Annexure – XXXVI**
**(₹ in Millions)**

Particulars		As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Restated Consolidated net worth at the end of the period / year (Refer Note 3)	A	1,806.42	1,219.25	940.04	718.51	505.57	333.53
Profit / (Loss) After Tax as restated as per Restated Consolidated Summary Statement of profit and loss	B	659.06	279.21	221.53	212.94	172.03	73.44
Weighted average number of equity shares outstanding during the period / year considered for calculating basic earning per share (Refer Note 4 & 5)	C	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400
<b>Earnings per share of Rs 10 each</b>							
Basic / Diluted earning Per Share (Rs.)* (Refer Note 6)	D= B/C	7.43	3.15	2.50	2.40	1.94	0.83
Return on Net Worth (%)	E=B/A	36.48%	22.90%	23.57%	29.64%	34.03%	22.02%
No of Shares outstanding at the end of the period / year (Refer Note 5)	F	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400	88,735,400
Net Asset Value Per Share (Rs.)	G=A/F	20.36	13.74	10.59	8.10	5.70	3.76

**Notes:** 1. The above ratios have been computed on the basis of Restated Consolidated Summary Statements of the company.

2. The Ratios have been computed as below:

a) Basic / diluted earning per share = Net profit after tax as restated / weighted average number of equity shares outstanding during the period / year

b) Return on net worth (%) = Net profit after tax as restated \* 100 / Restated Net worth at the end of the period / year

c) Net Asset value per share = Restated Net worth at the end of the period / year / No. of shares outstanding at the end of period / year

3. Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss but does not include revaluation reserve.

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Number of Shares for previous years have been adjusted with the Bonus shares issued during the 9 months period ending on 31st December, 2017.

6. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014)

7. The above statement should be read with the explanatory notes to the Statement of restatement adjustments to Consolidated financial statements in Annexure IV, Company overview and Significant accounting policies as appearing in Annexure V and Notes to Restated Consolidated Summary Statements appearing from Annexure VI to Annexure XXXVI.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the Restated Consolidated Financial Statements, prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 190.*

*Indian GAAP differs in certain material respects from U.S. GAAP, IFRS and Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS or Ind AS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP.*

*Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page 14.*

*Unless otherwise indicated, the financial information included herein is based on the Restated Consolidated Financial Statements.*

### Overview

We are a growing product-focused company that exports a range of value added frozen seafood products. Our products are marketed by our customers through various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Currently, our portfolio comprises a range of ready-to-cook and ready-to-eat frozen seafood products that are made from cultured Pacific White Shrimp (*L. vannamei*). We believe that our continued focus on product quality and operational efficiency has enabled us to meet evolving customer needs whilst simultaneously enhancing our profitability. Our operations are strategically-based out of Andhra Pradesh, a major Indian aquaculture hub, and we have received, and maintain, a host of approvals, certifications and accreditations for our products and processing facilities, including, *inter alia*, from the United States Food and Drug Administration (US FDA), Hazard Analysis and Critical Control Points (HACCP), British Retail Consortium (BRC), Best Aquaculture Practices (BAP), Aquaculture Stewardship Council (ASC) and Business Social Compliance Initiative (BSCI).

Since our incorporation in 1987, we have methodically expanded both our customer and revenue base. During the five-year and nine-month period ended December 31, 2017, we have had a diversified customer base that comprises over 100 customers in more than 25 countries, including major international seafood distributors and brands such as Arista Industries, Inc., Chicken of the Sea Frozen Foods, Gourmet Fusion Foods, Inc. and Pacific Coral Seafood Co. Inc. Each of our top-five customers for the nine-month period ended December 31, 2017, has been our customer for over five years. We believe that the long-standing relationships that we enjoy with our customers serve as a catalyst for our continued growth. In recent years, we have also focused on bolstering our presence in the US frozen seafood market, and as per our Restated Consolidated Financial Statements, for the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, revenue from exports to USA contributed ₹ 2,111.57 million, ₹ 2,265.33 million, ₹ 3,797.28 million and ₹ 4,744.28 million, or 58.11%, 64.73%, 72.74% and 78.65% of our total revenues from operations, respectively.

Our portfolio of value added products is organized into the following groups:

- **Ready-to-Cook Products:** Our portfolio of ready-to-cook products comprises various types of processed frozen seafood products made from Pacific White Shrimp (*L. vannamei*), including Head Less Shell-On, Easy Peel, Peeled and Deveined (Tail-On), Peeled and Deveined (Tail-Off), Butterfly and Skewered variants, which are made available in raw, blanched or marinated form based on customer specifications; and



- **Ready-to-Eat Products:** Our portfolio of ready-to-eat products comprises various types of pre-cooked frozen seafood products made from Pacific White Shrimp (*L. vannamei*), including Easy Peel, Peeled and Deveined (Tail-On) and Peeled and Deveined (Tail-Off) variants.

At present, we have two modern processing facilities that are located along the coastal belt of Andhra Pradesh, with an aggregate installed processing capacity of 13,200 MTPA as at December 31, 2017. Our Palakole unit, which is owned and operated by the Company, is situated in the West Godavari district, while our Vetapalem unit, which is owned and operated by the Subsidiary, namely Aquatica Frozen Foods Global Private Limited is situated in the Prakasam district. We believe that the proximity of our processing facilities to aqua-farms that culture Pacific White Shrimp (*L. vannamei*) provides us with a significant locational advantage, and enables us to obtain a regular supply of quality raw material. Several key customers and end-retailers conduct periodic audits and approve our facilities and processes, which has helped enhance our reputation for quality.

Our supply chain currently comprises procurement primarily from aqua-farms across Andhra Pradesh, as well as procurement from aqua-farms in Orissa, West Bengal and Gujarat. Currently, we have entered into contract-farming arrangements with farmers for the cultivation of Pacific White Shrimp (*L. vannamei*) over 1,150 acres of land. As at December 31, 2017, we had our own fleet of 37 trucks with insulated storage that we utilize exclusively for our procurement activities. Further, as at December 31, 2017, we had our own fleet of three reefer trucks, which we utilize for transporting our finished products in temperate-controlled conditions. In addition to the in-house cold storage facilities at our Palakole and Vetapalem units, we also have an independent cold-storage facility at Visakhapatnam, with an installed capacity of 825 MT as at December 31, 2017. Each of our processing facilities is well-connected to major ports, which enables us to ensure timely delivery.

We are driven by a qualified and dedicated management team, comprising of seasoned professionals. Our Promoter, Chairman and Managing Director, namely Dr. K.V. Prasad, has been associated with the Company since its incorporation in 1987, and has played a significant role in the development of our business. Further, two of our other Promoters, namely Mr. K. Anand Kumar and Mr. K. Arun Kumar, are Whole Time Directors on our Board, and have been intrinsically involved in our business operations for more than a decade each. We believe that the knowledge and experience of our Promoters in the domain of seafood and aquaculture provides us with a significant competitive advantage. We have a qualified key management team, with diversified experience in the areas of procurement, processing, quality control, marketing and finance, which assists the Board in implementing our business strategies and furthering our growth. Our management team's collective experience and capabilities enable us to manage our business operations, leverage customer relationships as well as understand and anticipate market trends.

For Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, our total revenues were ₹ 3,722.81 million, ₹ 3,579.91 million, ₹ 5,288.43 million and ₹ 6,195.86 million, respectively. From Fiscal 2013 to Fiscal 2017, as per the Restated Consolidated Financial Statements, (i) our EBITDA increased from ₹ 141.80 million to ₹ 585.93 million, representing a CAGR of 42.58%; and (ii) our profit after tax (as adjusted for minority interest) increased from ₹ 73.44 million to ₹ 279.21 million, representing a CAGR of 39.64%. Our RoNW for Fiscals 2015, 2016, 2017, and the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements, was 29.64%, 23.57%, 22.90% and 36.48%, respectively.

### **Significant Factors Affecting Our Results of Operations and Financial Condition**

Our business, results of operations and financial condition are affected by a number of factors, including:

#### ***Cost and Availability of Raw Materials***

Raw shrimp is the key raw material for our processing operations, and the continued and sustained availability of quality raw material at competitive prices is essential to the growth of our business. Our cost of materials consumed constitutes the largest component of our cost structure. For the Fiscals 2015, 2016 and 2017, and the nine-month period ended December 31, 2017, our cost of materials consumed was ₹ 2,718.63 million, ₹ 2,577.95 million, ₹ 3,892.10 million and ₹ 4,352.02 million, or 73.03%, 72.01%, 73.60% and 70.24% of our total revenues, respectively. Our supply chain currently comprises procurement primarily from aquaculture farms across Andhra Pradesh, as well as procurement from aquaculture farms in Orissa, West Bengal and Gujarat. As we continue to grow our operations, we would need to procure additional volumes of raw materials. We usually do not enter into long-term supply contracts with any of our raw material suppliers. We are thus exposed to fluctuations in availability and prices of our raw materials. Any inability on our part to procure sufficient quantities of quality

raw materials and on commercially acceptable terms, could lead to a change in our cost of materials consumed and processing and sales volumes.

### ***Volume and Mix of Products Manufactured and Sold***

The key driver in the growth of our revenue from operations has been the volume of products processed and sold by us. Increased sales volume favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and processing and improves our operating margins through our ability to leverage our fixed cost base. Our results of operations are also affected by our product mix. Our high-value added ready-to-cook and ready-to-eat products have historically offered higher margins *vis-à-vis* our other products. However, the preparation of high-value added products, such as Skewered and Butterfly variants or ready-to-eat products, requires multi-stage processing and significant resources. In general, a higher percentage of high-value added products will have a positive impact on our revenues and profitability. In addition, we must maintain optimum levels of capacity utilization at our processing facilities and an appropriate standard of quality in our processing facilities' equipment and processes. Attaining and maintaining this level of utilization and quality requires considerable planning. If we are unable to achieve and maintain optimum levels of capacity utilization at our processing facilities in the future and offer the right mix of value added products, our financial condition and results of operations may be adversely affected.

### ***Market Conditions Affecting the Global Seafood Industry***

Our business is heavily dependent on the performance and trends of the global seafood industry, particularly the frozen seafood space. The demand for frozen seafood exhibits fluctuations from year and is subject to many factors beyond our control, including, but not limited to, economic growth rates, customer confidence, consumer perception, interest rates, regulatory requirements and trade agreements. Any economic downturn in the sale of frozen seafood products, whether in USA, Netherlands, United Kingdom or any other geography to which we export our products, may significantly affect our business, financial condition, results of operations, cash flows and growth.

### ***Exchange Rate Risk***

Our financial information is presented in Indian Rupees. However, we generate all of our sales internationally through export and sales outside of India. These sales are denominated in foreign currencies, primarily in U.S. dollars. The exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in the past and our results of operations have been impacted by such fluctuations, and may be impacted by such fluctuations in the future as well. For these reasons, our financial condition and results of operations are influenced by fluctuations in the relative values of the relevant currencies, especially between the Indian Rupee and the U.S. Dollar. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted, as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other operational variables impacting our business and results of operations during the same period. Further, we are exposed to risks that arise due to any movements in exchange rates in the period from the original commercial contract to the time of the settlement of the domestic equivalent of the foreign currency amount.

### ***Ability to Meet Customer Expectations and Retain Business***

We are significantly dependent on certain key customers for a significant portion of our sales. Our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Additionally, our customers have high and exacting standards for product quantity and quality as well as delivery schedules. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Inability to meet customer expectation or loss of business from a customer for any reason could impact our business and results of operations.

## ***Government Regulations and Policies***

Government regulations and policies of India and the countries to which we export our products can affect the demand for, and availability of, our products. These regulations and policies and the tax regimes to which we are subject could change at any time, with little or no warning or time for us to prepare. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. For further details see the section “*Regulations and Policies*”.

## **Significant Accounting Policies**

### ***Use of Estimates***

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialized.

### ***Fixed Assets***

Fixed Assets are stated at original cost including taxes, freight and other incidental expenses related to acquisition/installation and after adjustment of CENVAT benefits in accordance with Accounting Standards 10 and 26 issued by ICAI. Interest/financing costs on borrowed funds attributable to assets are treated in accordance with Accounting Standard 16 issued by the Institute of Chartered Accountants of India (ICAI).

### ***Depreciation***

Depreciation on Fixed assets is provided based on WDV Method as stated in Schedule XIV of the Companies Act, 1956 for the Financial Years 2012-13 and 2013-14, and on WDV Method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 for the FY ended 2014-15, 2015-16 and 2016-17.

### ***Impairment of Assets***

The company periodically tests its assets for impairment and if the carrying values are found in excess of value in use, the same is charged to Statement of profit and loss as per AS 28. The impaired loss charged to Statement of profit and loss will be reversed in the year on the event and to that extent of enhancement in estimate of value in use.

### ***Inventories***

Raw Materials are valued at cost or net realizable value whichever is lower. Cost includes all charges in bringing the goods to the point of destination which includes transportation and handling charges. Finished goods are valued at lower of cost or net realizable value and Work-in-progress is valued at cost. Stores and packing materials are valued at cost. Since the company purchases stores and spares as and when they are required for consumption, the value of stores and spares as on the date of balance sheet are very negligible.

### ***Interest and Financial Charges***

Documentation, Commitment and Service Charges other than for term loans are spread over the tenure of the finance facility.

### ***Revenue Recognition***

Revenue from operations includes Sale proceeds from frozen shrimp, head waste sales and Income from Export incentives namely Duty Draw Back, MEIS Scrips and VKGUY benefits.

Income from sale of products is recognized upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer and raising of invoices.

Income from export benefits is recognized as and when the right to utilize the export benefits is established.

**Interest Income is recognized on accrual basis.**

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

***Other Income***

Other Income includes Interest income, Income from mutual funds, Rental income, Forex fluctuations, Sale of wind power, CVD refund, insurance claims and other miscellaneous income.

***Foreign Currency Transactions***

1. Initial Recognition: Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transaction.
2. Conversion: Foreign currency monetary items are reported using the closing rate.
3. Exchange differences: Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of Profit and Loss.

***Taxes on Income***

Provision for current tax is made in accordance with the provisions of the Income-tax Act, 1961. Deferred tax provisioning on account of timing difference between taxable & accounting income, is made in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

***Borrowing Costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized till the date in which asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

***Government Grants***

Government grants are recognized either in Capital reserve or as income in Statement of Profit & Loss as and when the grant is actually received by the company depending on the nature of the grant received and the conditions for the recognition of Government grants are met as per Accounting Standard 12 "Accounting for Government Grants".

***Employee Benefits***

Provision for Gratuity is provided in the consolidated financial statements for complying with the Accounting Standards AS-15, and with the Payment of Gratuity Act, 1972.

Provident Fund: Expenditures pertaining to contributory provident fund account are charged to Statement of profit and loss.

***Provisions and Contingencies***

A provision is recognized when an enterprise has a present obligation as a result of the past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognized, however contingent liabilities are disclosed in the notes on accounts.

### ***Earnings per Share***

The Basic earnings per share (“**BEPS**”) is calculated by dividing the net profit or loss after taxes for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted Earnings per share (“**DEPS**”) is calculated after the weighted average number of Equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### ***Cash and Cash Equivalents***

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand, at bank (excluding margin deposits with banks).

### ***Bad-Debts***

Bad-Debts are written off to Statement of profit and loss as and when the debt is determined as un-realizable as per the opinion of the Management.

### ***Cash Flow Statement***

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 -Cash flow Statement. Cash and Cash equivalents for cash flow statement comprises cash at bank and in hand and bank deposits.

### **Principal Components of Income and Expenditure**

#### ***Revenue***

Our revenue consists of revenue from operations and other income.

#### ***Revenue from Operations***

Revenue from operations comprises of revenue from the sale of products and export benefits (net). Sale of products comprises sale proceeds from processed shrimp products and income from export incentives namely Duty Draw Back and MEIS Scrips/VKGUY benefits.

#### ***Other income***

Other income includes *inter alia*, interest income, income from mutual funds, rental income, forex fluctuations, sale of wind power, CVD refund, insurance claims and other miscellaneous income.

#### ***Expenditure***

Our expenditure include cost of materials consumed, changes in inventories of finished goods, manufacturing expenses, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

#### ***Cost of Materials Consumed***

The materials consumed comprises purchases of raw material, which comprises of raw shrimp.

#### ***Changes in Inventories of Finished Goods***

Changes in inventories of finished goods represents the net increase or decrease in inventories at the beginning of the year and end of the year.

#### ***Manufacturing Expenses***

Manufacturing expenses include rates, taxes and cess, inward transportation charges, labour charges, other production expenses, chemicals, plant-machinery repairs and maintenance, power and fuel, processing and packing charges and cold storage expenses.

### *Employee Benefits Expenses*

Employee benefit expenses include expenses in relation to salary, bonus and allowances, directors' remuneration, contribution to provident fund and ESI, gratuity and staff welfare expenses.

### *Finance Cost*

The finance cost incurred by us includes interest on borrowing, other interest expenses and bank charges.

### *Depreciation and Amortization Expenses*

Depreciation and amortization comprises of depreciation of tangible assets, including building, furniture and fixtures, electrical installation, lab equipment, plant and machinery, computer, vehicles and equipment;

### *Other Expenses*

Our other expenses include expenses in relation to, *inter alia*, rent, rates and taxes, fees and subscriptions, vehicle and other maintenance expenses, discounts, loss on sale of assets, donations, administrative expenses, insurance, wind power expenses, ocean freight and transportation charges, commission and promotion expenses, U.S. customs and other charges, forex loss and payment to auditors.

### *Tax Expenses*

Tax Expenses comprises of current tax, deferred tax and MAT Credit (Asset).

## Results of Operations (Restated Consolidated Financial Statements)

The following table sets forth certain information with respect to our results of operations as per our Restated Consolidated Financial Statements for the periods indicated:

	Particulars	Nine-Months Ended December 31, 2017		Year Ended March 31, 2017		Year Ended March 31, 2016		Year Ended March 31, 2015	
		Amount (₹ in Millions)	Percentage of Total Revenue (%)	Amount (₹ in Millions)	Percentage of Total Revenue (%)	Amount (₹ in Millions)	Percentage of Total Revenue (%)	Amount (₹ in Millions)	Percentage of Total Revenue (%)
<b>I</b>	<b>Revenue</b>								
	1. Revenue from operations	6,032.04	97.36	5,220.43	98.71	3,499.87	97.76	3,633.87	97.61
	2. Other income	163.82	2.64	68.00	1.29	80.04	2.24	88.94	2.39
	<b>Total Revenue</b>	<b>6,195.86</b>	<b>100.00</b>	<b>5,288.43</b>	<b>100.00</b>	<b>3,579.91</b>	<b>100.00</b>	<b>3,722.81</b>	<b>100.00</b>
<b>II</b>	<b>Expenses</b>								
	1. Cost of Materials Consumed	4,352.02	70.24	3,892.10	73.60	2,577.95	72.01	2,718.63	73.03
	2. Changes in inventories of finished goods	(149.10)	(2.41)	(54.37)	(1.03)	(35.60)	(0.99)	5.61	0.15
	3. Manufacturing expenses	483.00	7.80	404.26	7.64	288.91	8.07	257.78	6.92
	4. Employee benefits expenses	107.95	1.74	95.35	1.80	65.78	1.84	58.84	1.58
	5. Finance cost	42.24	0.68	38.73	0.73	24.74	0.69	16.00	0.43
	6. Depreciation and amortization expenses	65.48	1.06	76.93	1.45	42.94	1.20	48.97	1.32
	7. Other expenses	322.84	5.21	365.16	6.90	267.54	7.47	290.72	7.81
	<b>Total expenses</b>	<b>5,224.43</b>	<b>84.32</b>	<b>4,818.16</b>	<b>91.11</b>	<b>3,232.26</b>	<b>90.29</b>	<b>3,396.55</b>	<b>91.24</b>
<b>III</b>	<b>Profit / (loss) before exceptional, extraordinary items and tax</b>	<b>971.43</b>	<b>15.68</b>	<b>470.27</b>	<b>8.89</b>	<b>347.65</b>	<b>9.71</b>	<b>326.26</b>	<b>8.76</b>
	Exceptional items / Prior period Items	-	-	-	-	-	-	-	-
<b>IV</b>	<b>Profit / (loss) before extraordinary items and tax</b>	<b>971.43</b>	<b>15.68</b>	<b>470.27</b>	<b>8.89</b>	<b>347.65</b>	<b>9.71</b>	<b>326.26</b>	<b>8.76</b>
	Extraordinary items	40.99	0.66	-	-	-	-	-	-
	Transferred to Pre-operative Expenses	-	-	1.8	0.03	0.05	0.00	1.04	0.03
<b>V</b>	<b>Profit / (loss) before tax</b>	<b>1,012.42</b>	<b>16.34</b>	<b>472.07</b>	<b>8.93</b>	<b>347.7</b>	<b>9.71</b>	<b>327.3</b>	<b>8.79</b>

	Particulars	Nine-Months Ended December 31, 2017		Year Ended March 31, 2017		Year Ended March 31, 2016		Year Ended March 31, 2015	
		Amount (₹ in Millions)	Percentage of Total Revenue (%)	Amount (₹ in Millions)	Percentage of Total Revenue (%)	Amount (₹ in Millions)	Percentage of Total Revenue (%)	Amount (₹ in Millions)	Percentage of Total Revenue (%)
<b>VI</b>	<b>Less: Provision for CSR</b>	<b>7.66</b>	<b>0.12</b>	<b>6.35</b>	<b>0.12</b>	<b>4.68</b>	<b>0.13</b>	<b>3.31</b>	<b>0.09</b>
	Current tax	302.73	4.89	159.44	3.01	130.2	3.64	126.51	3.40
	Deferred tax Liability/(Asset)	(0.25)	0.00	(9.64)	(0.18)	(7.31)	(0.20)	(15.86)	(0.43)
	MAT Credit (Asset)	(57.82)	(0.93)	(11.45)	(0.22)	-	-	-	-
<b>VII</b>	<b>Tax expenses</b>	<b>244.66</b>	<b>3.95</b>	<b>138.35</b>	<b>2.62</b>	<b>122.89</b>	<b>3.43</b>	<b>110.65</b>	<b>2.97</b>
<b>VIII</b>	<b>Profit / (loss) after tax, as restated before adjustment for Minority Interest</b>	<b>760.10</b>	<b>12.27</b>	<b>327.37</b>	<b>6.19</b>	<b>220.13</b>	<b>6.15</b>	<b>213.34</b>	<b>5.73</b>
<b>IX</b>	<b>Less: Share of Profit/(Loss) transferred to Minority Interest</b>	108.99	1.76	15.86	0.30	(1.16)	(0.03)	0.40	0.01
<b>X</b>	Share of Pre acquisition Profit/(Loss) transferred to Capital reserve/(Goodwill)	-	-	-		(0.08)	0.00	-	-
<b>XI</b>	<b>Add: Share in profit/(Loss) of subsidiary's associate</b>	7.95	0.13	(32.30)	(0.61)	0.16	0.00	-	0.00
<b>XII</b>	<b>Profit for the year (after adjustment for Minority Interest)</b>	<b>659.06</b>	<b>10.64</b>	<b>279.21</b>	<b>5.28</b>	<b>221.53</b>	<b>6.19</b>	<b>212.94</b>	<b>5.72</b>



## Nine-Month Period ended December 31, 2017

### Revenue

Our total revenue for the nine-month period ended December 31, 2017, was ₹ 6,195.86 million.

For the nine-month period ended December 31, 2017, our revenue from operations was ₹ 6,032.04 million and our other income was ₹ 163.82 million. Our revenue from operations for the nine-month period ended December 31, 2017, primarily consisted of sale of products amounting to ₹ 5,569.01 million and export benefits (net) amounting to ₹ 463.03 million.

Our other income primarily comprised of forex gain amounting to ₹ 133.86 million, income from mutual funds/bonds amounting to ₹ 14.55 million, insurance claim amounting to ₹ 7.15 million and interest income amounting to Rs.6.30 million.

The following table sets forth certain information relation to our revenues for the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements:

Particulars	Nine-month Period Ended December 31, 2017	
	Amount (₹ in Million)	As a Percentage of Total Revenue (%)
<b>Revenue from Operations</b>		
Sale of Products	5,569.01	89.88
Export Benefits (net)	463.03	7.47
<b>Total Revenue from Operations</b>	<b>6,032.04</b>	<b>97.36</b>
<b>Other Income</b>		
Forex Gain	133.86	2.16
Income from Mutual Funds/Bonds	14.55	0.23
Insurance Claim	7.15	0.12
Interest income	6.30	0.10
Rental income	1.63	0.03
Profit on sale of Assets	0.13	0.00
Other Income	0.20	0.00
<b>Total Other Income</b>	<b>163.82</b>	<b>2.64</b>
<b>Total Revenue</b>	<b>6,195.86</b>	<b>100.00</b>

### Expenses

Our total expenses for the nine-month period ended December 31, 2017, were ₹ 5,224.43 million, which when expressed as a percentage of our total revenue for that period, amounted to 84.32%. Our expenditure include cost of materials consumed, changes in inventories of finished goods, manufacturing expenses, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

The following table sets forth certain information relation to our expenses for the nine-month period ended December 31, 2017, as per the Restated Consolidated Financial Statements:

Particulars	Nine-month Period Ended December 31, 2017	
	Amount (₹ in Million)	As a Percentage of Total Revenue (%)
<b>Expenses</b>		
Cost of Materials Consumed	4,352.02	70.24
Changes in inventories of finished goods	(149.10)	(2.41)

Particulars	Nine-month Period Ended December 31, 2017	
	Amount (₹ in Million)	As a Percentage of Total Revenue (%)
Manufacturing expenses	483.00	7.80
Employee benefits expenses	107.95	1.74
Finance cost	42.24	0.68
Depreciation and amortization expenses	65.48	1.06
Other expenses	322.84	5.21
<b>Total Expenses</b>	<b>5,224.43</b>	<b>84.32</b>

#### *Cost of Materials consumed*

The cost of materials consumed for the nine-month period ended December 31, 2017, was ₹ 4,352.02 million, which primarily comprised of costs relating to purchase of raw shrimp.

#### *Changes in inventories of Finished Goods*

There was a net increase in the inventories of finished goods aggregating to ₹ 149.10 million for the nine-month period ended December 31, 2017.

#### *Manufacturing Expenses*

Manufacturing expenses for the nine-month period ended December 31, 2017, were ₹ 483.00 million, which comprised primarily of labour charges amounting to ₹ 148.29 million, processing and packing charges amounting to ₹ 105.12 million, power and fuel expenses amounting to ₹ 95.34 million, inward transportation charges amounting to ₹ 48.39 million and chemicals amounting to ₹ 39.12 million.

#### *Employee Benefits Expenses*

Employee benefit expenses for the nine-month period ended December 31, 2017, were ₹ 107.95 million, which comprised primarily of salaries, bonus and allowances amounting to ₹ 73.53 million and directors' remuneration amounting to ₹ 28.74 million. During the nine-month period ended December 31, 2017, contribution to provident and ESI was ₹ 4.16 million, gratuity was ₹ 1.34 million and staff welfare expenses were ₹ 0.18 million.

#### *Finance Cost*

Our finance costs for the nine-month period ended December 31, 2017, were ₹ 42.24 million. These primarily comprised interest on borrowings amounting to ₹ 30.09 million and bank charges amounting to ₹ 12.12 million.

#### *Depreciation and amortization expenses*

For the nine-month period ended December 31, 2017, our depreciation and amortization expenses were ₹ 65.48 million.

#### *Other expenses*

For the nine-month period ended December 31, 2017, our other expenses were ₹ 322.84 million. These primarily comprised ocean freight and transportation charges amounting to ₹ 143.69 million, U.S. customs and other charges amounting to ₹ 106.20 million, insurance amounting to ₹ 27.50 million, commission and promotion expenses amounting to ₹ 12.83 million and vehicle and other maintenance expenses amounting to ₹ 11.07 million.

#### *Profit before Tax*

Our profit before tax for the nine-month period ended December 31, 2017, was ₹ 1,012.42 million.

### ***Extraordinary items***

For the nine-month period ended December 31, 2017, our extraordinary items were ₹ 40.99 million due to the sale of our subsidiary.

A provision of ₹ 7.66 million was made in respect of CSR activities for the nine-month period ended December 31, 2017.

### ***Tax Expenses***

For the nine-month period ended December 31, 2017, ₹ 244.66 million in total tax expenses were incurred which primarily comprises of current tax amounting to Rs.302.73 million which was offset by MAT Credit (Asset) amounting to Rs.57.82 million.

### ***Profit after Tax, as restated, before adjustment for Minority Interest***

Our profit after tax, as restated, before adjustment for minority interest, for the nine-month period ended December 31, 2017, was ₹ 760.10 million.

For the nine-month period ended December 31, 2017, ₹ 108.99 million in share of profit was transferred to minority interest, while share in profit of subsidiary's associate amounted to ₹ 7.95 million.

### ***Profit after Tax, as restated, after adjustment for Minority Interest***

As a result of the foregoing, our profit after tax, as restated, after adjustment for minority interest, for the nine-month period ended December 31, 2017, was ₹ 659.06 million.

## **Fiscal 2017 compared to Fiscal 2016**

### ***Revenue***

Our total revenue increased by 47.73% from ₹ 3,579.91 million in Fiscal 2016 to ₹ 5,288.43 million in Fiscal 2017, which was primarily driven by an increase in revenue from operations. The aforesaid increase reflects the significant growth in our business and processing capacity subsequent to the commencement of operations of the processing facility owned and operated by our Subsidiary, namely Aquatica Frozen Foods Global Private Limited, in February 2016.

### ***Revenue from Operations***

Our revenue from operations increased by 49.16% from ₹ 3,499.87 million in Fiscal 2016 to ₹ 5,220.43 million in Fiscal 2017, due to an increase in sale of products as well as export benefits. In Fiscal 2017 as compared to Fiscal 2016, sale of products increased by 49.11%, from ₹ 3,228.97 million to ₹ 4,814.61 million, while export benefits (net) increased by 49.80%, from ₹ 270.90 million to ₹ 405.82 million.

Our revenues from exports to USA grew by 67.63% from ₹ 2,265.33 million in Fiscal 2016 to ₹ 3,797.28 million in Fiscal 2017, while revenues from exports to Netherlands grew by 90.06% from ₹ 169.92 million in Fiscal 2016 to ₹ 322.95 million in Fiscal 2017. However, the aforesaid increase in exports to USA and Netherlands was offset by a decrease in exports to Saudi Arabia and the United Kingdom.

### ***Other income***

Our other income decreased by 15.04% from ₹ 80.04 million in Fiscal 2016 to ₹ 68.00 million in Fiscal 2017 mainly due to decrease in Insurance claim from Rs.30.83 million in Fiscal 2016 to Rs.0.04 million in Fiscal 2017, CVD Refund from ₹ 22.88 million in Fiscal 2016 to nil in Fiscal 2017 and interest income from ₹ 23.27 million in Fiscal 2016 to ₹ 12.95 million in Fiscal 2017. However, the decrease is off set mainly due to increase in forex gain of ₹ 35.39 million in Fiscal 2017 and income from mutual funds/bonds increased from ₹ 2.22 million in Fiscal 2016 to ₹ 18.89 million in Fiscal 2017.

## ***Expenditure***

Our total expenses increased by 49.06% from ₹ 3,232.26 million in Fiscal 2016 to ₹ 4,818.16 million in Fiscal 2017, which was commensurate with the increase in our total revenues for Fiscal 2017. Total expenses as a percentage of our total revenue, increased marginally from 90.29% in Fiscal 2016 to 91.11% in Fiscal 2017.

### ***Cost of Materials Consumed***

The cost of materials consumed increased by 50.98% from ₹ 2,577.95 million in Fiscal 2016 to ₹ 3,892.10 million in Fiscal 2017, as a result of the increase in our scale of production during Fiscal 2017. Our cost of materials consumed as a percentage of our total revenue was 73.60% in Fiscal 2017 as compared to 72.01% in Fiscal 2016.

### ***Changes in inventories of Finished Goods***

There was a net increase in the inventories of finished goods aggregating to ₹ 54.37 million in Fiscal 2017.

### ***Manufacturing Expenses***

Our manufacturing expenses increased by 39.93%, from ₹ 288.91 million in Fiscal 2016 to ₹ 404.26 million in Fiscal 2017, primarily as a result of the increase in our scale of production. However, our manufacturing expenses as a percentage of our total revenue decreased from 8.07% in Fiscal 2016 to 7.64% in Fiscal 2017.

Labour charges increased by 36.57%, from ₹ 97.81 million in Fiscal 2016 to ₹ 133.58 million in Fiscal 2017, while power and fuel increased by 52.91%, from ₹ 56.91 million in Fiscal 2016 to ₹ 87.02 million in Fiscal 2017. Further, processing and packing charges increased by 20.26%, from ₹ 73.94 million in Fiscal 2016 to ₹ 88.92 million in Fiscal 2017, and chemicals increased by 43.33%, from ₹ 26.01 million in Fiscal 2016 to ₹ 37.28 million in Fiscal 2017.

### ***Employee Benefits Expenses***

Employee benefit expense increased by 44.95% from ₹ 65.78 million in Fiscal 2016 to ₹ 95.35 million in Fiscal 2017, driven by the 122.32% increase in salary, bonus and allowances in Fiscal 2017 as compared to Fiscal 2016. The aforesaid increase was primarily on account of the significant increase in employee strength in Fiscal 2017.

### ***Finance Cost***

Finance costs increased by 56.55% from ₹ 24.74 million in Fiscal 2016 to ₹ 38.73 million in Fiscal 2017, primarily as a result of an increase in interest on borrowing and bank charges. Our finance cost as a percentage of our total revenue was 0.69% in Fiscal 2016 as compared to 0.73% in Fiscal 2017.

Interest on borrowing increased by 56.19%, from ₹ 17.12 million in Fiscal 2016 to ₹ 26.74 million in Fiscal 2017, while bank charges increased by 58.68%, from ₹ 7.55 million in Fiscal 2016 to ₹ 11.98 million in Fiscal 2017.

### ***Depreciation and Amortization Expenses***

Depreciation and amortization expenses increased by 79.16% from ₹ 42.94 million in Fiscal 2016 to ₹ 76.93 million in Fiscal 2017. As a percentage of our total revenue, depreciation and amortization expenses were 1.20% in Fiscal 2016 as compared to 1.45% in Fiscal 2017.

### ***Other expenses***

Our other expenses increased by 36.48%, from ₹ 267.54 million in Fiscal 2016 to ₹ 365.16 million in Fiscal 2017. This was primarily on account of expenses in relation to ocean freight and transportation charges, U.S. customs and charges, insurance and discounts. Our other expenses as a percentage of our total revenue reduced from 7.47% in Fiscal 2016 to 6.90% in Fiscal 2017.

Ocean freight and transportation charges increased by 31.20%, from ₹ 100.87 million in Fiscal 2016 to ₹ 132.35 million in Fiscal 2017; U.S. customs and other charges increased by 33.28%, from ₹ 80.10 million in Fiscal 2016 to ₹ 106.76 million in Fiscal 2017; insurance increased by 56.28%, from ₹ 42.93 million in Fiscal 2016 to ₹ 67.09

million in Fiscal 2017. In Fiscal 2017, discounts were ₹ 16.43 million as compared to ₹ 0.16 million in Fiscal 2016.

***Profit before Tax, before exception, extraordinary items and tax***

As a result of the foregoing, our profit before tax, before exception, extraordinary items and tax increased by 35.27% from ₹ 347.65 million in Fiscal 2016 to ₹ 470.27 million in Fiscal 2017.

In Fiscal 2017, ₹ 1.80 million were transferred to pre-operative expenses as compared to ₹ 0.05 million that were transferred in Fiscal 2016.

***Profit before Tax***

As a result of the foregoing, our profit before tax increased by 35.77% from ₹ 347.70 million in Fiscal 2016 to ₹ 472.07 million in Fiscal 2017.

A provision of ₹ 6.35 million was made in respect of CSR activities during Fiscal 2017 as compared to a provision of ₹ 4.68 million during Fiscal 2016.

***Tax Expenses***

Tax expenses incurred increased by 12.58% from ₹ 122.89 million in Fiscal 2016 to ₹ 138.35 million in Fiscal 2017, mainly due to the increase in current tax, which increased by 22.46%, from ₹ 130.20 million in Fiscal 2016 to ₹ 159.44 million in Fiscal 2017.

***Profit after Tax, as restated, before adjustment for Minority Interest***

Our profit after tax, as restated, before adjustment for minority interest, increased by 48.72%, from ₹ 220.13 million in Fiscal 2016 to ₹ 327.37 million in Fiscal 2017.

In Fiscal 2017, ₹ 15.86 million in share of profit was transferred to minority interest as compared to ₹ 1.16 million in share of loss transferred to minority interest in Fiscal 2016. Further, in Fiscal 2017, our share in the loss of subsidiary's associate amounted to ₹ 32.30 million as compared to ₹ 0.16 million in the share of profit of subsidiary's associate in Fiscal 2016.

***Profit after Tax, as restated, after adjustment for Minority Interest***

Our profit after tax, as restated, after adjustment for minority interest, increased by 26.04%, from ₹ 221.53 million in Fiscal 2016 to ₹ 279.21 million in Fiscal 2017.

**Fiscal 2016 compared to Fiscal 2015**

***Revenue***

Our total revenue decreased by 3.84% from ₹ 3,722.81 million in Fiscal 2015 to ₹ 3,579.91 million in Fiscal 2016. However, despite the decrease in total revenue in Fiscal 2016 as compared to Fiscal 2015, the increase in our profit after tax, as restated, after adjustment for minority interest, represents our continued endeavours to achieve a high-level of operational efficiency.

***Revenue from Operations***

Our revenue from operations decreased by 3.69% from ₹ 3,633.87 million in Fiscal 2015 to ₹ 3,499.87 million in Fiscal 2016, due to an decrease in revenue from sale of products and other income. This was primarily on account of the correction in prices of shrimp globally.

In Fiscal 2016 as compared to Fiscal 2015, sale of products decreased by 5.01%, from ₹ 3,399.34 million to ₹ 3,228.97 million. However, in terms of volume, sales of products in Fiscal 2016 increased by 15.43% as compared to Fiscal 2015. Accordingly, export benefits (net) increased by 15.50%, from ₹ 234.53 million to ₹ 270.90 million.

### *Other income*

Our other income decreased by 10.01% from ₹ 88.94 million in Fiscal 2015 to ₹ 80.04 million, mainly because we did not have any forex gain in Fiscal 2016, as compared to a forex gain of ₹ 54.59 million in Fiscal 2015. Our other income as a percentage of our total revenue, decreased from 2.39% for Fiscal 2015 to 2.24% for Fiscal 2016.

### *Expenditure*

Our total expenses decreased by 4.84% from ₹ 3,396.55 million in Fiscal 2015 to ₹ 3,232.26 million in Fiscal 2016. Total expenses as a percentage of our total revenue, decreased from 91.24% in Fiscal 2015 to 90.29% in Fiscal 2016.

### *Cost of Materials Consumed*

The cost of materials consumed decreased by 5.17% from ₹ 2,718.63 million in Fiscal 2015 to ₹ 2,577.95 million in Fiscal 2016, as a result of the decrease in purchases of raw material in Fiscal 2016 as compared to Fiscal 2015. The aforesaid decrease was as a result of the correction in prices of raw materials in Fiscal 2016. Our cost of materials consumed as a percentage of our total revenue was 73.03% in Fiscal 2015 as compared to 72.01% in Fiscal 2016.

### *Changes in inventories of Finished Goods*

There was a net increase in the inventories of finished goods aggregating to ₹ 35.60 million in Fiscal 2016.

### *Manufacturing Expenses*

Our manufacturing expenses increased by 12.08%, from ₹ 257.78 million in Fiscal 2015 to ₹ 288.91 million in Fiscal 2016, primarily due to the increase in labour charges and processing and packing charges. Our manufacturing expenses as a percentage of our total revenue increased from 6.92% in Fiscal 2015 to 8.07% in Fiscal 2016.

Labour charges increased by 33.26%, from ₹ 73.40 million in Fiscal 2015 to ₹ 97.81 million in Fiscal 2016, while processing and packing charges increased by 30.77%, from ₹ 56.54 million in Fiscal 2015 to ₹ 73.94 million in Fiscal 2016.

### *Employee Benefits Expenses*

Employee benefit expense increased by 11.79% from ₹ 58.84 million in Fiscal 2015 to ₹ 65.78 million in Fiscal 2016. The aforesaid increase was primarily on account of the increase in salary, bonus and allowances, which grew from ₹ 17.63 million in Fiscal 2015 to ₹ 23.39 million in Fiscal 2016. The aforesaid increase was primarily on account of the increase in employee strength in Fiscal 2016.

### *Finance Cost*

Finance costs increased by 54.63% from ₹ 16.00 million in Fiscal 2015 to ₹ 24.74 million in Fiscal 2016, primarily as a result of increase in interest on borrowing. Increase in interest on borrowing grew by 52.58%, from ₹ 11.22 million in Fiscal 2015 to ₹ 17.12 million in Fiscal 2016, driven by the significant increase in short term borrowings. Our finance cost as a percentage of our total revenue was 0.43% in Fiscal 2015 as compared to 0.69% in Fiscal 2016.

### *Depreciation and Amortization Expenses*

Depreciation and amortization expenses decreased by 12.31% from ₹ 48.97 million in Fiscal 2015 to ₹ 42.94 million in Fiscal 2016. As a percentage of our total revenue, depreciation and amortization expenses were 1.20% in Fiscal 2016 as compared to 1.32% in Fiscal 2015.

### *Other expenses*

Our other expenses decreased by 7.97%, from ₹ 290.72 million in Fiscal 2015 to ₹ 267.54 million in Fiscal 2016. This was primarily on account of the decrease in expenses in relation to insurance from ₹ 96.10 million in Fiscal

2015 to ₹ 42.93 million in Fiscal 2016, which was partially offset by the increase in ocean freight and transportation charges from ₹ 85.74 million in Fiscal 2015 to ₹ 100.87 million in Fiscal 2016 and increase in U.S. customs and other charges from ₹ 70.38 million in Fiscal 2015 to ₹ 80.10 million in Fiscal 2016. Our other expenses as a percentage of our total revenue reduced from 7.80% in Fiscal 2015 to 7.46% in Fiscal 2016.

***Profit before Tax, before exception, extraordinary items and tax***

As a result of the foregoing, our profit before tax, before exception, extraordinary items and tax increased by 6.56% from ₹ 326.26 million in Fiscal 2015 to ₹ 347.65 million in Fiscal 2016.

In Fiscal 2016, ₹ 0.05 million were transferred to pre-operative expenses as compared to ₹ 1.04 million that were transferred in Fiscal 2015.

***Profit before Tax***

As a result of the foregoing, our profit before tax increased by 6.23% from ₹ 327.30 million in Fiscal 2015 to ₹ 347.70 million in Fiscal 2016.

A provision of ₹ 4.68 million was made in respect of CSR activities during Fiscal 2016 as compared to a provision of ₹ 3.31 million during Fiscal 2015.

***Tax Expenses***

Tax expenses incurred increased by 11.06% from ₹ 110.65 million in Fiscal 2015 to ₹ 122.89 million in Fiscal 2016 mainly due to decrease in Deferred Tax Asset from Rs.15.86 million in Fiscal 2015 to ₹ 7.31 million in Fiscal 2016.

***Profit after Tax, as restated, before adjustment for Minority Interest***

Our profit after tax, as restated, before adjustment for minority interest, increased by 3.18%, from ₹ 213.34 million in Fiscal 2015 to ₹ 220.13 million in Fiscal 2016.

In Fiscal 2016, ₹ 1.16 million in share of loss was transferred to minority interest as compared to ₹ 0.40 million in share of profit transferred to minority interest in Fiscal 2015.

In Fiscal 2016, ₹ 0.08 million of pre-acquisition loss transferred to Goodwill. Further, in Fiscal 2016, our share in the profit of subsidiary's associate amounted to ₹ 0.16 million.

***Profit after Tax, as restated, after adjustment for Minority Interest***

Our profit after tax, as restated, after adjustment for minority interest, increased by 4.03%, from ₹ 212.94 million in Fiscal 2015 to ₹ 221.53 million in Fiscal 2016.

**Financial Condition**

***Assets***

The following table sets forth the principal components of our assets as of the dates specified:

(₹ in million)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>ASSETS</b>				
<b>Non - current assets</b>				
<b>(a) Fixed assets:</b>				
(i) Tangible assets	592.63	474.19	500.37	255.56
(ii) Intangible assets				
(iii) Capital work-in-progress	79.93	101.91	-	59.79
(b) Goodwill on Consolidation	0.08	0.08	0.08	-

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(c) Non-current investments	210.75	384.54	390.32	262.12
(d) Long term loans and advances	73.03	17.13	31.18	70.46
	<b>956.42</b>	<b>977.85</b>	<b>921.95</b>	<b>647.93</b>
<b>Current assets</b>				
(a) Current investments	810.85	583.31	363.68	0.02
(b) Inventories	266.90	117.80	63.43	27.83
(c) Trade receivables	1,153.72	795.58	542.83	543.82
(d) Cash and bank balances	346.66	296.91	306.63	352.41
(e) Short term loans and advances	138.49	49.98	17.60	15.45
(f) Other current assets	180.47	158.34	85.35	70.84
	<b>2,897.09</b>	<b>2,001.92</b>	<b>1,379.52</b>	<b>1,010.37</b>
<b>Total</b>	<b>3,853.51</b>	<b>2,979.77</b>	<b>2,301.47</b>	<b>1,658.30</b>

### *Liquidity and Capital Resources*

Historically, our primary liquidity requirements have been to finance our working capital needs, loan repayments, and our capital expenditures. To fund these requirements we have relied on a combination of borrowings and cash flows from operations.

### **Cash Flows**

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

(₹ in million)

Particulars	Nine-Months Ended December 31, 2017	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Net cash provided by / (used in) operating activities - (A)	205.76	(43.37)	288.66	228.12
Net cash flow from / (used in) investing activities - (B)	(216.94)	(271.98)	(635.58)	(265.89)
Net cash flow from / (used in) financing activities - (c)	92.08	390.82	332.99	106.44
Cash and cash equivalents at the end of the period / year	251.44	170.55	95.08	109.01

### *Operating Activities*

Net cash provided by operating activities was ₹ 205.76 million for the nine-month period ended December 31, 2017, and consisted of profit before tax, as restated, of ₹ 1,012.42 million, as (i) adjusted for non-cash items, primarily depreciation of ₹ 65.48 million and minority interest of ₹ 108.99 million; (ii) increased by preliminary expenses to the extent of ₹ 0.41 million and interest on borrowings to the extent of ₹ 30.09 million; (iii) profit on sale of fixed assets amounting to ₹ 0.13 million, extra ordinary item amounting to ₹ 40.99 million, interest income of ₹ 6.30 million and income from mutual funds/bonds amounting to ₹ 14.55 million; and (iv) further adjusted for changes in working capital amounting to ₹ 480.54 million, and decreased by direct taxes paid amounting to ₹ 251.14 million.

Net cash used in operating activities was ₹ 43.37 million for Fiscal 2017, and consisted of profit before tax, as restated, of ₹ 472.07 million, as (i) adjusted for non-cash items, primarily depreciation of ₹ 76.93 million and minority interest of ₹ 15.86 million; (ii) increased by preliminary expenses to the extent of ₹ 0.55 million and interest on borrowings to the extent of ₹ 26.74 million; (iii) decreased by interest income of ₹ 12.95 million and



income from mutual funds/bonds amounting to ₹ 18.89 million; and (iv) further adjusted for changes in working capital amounting to ₹ 412.50 million, and decreased by direct taxes paid amounting to ₹ 159.36 million and CSR payment of ₹ 0.10 million.

Net cash provided by operating activities was ₹ 288.66 million for Fiscal 2016, and consisted of profit before tax, as restated, of ₹ 347.70 million, as (i) adjusted for non-cash items, primarily depreciation of ₹ 42.94 million and minority interest of ₹ 1.16 million; (ii) increased by preliminary expenses to the extent of ₹ 0.55 million and interest on borrowings to the extent of ₹ 17.12 million; (iii) decreased by interest income to the extent of ₹ 23.27 million and income from mutual funds/bonds amounting to ₹ 2.22 million; and (iv) further adjusted for changes in working capital amounting to ₹ 22.19 million, and decreased by direct taxes paid amounting to ₹ 115.67 million and CSR payment of ₹ 1.85 million.

Net cash provided by operating activities was ₹ 228.12 million for Fiscal 2015, and consisted of profit before tax, as restated, of ₹ 327.30 million, as (i) adjusted for non-cash items, primarily depreciation of ₹ 48.97 million and minority interest of ₹ 0.40 million; (ii) increased by loss on sale of fixed assets amounting to ₹ 1.17 million and interest on borrowings amounting to ₹ 11.22 million; (iii) decreased by interest income amounting to ₹ 20.77 million; and (iv) further adjusted for changes in working capital amounting to ₹ 17.95 million and decreased by direct taxes paid amounting to ₹ 121.42 million.

### ***Investing Activities***

Net cash used in investing activities was ₹ 216.94 million for the nine-month period ended December 31, 2017, as a result of an increase in current investments to the extent of ₹ 213.00 million, purchase of fixed assets amounting to ₹ 162.11 million and advances for capital goods amounting to ₹ 53.02 million as against interest income of ₹ 6.30 million decrease in non-current investments amounting to ₹ 173.45 million, net investment in bank deposits (having original maturity of more than three months) amounting to ₹ 31.13 million and sale of fixed assets amounting to ₹ 0.30 million.

Net cash used in investing activities was ₹ 271.98 million for Fiscal 2017, as a result of an increase in current investments to the extent of ₹ 200.73 million, an increase in non-current investments to the extent of ₹ 30.73 million and purchase of fixed assets amounting to ₹ 152.67 million, as against interest income of ₹ 12.95 million, net investment in bank deposits (having original maturity of more than three months) amounting to ₹ 85.20 million, sale of fixed assets amounting to ₹ 0.01 million and advances for capital goods to the extent of ₹ 13.99 million.

Net cash used in investing activities was ₹ 635.58 million for Fiscal 2016, as a result of an increase in current investments to the extent of ₹ 361.45 million, an increase in non-current investments to the extent of ₹ 128.04 million and purchase of fixed assets amounting to ₹ 227.95 million, as against interest income of ₹ 23.27 million, net investment in bank deposits (having original maturity of more than three months) amounting to ₹ 31.85 million and advances for capital goods to the extent of ₹ 26.74 million.

Net cash used in investing activities was ₹ 265.89 million for Fiscal 2015, as a result of an increase in non-current investments to the extent of ₹ 72.55 million, net investment in bank deposits (having original maturity of more than three months) amounting to ₹ 100.76 million, purchase of fixed assets amounting to ₹ 94.98 million and advances for capital goods to the extent of ₹ 40.87 million, as against interest income of ₹ 20.77 million and sale of fixed assets amounting to ₹ 22.50 million.

### ***Financing Activities***

Net cash from financing activities was ₹ 92.08 million for the nine-month period ended December 31, 2017, which comprised proceeds from long term borrowings amounting to ₹ 40.56 million, proceeds from short term borrowing amounting to ₹ 42.20 million, subsidy received to the extent of ₹ 10.71 million and change in minority interest amounting to ₹ 103.47 million, which was offset by an increase in long term loans and advances to the extent of ₹ 2.88 million, interest on borrowings amounting to ₹ 30.09 million, dividend paid amounting to ₹ 59.73 million and tax paid on dividends to the extent of ₹ 12.16 million.

Net cash from financing activities was ₹ 390.82 million for Fiscal 2017, which comprised proceeds from short term borrowing amounting to ₹ 458.33 million, subsidy received to the extent of ₹ 12.50 million, change in minority interest amounting to ₹ 18.60 million and a decrease in long term loans and advances to the extent of ₹

0.06 million, which was offset by repayment of long term borrowings to the extent of ₹ 71.93 million and interest on borrowings to the extent of ₹ 26.74 million.

Net cash from financing activities was ₹ 332.99 million for Fiscal 2016, which comprised proceeds from long term borrowings amounting to ₹ 98.04 million, proceeds from short term borrowing amounting to ₹ 198.15 million, subsidy received to the extent of ₹ 37.50 million, change in minority interest amounting to ₹ 3.88 million and a decrease in long term loans and advances to the extent of ₹ 12.54 million, which was offset by interest on borrowings to the extent of ₹ 17.12 million.

Net cash from financing activities was ₹ 106.44 million for Fiscal 2015, which comprised proceeds from long term borrowings amounting to ₹ 0.56 million, proceeds from short term borrowing amounting to ₹ 92.75 million, change in minority interest amounting to ₹ 24.45 million, which was offset by an increase in long term loans and advances amounting to ₹ 0.10 million and interest on borrowings to the extent of ₹ 11.22 million.

### **Indebtedness**

For information on financial indebtedness, please see the section entitled “*Financial Indebtedness*” on page 336 of this Draft Red Herring Prospectus.

### **Contingent Liabilities and Capital Commitments**

The following table sets forth certain information relating to our contingent liabilities as at December 31, 2017, as per our Restated Consolidated Financial Statements:

<b>Particulars</b>	<b>As of December 31, 2017 (₹ in Million)</b>
1) Appeal pending before CESTAT for Customs duty	11.13
2) Corporate Guarantee	724.80
3) Letters of Credit	86.18
<b>Total</b>	<b>822.11</b>

The following table sets forth certain information relating to our capital commitments as at December 31, 2017, as per our Restated Consolidated Financial Statements:

<b>Particulars</b>	<b>As of December 31, 2017 (₹ in Million)</b>
EPCG License duty saved	32.88
Export Obligation under EPCG Scheme	197.29

### **Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, liquidity risk, credit risk and inflation risk and in the normal course of our business.

#### ***Commodity Risk***

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect our business and results of operations. We do not currently engage in any hedging activities against commodity price risk.

#### ***Foreign Exchange Risk***

We are exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. Products that we export are paid for in foreign currency. Any appreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would decrease the realization of Rupee value of our products. The exchange rate between the Rupee and each of the U.S. dollar and Euro has changed substantially in recent years and may continue to fluctuate significantly in the future. Adverse movements in foreign exchange rates may adversely affect our results of operations and financial condition.

### ***Liquidity Risk***

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

### ***Credit Risk***

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms of 55 days to 60 days with our customers. As of December 31, 2017 and March 31, 2017, 2016 and 2015, our trade receivables were ₹ 1,153.72 million, ₹ 795.58 million, ₹ 542.83 million and ₹ 543.82 million, respectively.

### ***Interest Rate Risk***

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a certain extent by borrowings and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current loan facilities carry interest at variable rates as well as fixed rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service term loans and to finance development of new projects, all of which in turn may adversely affect our results of operations. We do not have a policy to enter into hedging arrangements against interest rate fluctuations.

### ***Inflation***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

### **Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, please see section titled “*Related Party Transactions*” on page 188 of this Draft Red Herring Prospectus.

### **Changes in Accounting Policies**

There have been no changes in accounting policies during the preceding five fiscal years.

### **Off-Balance Sheet Arrangements**

Except as disclosed in this Draft Red Herring Prospectus, we do not have any material off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships established or contemplated for the purpose of facilitating off-balance sheet transactions.

### **Unusual or Infrequent Events or Transactions**

Except as described in sections “*Risk Factors*” and “*Our Business*”, on pages 14 and 140, respectively, to our knowledge, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”

### **Significant Economic Changes that Materially affect or are likely to affect Income from Continuing Operations**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in “*Management’s*

*Discussion and Analysis of Financial Condition and Results of Operations*” and the uncertainties described in the section titled “*Risk Factors*” on pages 310 and 14 of this Draft Red Herring Prospectus, respectively.

### **Future Relationship between Cost and Income**

Except as described in the sections titled “*Risk Factors*”, “*Our Business*” and this section, to the best of our knowledge there are no known factors that might affect the future relationship between cost and revenue.

### **Known Trends or Uncertainties**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “- *Significant Factors Affecting Our Results of Operations*” and the uncertainties described in the section “*Risk Factors*” on page 14, of this Draft Red Herring Prospectus. To our knowledge, except as described in this Draft Red Herring Prospectus, there are no known trends or uncertainties that we expect to have a material adverse impact on our results of operations.

### **Segment Reporting**

We are engaged in the export of processed shrimp products, which is considered as the only business segment.

### **Publicly Announced New Products or Business Segments / Material increases in Revenue due to Increased Disbursements and Introduction of New Products**

We have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

### **Seasonality of Business**

We do not believe our business to be seasonal.

### **Significant Dependence on Single or Few Customers**

We currently generate a significant portion of our revenues from limited number of major customers. For the nine-months ended December 31, 2017 and the Fiscals 2017, 2016 and 2015, our top ten customers contributed ₹ 4,485.17 million, ₹ 3,489.15 million, ₹ 2,684.55 million and ₹ 2,685.92 million, or 74.36%, 66.84%, 76.70% and 73.91% of our total revenues from operations, respectively. Further, we currently do not have long-term contractual arrangements with most of our significant customers, and conduct business with them on the basis of purchase orders that are placed from time to time. Our reliance on a select group of customers may constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. Any loss of one or more of such customer or a reduction in the demand for our products could adversely impact our revenues.

### **Competitive Conditions**

We operate in a competitive environment. For further details, please refer to the discussions regarding our competition in sections titled “*Risk Factors*”, “*Forward Looking Statements*” and “*Our Business*”.

### **Significant Developments That May Affect our Future Results of Operations**

In the opinion of our Board, except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since December 31, 2017, which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Ind-AS 1	Presentation of Financial Statements	<p><b>Other Comprehensive Income:</b> Statement of Other Comprehensive Income is not applicable under Indian GAAP. Some items, such as revaluation surplus, that are treated as 'other comprehensive income' under Ind-AS are recognised directly under Reserves and Surplus under Indian GAAP. There is no concept of "other comprehensive income" under Indian GAAP.</p>	<p><b>Other Comprehensive Income:</b> Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.</p>
		<p><b>Statement of Change in Equity:</b> A statement of changes in equity is currently not presented. Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.</p>	<p><b>Statement of Change in Equity:</b> The statement of changes in equity includes the following information:</p> <ul style="list-style-type: none"> <li>total comprehensive income for the period, showing separately the total amounts attributable to the parent's owners and to non-controlling interest;</li> <li>the effects on each component of equity of retrospective application or retrospective restatement in accordance with Ind-AS 8; and for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change resulting from the following: - Profit or loss - Other comprehensive income - Transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control - Any item recognised directly in equity such as capital reserve on bargain purchase in a business combination transaction The amounts of dividends recognized as distributions to owners during the period, and the related amount of dividends per share, shall be disclosed.</li> </ul>
		<b>Extraordinary items:</b>	<b>Extraordinary items:</b>

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Presentation of any items of income or expense as extraordinary is prohibited.
		<b>Change in Accounting Policies:</b> Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis together with a disclosure of the impact of the same. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	<b>Change in Accounting Policies:</b> Changes in accounting policies made on adoption of a new standard are accounted for in accordance with the transition provisions (if any) within that standard. If specific transition provisions do not exist, a change in policy (whether required or voluntary) is accounted for retrospectively (that is, by restating all comparative figures presented) unless this is impracticable.
		<b>Dividends:</b> Schedule III requires disclosure of proposed dividends in the notes to accounts. However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements, which are proposed or declared after the balance sheet date but before approval of the financial statements will have to be recorded as a provision. Further, as per recent amendment in Accounting Standards 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind-AS requirement.	<b>Dividends:</b> Liability for dividends declared to holders of equity instruments are recognised in the period when declared. It is a non-adjusting event, which is an event after the reporting period that is indicative of a condition that arose after the end of the reporting period. As per Ind-AS10, dividends proposed or declared after the balance sheet date but before the financial statements have been approved for issue are not recognised as a liability at the balance sheet date. Details of these dividends are, however, disclosed.
		<b>Errors:</b> Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	<b>Errors:</b> Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
		<b>Presentation of profit or loss attributable to non-controlling interests (minority interests):</b> Profit or loss attributable to minority interests is disclosed as deduction from the	<b>Presentation of profit or loss attributable to non-controlling interests (minority interests):</b> Profit or loss attributable to non-controlling interests and equity

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		profit or loss for the period as an item of income or expense.	holders of the parent are disclosed in the statement of profit or loss and Other comprehensive income as allocations of profit or loss and total comprehensive income for the period.
	Reclassification	Under Indian GAAP, a disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification.	Ind-AS requires, when comparative amounts are reclassified, the nature, amount and reason for reclassification to be disclosed.
Ind-AS 32	Classification of Equity and Financial Liabilities	Under Indian GAAP, financial instruments are classified as a liability or equity based on legal form. Redeemable preference shares will be classified as Shareholders Funds. Preference dividends are always recognized similar to equity dividends and are not treated as interest expense.	Under Ind-AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement (and not its legal form) and the definitions of financial liabilities and equity instruments.  Dividends on financial instruments classified as financial liability are recognised as an interest expense in the statement of profit or loss and other comprehensive income. Hence if preference shares meet the definition of financial liability, the dividend is treated as an interest expense.
IND AS 109	Financial Assets	Currently under Indian GAAP, the Company classifies its financial assets and liabilities as short term or long term. Long-term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.	All financial assets are classified as measured at amortised cost or measured at fair value through profit and loss or fair value through other comprehensive income.
	Financial Liabilities	Financial liabilities are carried at their transaction values.	Financial liabilities held for trading are subsequently measured at fair value through profit and loss and all other financial liabilities are measured at amortised cost using the effective interest method.
Ind-AS 12	Income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss.	Deferred taxes are computed for all temporary differences between the accounting base and the tax base of assets and liabilities and their carrying amounts.
Ind-AS 16	Depreciation	Property, plant and equipment are not required to be componentised as per AS-10. However, companies Act requires the company to adopt component accounting.	Property, plant and equipment are componentised and are depreciated separately. There is

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		The Companies Act, 2013 sets out the estimated useful lives of assets based on the nature of the asset and the useful life used for depreciation ordinarily should not differ from the useful life specifies in the Companies Act, 2013. However a different useful life may be used based on technical analysis and requires disclosure in financial statements. Further, as per recent amendment in Accounting Standards 10, the standard is made in line with the requirements Ind AS.	no concept of minimum statutory depreciation under Ind AS.
Ind-AS 17	Leases: Interest in leasehold land	Interests in leasehold land are recorded and classified as a fixed asset.	Interests in leasehold land are recorded and classified as operating leases or finance leases as per set definition and classification criteria. An important consideration is that the land has an indefinite economic life.
Ind-AS 19	Employee Benefits Actuarial gains and losses	All actuarial gains and losses are recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Ind-AS 21	Effects of changes in Foreign Exchange Rates: Functional and presentation currency	Foreign currency is a currency other than the reporting currency, which is the currency in which financial statements are presented. There is no concept of functional currency.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.
Ind-AS 103	Accounting of acquisitions: Business combinations	As per Indian GAAP, amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests method. Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded in the consolidated financial statements at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition.	Under Ind-AS, business combinations, other than those between entities under common control, are accounted for using the purchase method, wherein fair values of identifiable assets and liabilities of the acquiree are recognized (with very limited exceptions). Business combinations between entities under common control should be accounted for using the 'pooling of interests' method.
Ind-AS 37	Provisions, Contingent Liabilities and	Provisions are not recognised based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice,	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is



Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	Contingent Assets	custom and a desire to maintain good business relations or to act in an equitable manner.	probable, and the amount of the obligation can be estimated reliably.  A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.
Ind AS-40	Investment Property	Indian GAAP does not have any guidance on classification of investment property, i.e., property held for purpose of earning rentals or capital appreciation. Such properties are considered part of fixed assets and classified as such.	Ind AS provides specific guidance for investment properties, i.e., land or building – or part of a building – or both held by the owner or by the lessee under a finance lease) to earn rentals or capital appreciation or both, rather than for: a. use in the production or supply of goods or services or for administrative purposes; or b. sale in the ordinary course of business. These are required to be presented separately from property, plant & equipment held for the purpose of production of goods.
Ind AS-108	Determination of Segments	Under Indian GAAP, companies are to identify two sets of segments (business and geographical), using a risks and rewards approach, with the company's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Under Ind-AS, operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision-maker (CODM) in deciding how to allocate resources and in assessing performance.
Ind AS-118	Revenues - Measurement:	Revenue is recognized at the nominal amount of consideration receivable.	Revenue is recognised at fair value of the consideration receivable. Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method.

## FINANCIAL INDEBTEDNESS

Our Company and its Subsidiary have availed loans in the ordinary course of business for purposes including but not limited to, meeting its working capital requirements.

Pursuant to the resolution passed at our Annual General Meeting held on September 29, 2017, our Board (including any Committee of the Board) is authorised to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company from any one of more banks, financial institutions and other persons or firms, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is ₹ 2000 million over and above the aggregate of the paid-up share capital of the Company and its free reserves.

Set forth below is a brief summary of our aggregate borrowings on a consolidated basis as of January 31, 2018:

Category of borrowing	Sanctioned Amount (₹ in million)	Outstanding amount as on January 31, 2018 (₹ in million)
<b>A. Fund based borrowings</b>		
<b>Term loans</b>		
Secured (including vehicle loans)	142.43	106.54
Unsecured	-	-
<b>Sales tax deferral</b>	-	-
<b>Deposits</b>	-	-
<b>Working capital facility</b>		
Secured	1,440.00	949.98
Unsecured	-	-
<b>B. Non-fund based borrowings</b>		
Bank guarantees	5.00	5.00
Letters of Credit	120.00	85.86
<b>Total</b>	<b>1,707.43</b>	<b>1,147.38</b>

### A. Principal terms of the borrowings availed by us:

- Interest:** The interest levied on our working capital loans and terms loans varies from lender to lender. With respect to the terms loans and working capital facilities availed by us, the interest rate typically ranges from (3 month LIBOR +0.95)% to (3 month LIBOR + 2.00) % per annum on USD loan / from (1Y MCLR+0.15) % to (1Y MCLR + 1.15)% for INR loan respectively.
- Tenor:** The tenor of working capital facilities is typically for one year, and for term loan facilities, from two years to five years.
- Security:** In terms of our secured borrowings, our Company is typically required to create security by way of the following:
  - hypothecation of stocks, consumables and export documents and Equitable Mortgage of land and buildings;
  - 100% fixed deposits margin;
  - execution of corporate guarantee, demand promissory note(s), counter indemnity(ies) (for letter of guarantee);
  - provide a personal guarantee of our Promoters, Dr. K.V. Prasad, Mr. Anand Kumar and Mr. Arun Kumar;
  - Personal guarantees of Promoters and Directors;
  - pari passu* charge on the immovable properties; and
  - lien on term deposits.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Repayment:** Working capital facilities are typically repayable on demand. The repayment schedule for our term loans availed is typically monthly or quarterly instalments.
5. **Covenants:** The borrowing arrangements entered into by our Company typically contain certain covenants to be fulfilled by our Company, including:
  - a) submission of, among other things, all such information, statements, particulars, estimates and reports, etc. as the banks may require from time to time as to the compliance with the terms of the loan;
  - b) furnishing, upon demand, any other security in such form and value as may be required by the bank from time to time in amounts and values sufficient at all time in the opinion of the bank to secure payment of the loan and any other obligations to the bank;
  - c) keeping the bank informed of any material adverse change in condition/operations of the business/management set up/capital structure, and also submit remedial steps to be taken;
  - d) maintaining adequate books of accounts which correctly reflect the financial position and scale of operation of the business;
  - e) promptly inform the bank of any litigation, arbitration or other proceedings, which have a material adverse effect;
  - f) compliance with financial covenants stipulated by the bank from time to time, so long as the facilities are outstanding;
  - g) our Company cannot, without the prior approval of the lender, among other things, (i) go into liquidation for the purpose of amalgamation or reconstruction; (ii) attempt or purport to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over its property or any other part thereof, which is or shall be the security for repayment of the dues; (iii) effect any change in its shareholding pattern or management; (iv) transfer or create/allow to be created in any manner any charge, lien, hypothecation, mortgage, pledge or other encumbrance whatsoever on the securities to the bank; (v) effect any dividend payout/capital withdrawal, in case of delays in debt servicing or breach of financial covenants; (vi) diversify into non-core areas viz. business other than the current business; (vii) dilute the equity holding of promoters below controlling stake, (viii) utilize the loan or credit facilities for purposes other than which they were sanctioned for; (ix) undertake any new project or expansion scheme, unless the expenditure on such project is financed out of proceeds from investments or from long term funds received for financing such new projects or expansions; (x) radically change the accounting system; (xi) formulate any scheme of amalgamation or reconstruction; (xii) amend or modify its constitutional documents; (xiii) undertake or permit any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary; (xiv) recognize or register any transfer of shares in the borrower's capital made or to be made by the promoters and their associates; and (xv) issue any further share capital whether on a preferential basis or otherwise.
6. **Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including:
  - a) Failure by the Company to pay any amount due and payable to banks;
  - b) Non-compliance of any term or condition stipulated by the banks;
  - c) The Company ceasing or threatening to cease to carry on its business;

- d) Change in ownership, management and/or control of the Company without prior consent of the Bank;
- e) Utilisation of the facilities for any purpose other than the purpose enumerated in the loan documents; and
- f) Occurrence of any other event/material change which prejudicially alters the bank's interest or may have material adverse effect.

This is an indicative list and there may be additional terms and conditions that may amount to an event of default under the various borrowing arrangements entered into by us.

Our Company and our Subsidiary are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by our Company for the purpose of availing of loans, are not triggered.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, Subsidiary, Group Companies, Directors and Promoters are described in this section in the manner as detailed below. Except as stated in this section, as of the date of this Draft Red Herring Prospectus, there are no (i) outstanding criminal proceedings involving our Company, Subsidiary, Group Companies, Directors or Promoters; (ii) actions taken by statutory or regulatory authorities against our Company, Subsidiary, Group Companies, Directors or Promoters; (iii) outstanding claims involving our Company, Subsidiary, Group Companies, Directors or Promoters for any direct and indirect tax liabilities; (iv) outstanding material civil litigation involving our Company, Subsidiary, Group Companies, Directors, and Promoters in terms of the materiality policy; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and Subsidiary in the last five years immediately preceding the year of this Draft Red Herring Prospectus, and if there were prosecutions filed (whether pending or not); (vi) fines imposed or compounding of offences for our Company and Subsidiary under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) litigation or legal action pending or taken against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Red Herring Prospectus and any direction issued by such ministry or department on conclusion of such litigation or legal action; (viii) material frauds committed against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus; (ix) any other litigation involving our Company, Subsidiary, Group Companies, Directors, Promoters or any other person, whose outcome could have a material adverse impact on our Company; (x) outstanding dues to small scale undertakings and other creditors of our Company, (xi) pending proceedings initiated against our Company for economic offences and (xii) defaults and non-payment of statutory dues.

Further, it is clarified that for the purpose of the above, pre-litigation notices received by our Company, Subsidiary, Group Companies, Directors or Promoters, from third parties (excluding statutory / regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that our Company, Subsidiary, Group Companies, Directors or Promoters are impleaded as defendants in litigation proceedings before any judicial forum.

#### **I. Litigation involving our Company**

##### **A. Outstanding criminal litigation involving our Company**

###### **a) Criminal proceedings against our Company**

There are no outstanding criminal proceedings against our Company.

###### **b) Criminal proceedings by our Company**

There are no outstanding criminal proceedings initiated by our Company.

##### **B. Outstanding Civil litigation involving our Company**

*As regards civil litigation, given the nature and extent of operations of our Company, our Board has, pursuant to its resolution dated February 5, 2018, considered civil litigation against the Company before any judicial forum and having a monetary impact in excess of ₹ 10 million as being material for the Company. In the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the business, operations, financial position or reputation of the Company.*

There are no outstanding civil litigation involving our Company.

##### **C. Action by statutory or regulatory authorities against our Company**

There has been no action by statutory or regulatory authorities against Company.

**D. Tax proceedings involving our Company**

Set out herein below are claims relating to direct and indirect taxes involving our Company:

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	1	11.13

**E. Proceedings initiated against our Company for economic offences**

As of the date of this Draft Red Herring Prospectus, there have been no proceedings initiated against our Company for economic offences.

**F. Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus**

Except as stated below, there have been no fines imposed on our Company or compounding of offences by our Company under the Companies Act in the last five years immediately preceding the date of this Draft Red Herring Prospectus:

- 1) Mr. K. Anand Kumar and Mr. K. Arun Kumar were appointed as additional directors on our Board with effect from March 16, 2011, and they continued to act in such capacity even after the expiry of their term which would have expired at the ensuing AGM. Subsequently, Mr. K. Anand Kumar was appointed pursuant to a resolution passed at the EGM held on February 28, 2017, and Mr. K. Arun Kumar was appointed pursuant to a resolution passed at the EGM held on March 25, 2017. In relation to the foregoing, our Company has filed an application dated February 14, 2018, under Section 441 of the Companies Act, 2013, for compounding the offence under Section 260 of the Companies Act, 1956, and Section 161 of the Companies Act, 2013, as applicable, before the Regional Director, South East Region, Hyderabad, Ministry of Corporate Affairs. The application is currently pending.
- 2) Our Company has paid remuneration to our Promoter Directors, namely Mr. K. Anand Kumar and Mr. K. Arun Kumar, in excess of the limits prescribed under the Companies Act, for the Fiscals 2012, 2013, 2014, 2015, 2016 and 2017. Further, our Company has inadvertently failed to file the relevant forms with the RoC in respect of the remuneration paid to the aforesaid Promoter Directors as well as the remuneration paid to our Promoter and Chairman and Managing Director, namely Dr. K.V. Prasad. In relation to the foregoing, our Company has filed an application dated February 14, 2018, under Section 441 of the Companies Act, 2013, for compounding the offence under Sections 197 and 198 of the Companies Act, 2013, before the Regional Director, South East Region, Hyderabad, Ministry of Corporate Affairs. The application is currently pending.

**G. Details of defaults or non-payment of statutory dues**

There have been no instances of non-payment of statutory dues by our Company.

**H. Material frauds against our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus**

As of the date of this Draft Red Herring Prospectus, there have been no material frauds committed against our Company in the last five years.

**I. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus and if there were prosecutions filed (whether pending or not)**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act in the last five years against our Company.

**J. *Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company***

There is no outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

**II. Litigation involving our Subsidiary**

**A. *Outstanding criminal litigation involving our Subsidiary***

**a) *Criminal proceedings against our Subsidiary***

There have been no criminal proceedings initiated against our Subsidiary.

**b) *Criminal proceedings by our Subsidiary***

There have been no criminal proceedings initiated by our Subsidiary.

**B. *Outstanding Civil litigation involving our Subsidiary***

There are no outstanding civil litigations involving our Subsidiary.

**C. *Actions by statutory or regulatory authorities against our Subsidiary***

There have been no actions taken by statutory or regulatory authorities against our Subsidiary.

**D. *Tax proceedings involving our Subsidiary***

There have been no tax proceedings involving our Subsidiary.

**E. *Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus and if there were prosecutions filed (whether pending or not)***

There has been no inquiry, inspection or investigation initiated or conducted under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus against our Subsidiary.

**F. *Fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus***

There have been no fines imposed on our Subsidiary or compounding of offences by our Subsidiary under the Companies Act in the last five years immediately preceding the year of this Draft Red Herring Prospectus.

**G. *Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Subsidiary***

There is no outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Subsidiary.

**III. Litigation involving our Group Companies**

**A. *Outstanding criminal litigation involving our Group Companies***

**a) *Criminal proceedings against our Group Companies***

There have been no criminal proceedings initiated against our Group Companies.

**b) Criminal proceedings by our Group Companies**

There have been no criminal proceedings initiated by our Group Companies.

**B. Outstanding civil litigation involving our Group Companies**

*As regards civil litigation, given the nature and extent of operations of our Group Companies, our Board has, pursuant to its resolution dated February 5, 2018, considered civil litigation against the Group Companies before any judicial forum and having a monetary impact in excess of ₹ 10 million as being material for the Company. In the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the business, operations, financial position or reputation of the Company.*

There are no outstanding civil litigations involving our Group Companies, nor any outstanding litigation wherein the monetary liability is not quantifiable, whose outcome is expected to have a material adverse bearing on the operations or performance of our Company.

**C. Actions by statutory or regulatory authorities against our Group Companies**

There have been no actions taken by statutory or regulatory authorities against our Group Companies.

**D. Tax proceedings involving our Group Companies**

There have been no tax proceedings involving our Group Companies.

**E. Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company**

There are no outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

**IV. Litigation involving our Directors**

**A. Outstanding criminal litigation involving our Directors**

**a) Criminal proceedings against our Directors**

There have been no criminal proceedings against our Directors.

**b) Criminal proceedings by our Directors**

There have been no criminal proceedings initiated by our Directors.

**B. Outstanding Civil litigation involving our Directors**

*As regards civil litigation involving our Directors, our Board has, pursuant to its resolution dated February 5, 2018, considered civil litigation involving any of our Directors before any judicial forum and having a monetary impact in excess of ₹ 10 million as being material for the Company. In the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the business, operations, financial position or reputation of the Company.*

There are no outstanding civil litigation involving our Directors. However, one of our Directors, Dr. K.V. Prasad, has received a notice, the details of which are provided below:

Dr. K.V. Prasad received a notice from the State of India (“SBI”) dated February 8, 2017, in relation to certain borrowing facilities availed by Jala Shakti Limited (“JSL”) from SBI. Dr. K. V. Prasad was formerly a director of JSL, and in such capacity, had provided a personal guarantee to SBI in respect of certain borrowings availed by JSL in Fiscal 2010. Subsequently, there was a rescheduling of the aforesaid



borrowings in Fiscal 2013. Dr. K.V. Prasad resigned from the board of directors of JSL in 2014. No further correspondence has been received in this regard.

**C. Tax proceedings involving our Directors**

There have been no tax proceedings involving our Directors.

**D. Actions by statutory or regulatory authorities against our Directors**

There are no actions by statutory or regulatory authorities against our Directors.

**E. Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company**

There is no outstanding litigation involving any other person or companies whose outcome could have an adverse effect on our Company.

**V. Litigation involving our Promoters**

**A. Outstanding criminal litigation involving our Promoters**

**a) Criminal proceedings against our Promoters**

There have been no criminal proceedings against our Promoters.

**b) Criminal proceedings by our Promoters**

There have been no criminal proceedings initiated by our Promoters.

**B. Outstanding Civil litigation involving our Promoters**

*As regards civil litigation involving our Promoters, our Board has, pursuant to its resolution dated February 5, 2018, considered civil litigation involving our Promoters before any judicial forum and having a monetary impact in excess of ₹ 10 million as being material for the Company. In the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the business, operations, financial position or reputation of the Company.*

There are no outstanding civil litigation involving our Promoters. However, one of our Promoters, Dr. K.V. Prasad, has received a notice from State Bank of India. For details, please see “*Litigation involving our Directors – Outstanding Civil Litigation involving our Directors*”.

**C. Tax proceedings involving our Promoters**

There have been no tax proceedings involving our Promoters.

**D. Actions by statutory or regulatory authorities against our Promoters**

There are no other outstanding action by statutory or regulatory authorities involving our Promoters:

**E. Litigation or legal action against our Promoters by any ministry or Government department or statutory authority in the last five years immediately preceding the year of this Draft Red Herring Prospectus**

There is no pending litigation or legal action against our Promoters by any ministry or Government department or statutory authority.

***F. Outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company***

There is no outstanding litigation involving any other persons or companies whose outcome could have an adverse effect on our Company.

**VI. Material Developments**

In the opinion of the Board, there have been no material developments, since the date of the last balance sheet, included in this Draft Red Herring Prospectus which affects the trading and profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay liabilities over the next twelve months, except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 310.

**Outstanding dues to Creditors**

As of December 31, 2017, our Company had 332 creditors, to whom a total amount of ₹307.68 million was outstanding. In terms of the Materiality Policy, as of February 5, 2018, our Company had sixteen material creditors, to whom an amount of ₹172.41 million was outstanding on a consolidated basis.

Further, our Company does not owe any amounts to any small scale undertakings.

For complete details about outstanding dues to creditors of our Company, see [www.sandhyamarines.com](http://www.sandhyamarines.com).

## GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material approvals obtained by our Company and our subsidiary. In view of the approvals listed below, our Company can undertake the Offer and our Company and Subsidiary can undertake their current business activities and no material approvals, permissions, consents, licenses or registrations from any governmental or regulatory authority are required to undertake the Offer or continue their business activities. It must be distinctly understood that, in granting these approvals, the government or regulatory authorities do not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Certain approvals may lapse in their normal course or have not been obtained by our Company and our Subsidiary, and our Company and our Subsidiary shall either make an application to the appropriate authorities for grant or renewal of such approvals or are in the process of making such applications. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company and our Subsidiary operate, please see “*Regulations and Policies*” on page 153.

### I. Incorporation Details of our Company

1. A certificate of incorporation dated July 1, 1987 issued by the RoC, Hyderabad in the name of “Sandhya Marines Private Limited”;
2. A Fresh certificate of incorporation under the Companies Act, 1956, consequent to conversion to a public limited company as “Sandhya Marines Limited” dated December 22, 1995.

### II. Approvals relating to the Offer

For the approvals and authorisations obtained by our Company and the Selling Shareholders in relation to the Offer, please see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 349.

### III. Approvals in relation to the operations of our Company in India

Our Company is required to obtain various approvals for conducting its business. The material registrations and approvals generally required to be obtained by our Company in respect of its business operations in India include the following:

1. Factory license issued by Deputy Chief Inspector of Factories, Eluru under the provisions of the Factories Act, 1948 and the Andhra Pradesh Factories Rules, 1950.
2. No objection certificate issued by State Disaster Response and Fire Services Department, Government of Andhra Pradesh for occupancy of “Industrial Building”.
3. Consent and authorization orders issued by Andhra Pradesh Pollution Control Board for operation of the industrial plant under the provisions of Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981, and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
4. Certificate of registration for peeling sheds issued by the Assistant Director, Marine Products Export Development Authority under the provisions of the Marine Products Export Development Authority Rules, 1972.
5. Certificate of Approval issued by the Export Inspection Council of India, Ministry of Commerce and Industry, Government of India, under the provisions of Export of Fresh, Frozen and Processed Fish and Fishery Products (Quality Control, Inspection and Monitoring) Rules, 1995.
6. Certificate of Registration for processing plants and storage premises under the provisions of The Marine Products Export Development Authority Rules, 1972.
7. Certificate of Importer-Exporter Code (IEC) issued by Ministry of Commerce and Industry, Government of India under the provisions of Foreign Trade (Regulation) Rules, 1993.
8. License issued by Government of India under the provisions of Food Safety and Standards Act, 2006 for

manufacturing of frozen fish and other fish products.

9. License issued by Food Safety and Standards Authority of India under the provisions of Food Safety and Standards Act, 2006 and Food Safety and Standards (Licensing and Registration of Food Business) Regulation, 2011.
10. Certificate of Registration of processing plants and storage premises issued by the Director, Marine Products Export Development Authority under the provisions of the Marine Products Export Development Authority Rules, 1972.

#### **IV. Tax related and other approvals obtained by our Company**

1. Permanent Account Number (AADCS1423K) issued by the Income Tax Department under the Income Tax Act, 1961.
2. Certificate of Registration issued by the Government of India and Government of Andhra Pradesh under the Central Goods and Services Tax Act, 2017.
3. Tax Deduction account number (VPNS00490A) issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.
4. Certificate of Registration issued by the Employees' State Insurance Corporation, Sub Regional Office, Vijaywada under the provisions of the Employees' State Insurance Act, 1948.
5. Provident fund code number issued by Employees' Provident Fund Organisation under the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

#### **INTELLECTUAL PROPERTY**

##### **A. Trademark registration obtained by our Company**

Nil.

##### **B. Design registrations obtained by our Company**

Nil.

##### **C. Patent registrations obtained by our Company**

Nil.

##### **D. Registered domain names relating to our Company**

Sr. No	Domain name	Valid up to
1.	sandhyamarines.com	December 28, 2019

##### **Approvals required for which no application has been made by our Company**

Nil.

##### **Approvals which have expired and for which renewal applications have been made by our Company**

Nil.

##### **Approvals which have expired and for which renewal applications are yet to be made by our Company**

Nil.

##### **Approvals for which applications have been made by our Company but are currently pending grant**

Nil.

***Pending trademark applications***

Sr. No	Trademark application number	Filed on	Filed before	Filed for
1.	3744835	February 5, 2018	Trade Marks Registry, Government of India	HIKARI Special
2.	3744836	February 5, 2018	Trade Marks Registry, Government of India	GALAXY FARM RAISED SHRIMP
3.	3744837	February 5, 2018	Trade Marks Registry, Government of India	Sandhya MARINES LTD
4.	3744838	February 5, 2018	Trade Marks Registry, Government of India	Sandhya MARINES LTD
5.	3744839	February 5, 2018	Trade Marks Registry, Government of India	Sandhya MARINES LTD
6.	3744840	February 5, 2018	Trade Marks Registry, Government of India	SANDHYA SPECIAL

**Approvals in relation to our Subsidiary, Aquatica Frozen Foods Global Private Limited**

Our Subsidiary is required to obtain various approvals for conducting its business. The material registrations and approvals generally required to be obtained by our Subsidiary in respect of its business in India include the following:

1. Consent and authorization orders issued by Andhra Pradesh Pollution Control Board for operation of the industrial plant under the provisions of Water (Prevention & Control of Pollution) Act, 1974, Air (Prevention & Control of Pollution) Act, 1981, and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
2. Certificate of approval issued by the Export Inspection Council of India, Ministry of Commerce & Industry under the provisions of Export of Fresh, Frozen and Processed Fish and Fishery Products (Quality Control, Inspection and Monitoring) Rules, 1995.
3. Certificate of Registration as an Exporter issued by the Marine Products Export Development Authority under the provisions of The Marine Products Export Development Authority Rules, 1972.
4. Factory license issued by Deputy Chief Inspector of Factories, Nellore under the provisions of the Factories Act, 1948 and Andhra Pradesh Factories Rules, 1950.
5. Periodical Occupancy Renewal Certificate issued by State Disaster response and Fire Services Department, Government of Andhra Pradesh under the provisions the Fire and Emergency Operations and Levy of Fee Rules, 2006 and Andhra Pradesh Fire Service Act, 1999.
6. Certificate of registration for peeling sheds issued by the Deputy Director, Marine Products Export Development Authority under the provisions of the Marine Products Export Development Authority Rules, 1972.
7. Certificate of Registration of processing plants and storage premises issued by the Director, Marine Products Export Development Authority under the provisions of the Marine Products Export Development Authority Rules, 1972.
8. Self Sealing Permission granted by the Commissioner of Customs (Preventive), Vijaywada for the self sealing of export goods.

**A. Tax Related and Other Approvals in relation to our Subsidiary**

1. Permanent Account Number (AAMCA3625J) issued by the Income Tax Department under the Income Tax Act, 1961.

2. Certificate of Registration issued by the Government of India and Government of Andhra Pradesh under the Central Goods and Services Tax Act, 2017.
3. Tax Deduction account number (VPNA02831D) issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.

**Approvals required for which no application has been made by our Subsidiary**

Nil.

**Approvals which have expired and for which renewal applications have been made by our Subsidiary**

Nil.

**Approvals which have expired and for which renewal applications are yet to be made by our Subsidiary**

Nil.

**Approvals for which applications have been made by our Subsidiary but are currently pending grant**

Nil.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board has approved the Fresh Issue pursuant to the resolution passed at their meeting held on February 20, 2018 and our Shareholders have approved the Fresh Issue pursuant to a shareholders' resolution passed at the meeting held on February 23, 2018 under Section 62(1) (c) of the Companies Act, 2013.

Our Board has approved the Pre-IPO Placement pursuant to a resolution passed at their meeting held on February 20, 2018.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholders have consented to the inclusion of their component of the Offered Shares in the offer for Sale as set out below:

Sr. No.	Name of the Selling Shareholder	Date of consent letter	Number of Equity Shares offered for sale
1.	Dr. K.V. Prasad	February 23, 2018	4,500,000
2.	Ms. K. Suryanarayamma	February 23, 2018	900,000
3.	Mr. K. Anand Kumar	February 23, 2018	3,600,000
4.	Mr. K. Arun Kumar	February 23, 2018	3,600,000

The IPO Committee has by way of a resolution dated February 23, 2018, taken on record the total number of Equity Shares proposed to be offered by the Selling Shareholders.

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold by them in the Offer for Sale have either been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus or were issued as a bonus shares for the Equity Shares held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and that such Equity Shares are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholders have also confirmed that they are the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Promoter Group, our Directors, our Group Companies or persons in control of our Company and the Selling Shareholders are not prohibited or debarred from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company and the Selling Shareholders are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoter or directors.

The listing of securities of our Company has never been refused at any time by any stock exchange in India or abroad.

### Prohibition with respect to wilful defaulters

Neither our Company or Subsidiary, nor our Promoter, the relatives of our Promoters, Promoter Group, Directors or Group Companies have been declared as wilful defaulters by any bank or financial institution or consortium

thereof, in accordance with the guidelines on wilful defaulters issued by the RBI. There are no violations of securities laws committed by them in the past or are pending against them.

Each of the Selling Shareholders specifically confirms that it has not been declared as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

The transfer of Equity Shares, pursuant to the Offer, from NRIs to non-resident Allottees shall be subject to the prior approval of the RBI in accordance with the provisions of the FEMA Regulations.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- The Company has net tangible assets of at least ₹ 30 million in each of the preceding three full financial years (i.e., financial years ended 2017, 2016 and 2015) of which not more than 50% are held in monetary assets, calculated on a restated consolidated and standalone basis;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated and consolidated basis, during the three most profitable years (i.e. financial years ended March 31, 2017, March 31, 2016 and March 31, 2014) out of the immediately preceding five financial years i.e. financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding three full financial years (i.e. financial years ended 2017, 2016 and 2015), calculated on a restated consolidated and standalone basis;
- The aggregate of the proposed Offer size and all previous issues made in the same financial year does exceed five times the pre-Offer net worth of the Company as per the audited balance sheet of our Company for the preceding financial year, i.e. Financial Year 2017;
- Our Company has not changed its name within the last one year; and

Our Company's net profit, net worth and net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five financial years ended Financial Year 2017 are set forth below:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2017		Fiscal 2016		Fiscal 2015		Fiscal 2014		Fiscal 2013	
	Standal one	Consoli dated	Standal one	Consoli dated	Standal one	Consoli dated	Standal one	Consoli dated	Standal one	Consolida ted
Net tangible asset <sup>(1)</sup>	1,229.32	1,389.20	941.50	1,083.10	718.51	820.27	505.57	582.72	333.54	390.59
Monetary asset <sup>(2)</sup>	131.79	170.55	65.67	95.08	103.71	109.01	24.05	40.34	21.65	36.13
Monetary asset as a percentage of the Net Tangible Assets	10.72	12.28	6.98	8.78	14.43	13.29	4.76	6.92	6.49	9.25
Pre-tax operating profits <sup>(3)</sup>	395.43	441.00	293.86	292.35	254.34	253.32	265.49	264.96	91.44	91.41
Net worth <sup>(4)</sup>	1,229.32	1,229.32	941.51	941.51	718.51	718.51	505.57	505.57	333.53	333.53

(1) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(2) 'Monetary Assets' comprise of cash and cash equivalents



- (3) *Pre-tax operating profits comprise of profit from operations before finance expenses, other income and exceptional items in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the average pre-tax operating profit of the Company during the three most profitable years, being financial years 2017, 2016 and 2014 is 332.77 million as on date.*
- (4) *'Net worth' means the aggregate of the paid up share capital, share premium account, reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.*

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application money shall be unblocked. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay an interest on the application money in accordance with applicable laws for the period of delay.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, the entire requirement of funds towards objects of the Fresh Issue will be met from the Net Proceeds of the Fresh Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, KARVY INVESTOR SERVICES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS CONFIRMED OR UNDERTAKEN BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED IN THE OFFER, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, KARVY INVESTOR SERVICES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 24, 2018, WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE OFFER, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED**

**FEBRUARY 24, 2018 (“DRAFT RED HERRING PROSPECTUS”) PERTAINING TO THE SAID OFFER;**

- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC; FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT A WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITOR’S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE KEPT IN AN**

**ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER. NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE COMPANY'S MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE.**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**
11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
  - (A) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
  - (B) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**
13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE**
14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMs (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.**
17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**
18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Prospectus does not absolve the Selling Shareholders from any liabilities to the extent of the statements made by it in respect of itself and of the Equity Shares offered by such Selling Shareholders, as part of the Issue, under Section 34 or Section 36 of Companies Act, 2013, as amended.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

#### **Caution - Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs**

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.sandhyamarines.com](http://www.sandhyamarines.com) or the respective websites of our Subsidiary or Group Companies, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholders and our Company dated February 24, 2018, and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, our Directors, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for our Company, Promoters, the Selling Shareholders, Promoters Group, Subsidiary and Group Companies and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers or suppliers to our Company, the Selling Shareholders, Promoters, Promoter Group, Group Companies and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares of public financial institutions as specified under section 2(72) of the Companies Act, venture capital funds, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India), Systemically important Non-Banking Financial Companies and Eligible NRIs, AIFs, FPIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions).

This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Visakhapatnam, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or our Subsidiary or our Group Companies since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

#### **Disclaimer clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

## Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

## Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI at Plot No. C 4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at 2<sup>nd</sup> Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068, Telangana.

## Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Initial listing applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all moneys received from the Bidders/Applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Subject to applicable law, a Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Offer Closing Date. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

## Price information of past issues handled by the BRLMs (during the current financial year and two financial years preceding the current financial year)

### A. Karvy Investor Services Limited

Price information of past issues handled by KARVY

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	Pennar Engineered Building Systems Limited	1,561.87	178.00	September 10, 2015	177.95	-5.93%, [+5.16%]	-10.65%, [-2.25%]	-17.39%, [-3.89%]

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
2.	KKV Agro Powers Limited	35.84	320.00	July 15, 2016	325.00	+0.78%, [+1.53%]	+0.94%, [+0.37%]	+10.94% [4.65%]
3.	PSP Projects Limited	2,116.80	210.00	May 29, 2017	190.00	+24.05% [-0.97%]	+52.33%, [2.63%]	+103.21% [8.17%]
4.	Apex Frozen Foods Limited	1,522.50	175.00	September 4, 2017	202.00	+75.54% [-0.54%]	+364.26%, [5.34%]	-

Source: www.nseindia.com

#### Notes:

- The S&P CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.

Summary statement of price information of past issues handled by KARVY

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Betw 25-50%	Less than 25%	Over 50%	Betw 25-50%	Less than 25%	Over 50%	Betw 25-50%	Less than 25%	Over 50%	Betw 25-50%	Less than 25%
2017-18	2	3,639.30	-	-	-	1	-	1	-	-	-	1	-	-
2016-17	1	35.84	-	-	-	-	-	1	-	-	-	-	-	1
2015-16	1	1,561.87	-	-	1	-	-	-	-	-	1	-	-	-

Source: www.nseindia.com

The information for each of the financial years is based on issues listed during such financial year.

#### B. SBI Capital Markets Limited

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1	Amber Enterprises India Limited <sup>4</sup>	5,995.99	859.00	January 30, 2018	1,180.00	Not Applicable	Not Applicable	Not Applicable
2	Reliance Nippon Life	15,422.40	252.00	November 06, 2017	295.90	+3.61% [-3.19%]	+8.12% [2.05%]	Not Applicable

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
	Asset Management Limited							
3	SBI Life Insurance Company Limited <sup>5</sup>	83,887.29	700.00	October 3, 2017	735.00	-7.56% [+5.89%]	-0.07% [4.56%]	Not Applicable
4	Cochin Shipyard Limited	14,429.30	432.00	August 11, 2017	435.00	+30.24% [+2.14%]	+30.51% [+6.42%]	+20.02% [9.55%]
5	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29% [+1.17%]	+3.14% [+5.40%]	+39.12% [8.62%]
6	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% [+5.84%]	+128.86% [+2.26%]	+146.71% [+10.61%]
7	Housing and Urban Development Corporation Limited	12,095.70	60.00	May 19, 2017	73.45	+13.08% [+2.78%]	+34.58% [+4.29%]	+35.75 [8.13%]
8	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	604.40	+145.03% [-0.50%]	+165.17% [+6.19%]	+264.26% [+9.97%]
9	BSE Limited	12,434.32	806.00	February 03, 2017	1,085.00	+17.52% [+2.55%]	+24.41% [+6.53%]	+34.43% [+15.72%]
10	Laurus Labs Limited	13,305.10	428.00	December 19, 2016	490.00	+11.50% [+3.26%]	+23.36% [+11.92%]	+40.98% [+17.75%]

Source: [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com)

**Notes:**

1. The 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day computation includes the listing day. If either of the 30<sup>th</sup>, 90<sup>th</sup> or 180<sup>th</sup> calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day.

2. The designated exchange for the issue has been considered for the price, benchmark index and other details.

3. The number of Issues in Table-1 is restricted to 10.

4. Employee Discount of Rs.85 per Equity Share to the Offer Price

5. Offer Price was ₹ 632.00 per equity share to Eligible Employee

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50 %	Less than 25%
2017-18	7	144,866.39	-	-	2	1	1	2	-	-	-	1	2	1
2016-17	7	129,691.00	-	-	3	1	1	2	-	1	1	2	2	1
2015-16*	4	18,163.78	-	-	1	-	-	3	-	-	2	1	-	1

\* Based on issue closure date



### Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

Sl. No	Name of the BRLMs	Website
1.	Karvy Investor Services Limited	www.karvyinvestmentbanking.com
2.	SBI Capital Markets Limited	www.sbicans.com

### Consents

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Domestic Legal Counsel to our Offer, Bankers to our Company, the BRLMs, lenders (where such consent is required), industry sources, customers/other third parties (where names of such customers/third parties have been disclosed), the Syndicate Members, Bankers to the Offer, the Registrar to the Offer, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, P. Lakshmana Rao & Co., Chartered Accountants, have given their written consent for inclusion of their reports dated February 12, 2018 on the Restated Financial Statements of our Company and the statement of tax benefits dated February 12, 2018 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

### Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, P. Lakshmana Rao & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated February 12, 2018 and the statement of tax benefits dated February 12, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Sphurthi Entrepreneurs & Technocrats, Chartered Engineer, has provided their written consent to be named as an “expert” as defined under Section 2(38) and Section 26(1)(a)(v) of the Companies Act, 2013 in relation hereto, and such consent has not been withdrawn at the time of delivery of this Draft Red Herring Prospectus to SEBI.

### Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditor’s fees and listing fees. For further details of Offer expenses, please see the section entitled “*Objects of the Offer*” on page 95.

The Offer expenses shall be shared between our Company and the Selling Shareholders, in proportion to the number of Equity Shares offered by our Company and the Selling Shareholders in the Fresh Issue and the Offer for Sale, respectively.

### Fees, brokerage and selling commission payable to the BRLMs Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letters among our Company, the Selling Shareholders and the BRLMs and the Syndicate Agreement, copies of which will be made available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Offer Closing Date. For further details, see “*Objects of the Offer*” on page 95.

### **Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs please see the section entitled “*Objects of the Offer*” on page 95.

### **Fees Payable to the Registrar to the Offer**

The fees payable by our Company to the Registrar to the Offer for processing of applications, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated February 24, 2018 entered into, between our Company and the Registrar to the Offer a copy of which is available for inspection at our Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

### **IPO grading**

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues of Equity Shares during the five years preceding the date of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in “*Capital Structure*” on page 78 our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

### **Previous capital issue during the previous three years by listed group companies, subsidiaries and joint venture of our Company**

None of our Subsidiaries or Group Companies are listed on any stock exchange in India or abroad.

### **Performance vis-à-vis objects**

There has been no shortfall in terms of performance vis-à-vis objects for any of the previous issues of our Company.

### **Outstanding debentures or bonds**

Our Company does not have any outstanding debentures or bonds as of the date of this Draft Red Herring Prospectus.

### **Outstanding preference shares or convertible instruments issued by our Company**

Our Company does not have any preference shares or convertible instruments as of the date of filing this Draft Red Herring Prospectus.

### **Partly paid-up Equity Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

## **Stock market data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

## **Redressal of investor grievances**

The agreement between the Registrar to the Offer, the Selling Shareholders and our Company provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the submission of ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidder DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

## **Disposal of investor grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Mr. M.S. Sivanand as the Compliance Officer for the Offer. For details, please see the section entitled “*General Information*” on page 71.

There are no listed companies under the same management as our Company.

As on date there are no investor complaints pending.

Our Company has constituted a Stakeholders Relationship Committee comprising of Mr. M. Raghavendra Rao, Dr. K.V. Prasad and Mr. K. Anand Kumar as members. For further details on the Stakeholders Relationship Committee, see “*Our Management*” on page 164 of this Draft Red Herring Prospectus.

### Changes in Statutory Auditors

There has been no change in the statutory auditors of our Company during the last three years preceding the date of the Draft Red Herring Prospectus, except as described below:

Name of Auditors	Date of appointment	Date of resignation	Reason for change
Chowdary & Co., Chartered Accountants	September 20, 2008	November 1, 2017	Resignation
P. Lakshmana Rao & Co., Chartered Accountants	November 25, 2017	Not applicable	Appointment of P. Lakshmana Rao & Co. to fill the vacancy caused by the resignation of Chowdary & Co., Chartered Accountants

### Capitalisation of reserves or profits

Except for the allotment of 85,322,500 Bonus Shares on December 30, 2017, as approved by the Shareholders on December 28, 2017, our Company has not capitalised its reserves or profits at any time during the last five years.

### Revaluation of assets

Our Company has not re-valued its assets at any time in the last five years.

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

#### Offer for Sale

Upon completion of the Offer, all expenses with respect to the Offer, excluding listing fees payable to the Stock Exchanges where the Equity Shares are proposed to be listed which will be borne by Company, will be shared among the Selling Shareholders, in proportion to the Equity Shares being offered by each of them in the Offer.

Any payments by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale in the Offer.

#### Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the MoA and AoA and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend and voting. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section entitled “*Main Provisions of the Articles of Association*” on page 417.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations. For further details, in relation to dividends, please see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 189 and 417, respectively. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment.

#### Face Value and Offer Price

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs and will be advertised in the Statutory Newspapers along with the relevant financial ratios calculated at the Floor Price and at the Cap Price at least five Working Days prior to the Offer Opening Date. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges’ websites.

At any given point of time there shall be only one denomination of Equity Shares, subject to applicable laws.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable foreign exchange regulations, applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please see the section entitled “*Main Provisions of the Articles of Association*” on page 417.

### **Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer prior to filing of the RHP with the RoC:

- Agreement dated February 21, 2018 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated February 21, 2018 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Bid/ Offer Programme**

<b>BID/ OFFER OPENS ON</b>	[●]*
<b>BID/ OFFER CLOSSES ON (FOR QIBs)</b>	[●]**
<b>OFFER CLOSSES ON (FOR OTHER BIDDERS)</b>	[●]

\* Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Offer Period shall be one Working Day prior to the Offer Opening Date in accordance with the SEBI ICDR Regulations.

\*\* Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Offer Period for QIBs one day prior to the Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

**The above timetable, other than the Offer Closing Date, is indicative and does not constitute any obligation on our Company or the BRLMs.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Offer Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.**

#### **Submission of Bids (other than Bids from Anchor Investors):**

<b>Offer Period (except the Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**On the Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, Eligible Employees bidding under the Employee Reservation Portion, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investor.

On Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investor after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Offer Closing Date and in any case, no later than 1.00 P.M. IST on the Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the ASBA Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**Minimum subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 15 days from the date of Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations failing which the entire application money shall be refunded/unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

**Arrangements for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one and there are no arrangements for disposal of odd lots are required.



### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and Anchor Investor lock-in as provided in the section entitled "*Capital Structure*" on page 78 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details please see the section entitled "*Main Provisions of the Articles of Association*" on page 417.

### **Option to Receive Securities in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

### **Withdrawal of the Offer**

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- Offer advertisements were published, within two days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and/or the Selling Shareholders withdraw the Offer after the Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

## OFFER STRUCTURE

Initial public offering of [●] Equity Shares having a face value of ₹ 10 each of our Company for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), aggregating to ₹[●] million comprising a Fresh Issue of [●] Equity Shares aggregating up to ₹ 3,000 million and an Offer for Sale of up to 12,600,000 Equity Shares by the Selling Shareholders aggregating to ₹[●] million. The Offer includes a reservation of up to [●] Equity Shares for subscription by Eligible Employees, for cash at a price of ₹[●] per Equity Share aggregating to up to ₹[●] million. The Offer shall constitute [●] % of our post-Offer issued, subscribed and paid-up equity share capital of our Company and the Net Offer shall constitute [●]% of our post-offer issued, subscribed and paid-up equity share capital.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of 7,000,000 Equity Shares for cash consideration aggregating up to ₹ 1,500 million, at their discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR.

The face value of equity shares is ₹ 10 each.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors	Eligible Employees <sup>(5)</sup>
Number of Equity Shares available for Allotment/ allocation* <sup>(2)</sup>	[●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Investors	Up to [●] Equity Shares
Percentage of Offer Size available for Allotment/ allocation	50% of the Net Offer size shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion (other than Anchor Investor Portion).	Not less than 15% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Net Offer, or the Net Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.	[●] Equity Shares constituting approximately [●] % of the Offer.
Basis of Allotment/ allocation if	Proportionate as follows (excluding	Proportionate	The allotment to each Retail Individual Investor shall not be less than the	Allotment to Eligible Employees in

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors	Eligible Employees <sup>(5)</sup>
respective portion is oversubscribed*	the Anchor Investor Portion): (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above (c) Upto [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors		minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, please see, “Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs” on page 406.	the Employee Reservation Portion may exceed ₹200,000 only in the event of an under subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹200,000, subject to the total Allotment to Eligible Employee not exceeding ₹500,000
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the Bid Amount does not exceed ₹500,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Mode of Bidding	ASBA only <sup>#</sup>	ASBA only	ASBA only	ASBA only
Who can apply <sup>(4)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Eligible Employees (excluding such other persons not eligible under

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors	Eligible Employees <sup>(5)</sup>
	mutual funds, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.	Category III Foreign Portfolio Investors		applicable laws, rules, regulations and guidelines)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account that is specified by the ASBA Bidder in the ASBA Form at the time of submission of the ASBA Form <sup>(3)</sup>			

\* Assuming full subscription in the Offer

# Anchor Investors will not be permitted to use the ASBA process. The Anchor Investor Application Form will be made available at the offices of the BRLMs

(1) Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.

- (3) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Application Form, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in date as mentioned in the CAN. In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*
- (4) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Further, a Bidder Bidding in the Employee Reservation Portion (subject to the Payment Amount being up to ₹ 500,000) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions.*
- (5) *Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

Under-subscription, if any, in any category (including Employee Reservation Portion) except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated circular dated November 10, 2015 notified (CIR/CFD/POL/CYC/LL/11/2015 and SEBI circular bearing SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 (the “General Information Document”) included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

*Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

### PART A

#### Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Such number of Equity Shares representing 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Investor Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of under-

subscription in the Net Offer, spill-over to the extent of undersubscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

The Equity Shares, upon Listing, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The ASBA Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Bid cum Application Form**

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis**	[●]
Anchor Investors***	[●]
Eligible Employees Bidding under the Employee Reservation Portion	[●]

\* *Excluding electronic ASBA Form*

\*\* *Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).*

\*\*\* *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account, details of which were provided by the Bidder in his respective ASBA form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Participation by Promoters, the BRLMs, the Syndicate Members and persons related to the Promoters /BRLMs**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Net Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), the Syndicate Members, our, Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues*" on page 383.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of ASBA Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the ASBA Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the ASBA Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the ASBA Form meant for Non-Residents ([●] in colour).

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The



existing individual and aggregate investment limits in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

QFIs which are not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of ODIs is made by, or on behalf of it subject to the following conditions:

- a. such ODIs are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the ODIs are to be transferred to are pre-approved by the FPI.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the ASBA Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

- (c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form.

#### **Bids by Eligible Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. However, Allotments to Eligible Employees in excess of ₹ 200,000 up to ₹ 500,000 shall be considered on a proportionate basis, in the event of under subscription in the Employee Reservation Portion. Subsequent under subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus would be eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Such Bidders can place their Bids by only using the ASBA process.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Further, bids by Eligible Employees in the Employee Reservation Portion (subject to the Payment Amount being up to ₹500,000) shall also not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions. For further details, see “– *Multiple Bids*” on page 393.

Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN as well as employee number in the relevant space in the Bid-cum-Application Form.

- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Under-subscription, if any, in any portion, (including the Employee Reservation Portion), except in the QIB Portion, would be allowed to be met with spill-over from any other portion or a combination of portions at the discretion of our Company in consultation with the Selling Shareholders, the Book Running Lead Managers and the Designated Stock Exchange.
- If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure – Part-B - Basis of Allotment*” on page 406.

**The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

## **General Instructions**

### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the ASBA Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
5. Ensure that your ASBA Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
7. If the first applicant is not the bank account holder, ensure that the ASBA Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the ASBA Forms;
9. In case of joint Bids, the ASBA Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the ASBA Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediary;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective

depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the category and the investor status is indicated;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
19. Ensure that the ASBA Form is submitted only with a Designated Intermediary at the Bidding Centers and that the SCSB where the ASBA Account of the Bidder is maintained, as specified in the ASBA form, has named at least one branch at that location for the Designated Intermediary to deposit ASBA Form;
20. Instruct your respective banks do not release the funds blocked in the ASBA Account under the ASBA process;
21. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their ASBA Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
22. Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form at the time of submission of the Bid.

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 in case of Bids by Retail Individual Investor;
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send ASBA Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit the ASBA Forms to any non-SCSB bank or our Company;
9. Do not submit the General Index Register number instead of the PAN;
10. Do not Bid at Cut-off Price for Bids by QIBs, Non-Institutional Investors a under the (subject to the Bid Amount being above ₹ 200,000);
11. Do not Bid for a Bid Amount exceeding ₹ 500,000 (for Bids by Eligible Employees);
12. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of Bidder;
13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
17. Anchor Investor should not bid through the ASBA process;
18. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Offer Closing Date;
19. If you are a Non-Institutional Bidder or Retail Individual Investor, do not submit your Bid after 3.00 p.m. on the Offer Closing Date;
20. Do not submit more than five ASBA Forms per ASBA Account;

21. Do not submit ASBA Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder; and
24. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in that location for the Designated Intermediary to deposit the ASBA Forms.

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment into Escrow Account for Anchor Investors**

Our Company in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

### **Pre- Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in the Statutory Newspapers.

In the pre- Offer advertisement, we shall state the Offer Opening Date, the Offer Closing Date and the QIB Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

**“Any person who:**

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name;*

***shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Undertakings by our Company**

Our Company undertakes the following:

- that if our Company does not proceed with the Offer after the Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre- Offer Advertisements were published. The Stock Exchanges shall also be informed promptly.
- adequate arrangements shall be made to collect all ASBA Forms submitted by Bidders.
- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Offer Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in ASBA Account within 15 days from the Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders by the Company as prescribed under the Companies Act, SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.
- We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- except for the Fresh Issue, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- That we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

### **Undertakings by the Selling Shareholders**

Each Promoter Selling Shareholder, severally and not jointly, undertakes the following:

- That it is the legal and beneficial owner of its respective portion of the Offered Shares;
- That its respective portion of the Offered Shares (a) have been held by it for a minimum period in compliance with in Regulation 26(6) of the SEBI ICDR Regulations; and (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialised form at the time of transfer;
- That it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- That it shall extend all reasonable cooperation as requested by the Company in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Equity Shares offered by them pursuant to the Offer;
- That it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- That it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law; and
- That it has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares and it shall extend reasonable cooperation to our Company and BRLMs in the regard.

#### **Utilisation of Offer Proceeds**

Our Company declares that all monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. For details of the objects of the Offer, please see “*Objects of the Offer*” on page 95.



## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “*Glossary and Abbreviations*”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

##### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

### **Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (“**SCRR**”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Offer Opening Date, in case of an IPO and at least one Working Day before the Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

### **2.4 OFFER PERIOD**

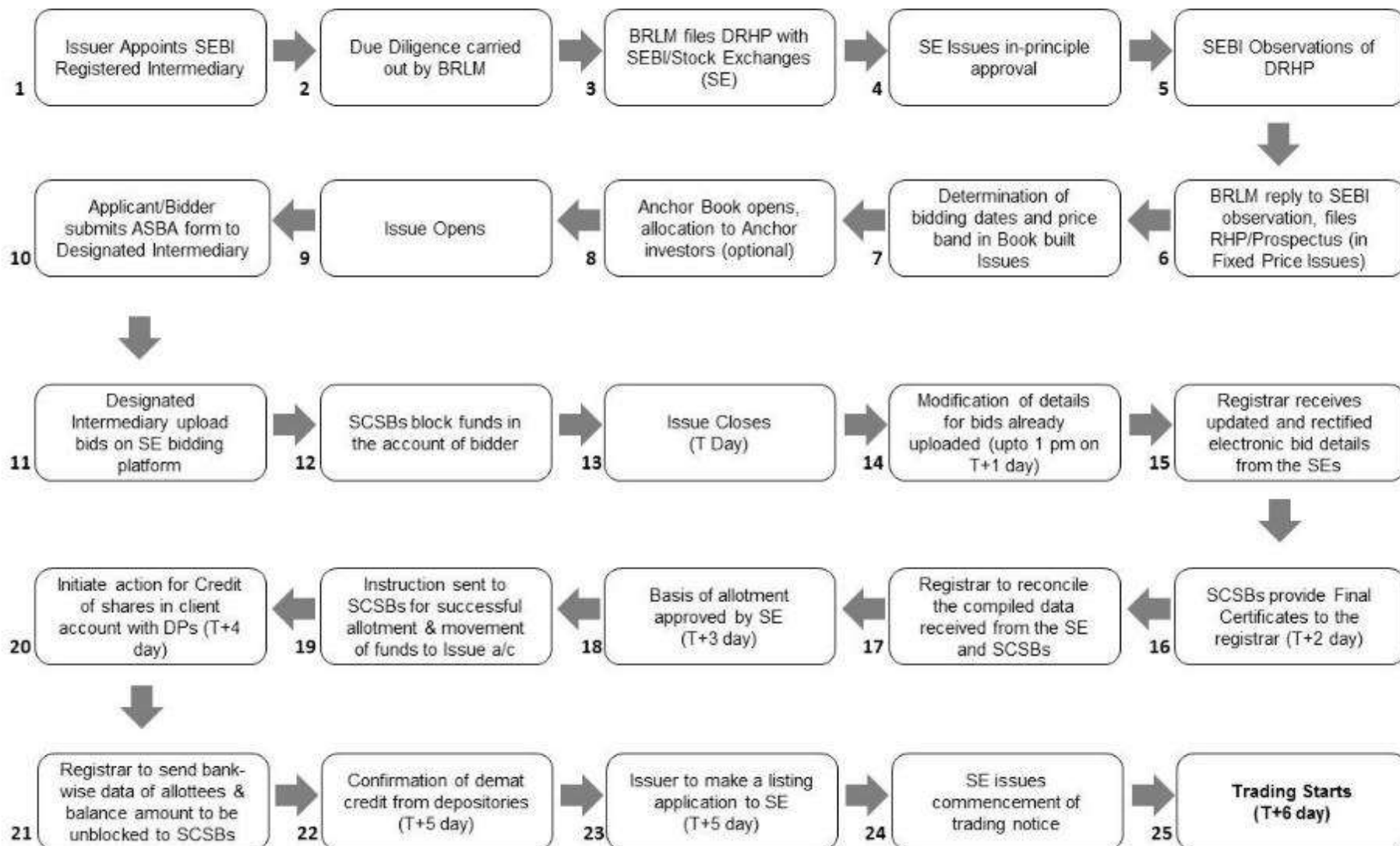
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

### **2.5 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to yes Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III FPIs Bidding under the QIBs category;
- FPIs which are Category III FPIs Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

### SECTION 4: APPLYING IN THE OFFER

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs	Blue
Anchor Investors (where applicable)	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BIDDING APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Address : _____ Contact Details: _____ CIN No. _____		

LOGO TO:  
THE BOARD OF DIRECTORS  
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : _____

Bid cum Application Form No. \_\_\_\_\_

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____
		Address _____
		Ed. No (with STD code) / Mobile _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER
		_____

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		4. INVESTOR STATUS <input type="checkbox"/> Individual (A) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CB <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation funds) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH
For NSDL, enter 4 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)
		Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		<input type="checkbox"/> Retail Individual Bidder
OR Option 2		<input type="checkbox"/> Non-Individual Bidder
OR Option 3		<input type="checkbox"/> QIB

5. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	

I/WE (ON BEHALF OF / JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BIDDING APPLICATION FORM AND THE ATTACHED DANGEROUS PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC SECTOR (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AT OVERSIGHT BY I/WE (ON BEHALF OF / JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INFORMATION CONTAINED IN THE FOLLOWING OF THE BIDDING APPLICATION FORM GIVEN OVERLEAF

6A. SIGNATURE OF SOLE / FIRST BIDDER	6B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (We acknowledge the SCSB to do all necessary formalities for the Application in this form)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid & Book Exchange system)
	(i) _____ (ii) _____ (iii) _____	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgment Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
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PAN of Sole / First Bidder \_\_\_\_\_

Amount paid ₹ in figures) _____ Bank & Branch _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____	
Received from Mr./Ms. _____	
Telephone / Mobile _____ Email _____	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
	ASBA Bank A/c No. _____ Bank & Branch _____				
					Acknowledgment Slip for Bidder
					Bid cum Application Form No. _____

TEAR HERE



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RESEARCH IS BEING CONDUCTED

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries only for correspondence(s) related to the Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted



Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders/Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### 4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

#### 4.1.4 **FIELD NUMBER 4: BID OPTIONS**

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).
- (c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.
- (b) In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- (e) RIB may revise or withdraw their bids till closure of the bidding period. QIBs and NIB's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (f) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer

Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### 4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion, can Bid in the Net Offer as well, and such Bids will not be treated as multiple Bids.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### 4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Offer are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### 4.1.7.1 **Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by direct credit, RTGS or NEFT.
- (c) The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### 4.1.7.2 **Payment instructions for ASBA Bidders**

- (a) Bidders may submit the ASBA Form either
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at a Bidding Centre, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) ASBA Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to the Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such Bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

#### **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by Eligible NRI Bidders applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.7.3 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, the signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:





Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

#### 4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

##### 4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

##### 4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

##### 4.3.5.3 **Discount (if applicable)**

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

#### 4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

#### 4.4 **SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM**

##### 4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated CDP Location
	(b) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus and the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

## **5.4 WITHDRAWAL OF BIDS**

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

## **5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediary,
  - ii. the Bids uploaded by the Designated Intermediary, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs and RIBs Bidders can be rejected on technical grounds listed herein.

### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GUID:-

- (a) Bid/Applications accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;
- (b) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (m) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- (p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- (q) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bids not uploaded in the Stock Exchanges bidding system.
- (t) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Where no confirmation is received from SCSB for blocking of funds;
- (v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (w) ASBA Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;
- (x) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

### (e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer.** As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.



## **7.2 ALLOTMENT TO NIBS**

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

## **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
  - i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

- (b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Offer.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN, and if required, a revised CAN.
- (d) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.
- Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six Working Days of the Bid/Offer Closing Date.

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of the prescribed period, be jointly and severally liable to repay the money, with interest at rate as per applicable law.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRI Bidders, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholder may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

### **8.3.1 Electronic mode of making refunds for Anchor Investors**

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NACH**—National Automated Clearing House which is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.
- (d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

#### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the prescribed rate if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the prescribed period.

The Issuer may pay interest at the prescribed rate for any delay beyond the prescribed period from the Bid/Offer Closing Date, if Allotment is not made.

### SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned below and the description ascribed to such term in other section of this Draft Red Herring Prospectus, the description as ascribed to such term in the in the other section of this Draft Red Herring Prospectus shall prevail.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.

<b>Term</b>	<b>Description</b>
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of a month and public holidays)

<b>Term</b>	<b>Description</b>
CAN/Confirmation Allocation Note of	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
CAN/Confirmation Allotment Note of	The note or advice or intimation sent to each successful Bidder/Applicants indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/Direct Credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form

<b>Term</b>	<b>Description</b>
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the Selling Shareholders and the Book Running Lead Manager(s) on the Pricing Date.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation Selling Shareholders and the Book Running Lead Manager(s), will finalise the Offer Price.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information



<b>Term</b>	<b>Description</b>
Public Offer Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/RIBs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Form by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchange(s), shall mean all trading days of the Stock Exchange(s) excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India (“**Industrial Policy**”) and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the DIPP.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. DIPP issued Consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017. The FDI policy incorporates the changes made in the past year, including liberalisation of sectors such as construction, defence, broadcasting, single brand retail trading and LLPs. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy 2016 and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.*

*Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company.*

INTERPRETATION	
1	In these regulations:- I. (a) "The Company" means the Sandhya Marines Limited. (b) "The Act" means the Companies act, 2013.
2	The regulations contained in Table 'F' of the First schedule to the Companies Act, 2013 insofar as they are applicable to a Public Company, shall apply to this Company save in so far as they are expressly or impliedly excluded by the following articles.
SHARE CAPITAL AND VARIATION OF RIGHTS	
3	The Authorised Share Capital of Company is Rs.120,00,00,000/- (Rupees One Hundred and Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.
4	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount, if allowed by the prevailing laws, after complying with the necessary requirements and at such time as they may from time to time think fit. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
5	(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— (a) One certificate for all his shares without payment of any charges; Or (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6	(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. (ii) Every person whose name is entered as a Member in the register of Members shall be entitled, in respect of their shareholding, to seek consolidation or sub-division of their holdings and the issue of one or several certificates in respect of such holdings, upon payment of such fee as the board may deem fit, subject to applicable law. The charges may be waived off by the Company. (iii) The provisions of Articles (2) and (3) shall <i>mutatis mutandis</i> apply to debentures of the company.
7	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8	(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9	(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of

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	<p>section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
10	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
11	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
	<b>LIEN</b>
12	<p>(i) The company shall have a first and paramount lien—</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p><i>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</i></p> <p>(ii) The fully paid Shares shall be free from all liens and company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
13	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable;</p> <p>or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
14	<p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
15	<p>(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale</p>
	<b>CALLS ON SHARES</b>
16	<p>(i) Subject to the sanction of Company in the general meeting, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. The option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings.</p> <p><i>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</i></p> <p><i>Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</i></p> <p>(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p>
17	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
18	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19	<p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
20	<p>(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call</p>

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	duly made and notified.
21	<p>The Board—</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
	<b>TRANSFER OF SHARES</b>
22	<p>(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p><i>Provided that the instrument of transfer for Securities of the Company shall be in common form and in writing and all provisions of the act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.</i></p> <p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>
23	<p>The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p> <p><i>Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever</i></p>
24	<p>The Board may decline to recognise any instrument of transfer unless—</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>
25	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p><i>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</i></p>
	<b>TRANSMISSION OF SHARES</b>
26	<p>(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
27	<p>(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
28	<p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
29	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p><i>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</i></p>
	<b>DE-MATERIALISATION OF SECURITIES</b>
30	<p>(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.</p> <p>(b) Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize,</p>

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	<p>hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.</p> <p>(c) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.</p> <p>(d) Rights of Depositories &amp; Beneficial Owners:</p> <p>(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the beneficial owner.</p> <p>(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.</p> <p>(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.</p>
	<b>FORFEITURE OF SHARES</b>
31	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
32	<p>The notice aforesaid shall—</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
33	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
34	<p>(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>
35	<p>(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
36	<p>(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(iii) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
37	The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
	<b>ALTERATION OF CAPITAL</b>
38	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
39	<p>Subject to the provisions of section 61, the company may, by ordinary resolution,—</p> <p>(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>
40	<p>Where shares are converted into stock,—</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p>



	<b>INTERPRETATION</b>
	<p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.</p>
41	<p>41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p>
	<b>FURTHER ISSUE OF SHARE CAPITAL</b>
42	<p>Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—</p> <p>(I) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely :</p> <p>A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person;</p> <p>C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.</p> <p>(II) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or</p> <p>(III) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub articles (i) or Article (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law.</p>
	<b>CAPITALISATION OF PROFITS</b>
43	<p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause.</p> <p>(ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(iii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
44	<p>(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>

	<b>INTERPRETATION</b>
	<b>BUY-BACK OF SHARES</b>
45	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
	<b>CESSATION OF MEMBERS</b>
46	In case the directors consider that the continuance of any person as a member of the company is detrimental to the interest of the company they may in their discretion if authorized by a special resolution passed by the company at the General Meeting call upon the said person or persons to transfer his or her or their representative share or shares in accordance with the provisions of these articles and from the date the transfer of shares becomes effective under the aforesaid resolution, the said persons shall ipso facto cease to be a member or members of the company and become disentitled to any of the rights, privileges and benefits as such member of the company.
	<b>NOMINATION OF SHARES</b>
47	<p>(i) Subject to the provisions of section 72 of the Companies Act, 2013 every shareholder or debenture holder or the company, may at any time, nominate in the prescribed manner a person to whom his/her shares in, or debentures of the company shall vest in the event of his/her death.</p> <p>(ii) Where the shares in, or debentures of the company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company as the case may be, shall vest in the event of the death of all the joint holders.</p> <p>(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the company where the nomination made in the prescribed manner purports to confer on any of the right to vest the shares in or debentures of the company, the nominee shall, on the death of the shareholder or debenture holder, as the case may be, on the death of joint holders, become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other person, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>(iv) Where the nominee is minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the company, the event of his/her death, during the minority.</p>
48	<p>A nominee, upon production of such evidence as may be required by the Board as per the relevant laws and subject as hereinafter provided, elect either:-</p> <p>(i) To be registered himself/herself as holder of the share or debenture, as the case may be; or</p> <p>(ii) To make such transfer of the share or debenture, as the case may be, as the deceased share holder or debenture holder, could have made;</p> <p>(iii) If the nominee elects to be registered as holder of the share or debenture, himself/herself, as the case may be he/she shall deliver or send to the company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holders as the case may be;</p> <p>(iv) A nominee shall be entitled to the same dividends and other advantage to which he/she would be entitled to if he/she was the registered holder of the share or debenture except that he/she shall not, before being registered as a member in respect of his/her share or debenture he entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other money payable or rights accruing in respect of such share or debenture, until the requirements of the notice have been complied with.</p>
	<b>GENERAL MEETINGS</b>
49	All general meetings other than annual general meeting shall be called extraordinary general meeting.
50	<p>(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>
	<b>PROCEEDINGS AT GENERAL MEETINGS</b>
51	<p>(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p>
52	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
53	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
54	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
	<b>ADJOURNMENT OF MEETING</b>
55	(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed



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	by the meeting, adjourn the meeting from time to time and from place to place. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
	<b>VOTING RIGHTS</b>
56	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
57	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
58	(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
59	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
60	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
61	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
62	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. (iii) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, SEBI Listing Regulations or any other Law, if applicable to the Company.
	<b>PROXY</b>
63	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
64	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
65	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: <i>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</i>
	<b>BOARD OF DIRECTORS</b>
66	The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The First directors of the company shall be: 1. Mr. Kondragunta Venkateswara Prasad 2. Mr. Valluru Sri Vasu Deva Siva Prasad 3. Mr. Parvathini Subba Rao The number of directors shall not be less than three and more than fifteen unless and until otherwise determined by the company at a General Meeting.
67	(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.
68	The Board may pay all expenses incurred in getting up and registering the company.
69	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

	<b>INTERPRETATION</b>
70	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
71	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
72	(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
73	The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.
74	(a) At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election. (b) The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
	<b>PROCEEDINGS OF THE BOARD</b>
75	(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. (iii) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed under the Act, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
76	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
77	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
78	(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
79	(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
80	(i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
81	(i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
82	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
83	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and

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	held.
84	To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.
	<b>DELEGATION OF POWERS</b>
85	Subject to the provisions of Act, the Board of directors may delegate any of their powers to any committee consisting of such member or members of their body as they think it and/or the Managing Director/ Whole-time Directors, or any other officer or authorized representative of the company. A committee so formed or the Managing Director/Whole-time Director or any other officer or authorized representative of the company shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed upon it or him by the Board of Directors.
86	To undertake Corporate Responsibility (“CSR”) activities.
	<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>
87	Subject to the provisions of the Act,— (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
88	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
	<b>THE SEAL</b>
89	(i) The Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
	<b>DIVIDENDS AND RESERVE</b>
90	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
91	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
92	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
93	(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share and any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid;
94	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
95	(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the

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	registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
96	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
97	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
98	No dividend shall bear interest against the company. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Law and the Company shall comply with the applicable provisions of the act relating to the transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund or to any such other fund as may be required under the applicable laws.
	<b>ACCOUNTS</b>
99	(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
	<b>WINDING UP</b>
100	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
	<b>INDEMNITY</b>
101	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
	<b>DIRECTOR'S RESPONSIBILITY</b>
102	Subject to the provisions of the Companies Act, 2013 no directors, Managing Director/Whole-Time Director/Manager/CEO/CFO of the Secretary or any other Officer of the company shall be liable for the acts, receipts, negligence of any other director or officer for the signing in any receipt of their acts for conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by the order of the directors for or on behalf of the company or for insufficiency or deficiency of any security in or upon which any of the money of the company shall be invested or for any loss or damage arising from bankruptcy, insolvency or turnouts act or any person with whom any money, securities effects of the company shall be invested or for any loss occasioned by the error of judgment or oversight or for any other loss, or damage or misfortune whatsoever which shall happen in the execution of the duties of such officer or in relation thereto unless the same happens through his own dishonesty and willful neglect.
	<b>SECRECY</b>
103	Every Director, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the company shall if so required by the directors before entering upon his duties sign a declaration pledging himself to observe strict secrecy, respecting all transactions of the company with its customers and state of accounts with individual and in matters relating thereto and shall on such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so by the directors so by the directors or by any meeting or by a Tribunal of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

## **SECTION IX: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **A. Material Contracts for the Offer**

1. Offer Agreement dated February 24, 2018, entered into amongst our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated February 24, 2018, entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s).
4. Share Escrow Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Underwriters.
7. Monitoring Agency Agreement dated [●], executed amongst our Company and the Monitoring Agency.

#### **B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated July 1, 1987.
3. Fresh Certificate of incorporation dated December 22, 1995 pursuant to conversion of Company from private limited to public limited.
4. Resolution of the Board of Directors dated February 20, 2018 in relation to the Offer and other related matters.
5. Resolution of the shareholders of our Company dated February 23, 2018 in relation to the Offer and other related matters.
6. Letters of transmittal each dated February 23, 2018, for the Equity Shares offered pursuant to the Offer for Sale from (a) Dr. K.V. Prasad, (b) Ms. K. Suryanarayanamma, (c) Mr. K. Anand Kumar, and (d) Mr. K. Arun Kumar.

7. The examination report dated February 12, 2018 of the Statutory Auditors on our Company's Restated Financial Statements.
8. Audited standalone and consolidated financial statement of our Company for the 9 months period ended December 31, 2017 and reaudited financials statements of our Company for Fiscal 2017 by M/s. P.Lakshmana Rao & Co., Chartered Accountants.
9. Consent letter from the Statutory Auditors of our Company for inclusion of their name as experts.
10. Consent letter from the Sphurthi Entrepreneurs & Technocrats, Chartered Engineer dated February 19, 2018, for inclusion of their name as experts.
11. Copies of the annual reports of our Company for the Fiscals 2017, 2016, 2015, 2014 and 2013.
12. The Statement of Tax Benefits dated February 12, 2018 from the Statutory Auditors.
13. Certificate from P. Lakshmana Rao & Co., Chartered Accountants, dated February 19, 2018 on amount spent by our Company as of February 19, 2018 towards the Objects of the Issue.
14. Consent of the Directors, BRLMs, Syndicate Members, Domestic Legal Counsel to the Offer, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Monitoring Agency, Chief Financial Officer, Company Secretary and Compliance Officer, as referred to in their specific capacities.
15. Consent letter dated February 16, 2018 from IMARC Services Private Limited for using excerpts of the report titled "*Shrimp Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-22*".
16. Certificate dated February 12, 2018 issued by M/s. P. Lakshmana Rao & Co, chartered accountants, certifying that the borrowings of our Company proposed to be repaid from the Net Proceeds have been utilized for the purposes for which they were availed.
17. Guarantees to Union Bank of India and Yes Bank Limited, given by our Promoters, namely, Dr. K.V. Prasad, Mr. K. Anand Kumar and Mr. K. Arun Kumar, who are also the Selling Shareholders amongst others.
18. Shareholder resolutions dated September 29, 2017 laying down the terms and conditions in relation to the appointment of Dr. K. V. Prasad, Mr. K. Anand Kumar and Mr. K. Arun Kumar.
19. Due Diligence Certificate dated February 24, 2018, addressed to SEBI from the BRLMs.
20. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
21. Tripartite agreement dated February 21, 2018 amongst our Company, NSDL and the Registrar to the Offer.
22. Tripartite agreement dated February 21, 2018 amongst our Company, CDSL and the Registrar to the Offer.
23. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the Directors, hereby certify and declare that all relevant provisions of the Companies Act and the rules /guidelines / regulations issued by the Government or the regulations / guidelines/ circulars / rules issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<b>Dr. K.V. Prasad</b> Chairman and Managing Director	<b>Mr. K. Arun Kumar</b> Whole-Time Director
<b>Mr. K. Anand Kumar</b> Whole-Time Director	<b>Mr. M. Raghavendra Rao</b> Independent Director
<b>Mr. Chitti Babu Battepati</b> Independent Director	<b>Ms. Chandana Sri Surapaneni</b> Independent Director

### Signed by the Chief Financial Officer

     <b>Mr. K. Suresh</b>
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Place: Visakhapatnam  
Date: February 24, 2018

## DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus, in relation to himself and the Equity Shares being offered by him in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements made by our Company or any other expert or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY THE SELLING SHAREHOLDER**

<b>DR. K.V. PRASAD</b>

Date: February 24, 2018

Place: Vishakhapatnam



## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by her in this Draft Red Herring Prospectus, in relation to herself and the Equity Shares being offered by her in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements made by our Company or any other expert or any other person(s) in this Draft Red Herring Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

<b>K. ANAND KUMAR</b>

Date: February 24, 2018

Place: Vishakhapatnam

## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus, in relation to himself and the Equity Shares being offered by him in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements made by our Company or any other expert or any other person(s) in this Draft Red Herring Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

<b>K. ARUN KUMAR</b>

Date: February 24, 2018

Place: Vishakhapatnam

## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus, in relation to himself and the Equity Shares being offered by him in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statements made by our Company or any other expert or any other person(s) in this Draft Red Herring Prospectus.

## **SIGNED BY THE SELLING SHAREHOLDER**

<b>K. SURYANARAYANAMMA</b>

Date: February 24, 2018

Place: Vishakhapatnam