DRAFT RED HERRING PROSPECTUS

Dated March 30, 2017

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

Please read Section 32 of the Companies Act, 2013

Book Built Issue

APEX FROZEN FOODS LIMITED

Our Company was originally formed as partnership firm constituted under the Partnership Act, 1932 ("Partnership Act") in the name of Apex Exports, pursuant to a deed of partnership dated October 24, 1995 Apex Exports was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956, with the name "Apex Frozen Foods Private Limited" and received a certificate of incorporation from Registrar of Companies, Andhra Pradesh on March 30, 2012. Subsequently, our Company was converted into a public limited company with the name "Apex Frozen Foods Limited" and a fresh certificate of incorporation was granted by the Registrar of Companies, Hyderabad on November 29, 2016. There has been no change in Registered Office of our Company since incorporation.

Registered Office and Corporate Office: 3-160, Panasapadu, Kakinada, East Godavari -533 005, Andhra Pradesh, India.
Contact Person: S. Sarojini, Company Secretary and Compliance Officer, **Tel:** +91 884 2383902/03/04**; Fax**: +91 884 2383 905/906
Email: cs@apexfrozenfoods.com; Website: www.apexfrozenfoods.in
Corporate Identity Number: U15490AP2012PLC080067

OUR PROMOTERS: KARUTURI SATYANARAYANA MURTHY AND KARUTURI SUBRAHMANYA CHOWDARY

PUBLIC ISSUE OF UP TO 8,700,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF APEX FROZEN FOODS LIMITED (OUR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF 7,250,000 EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹[●] MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 725,000 EQUITY SHARES BY KARUTURI SATYANARAYANA MURTHY REFERRED TO AS THE PROMOTER SELLING SHAREHOLDER") AND, UP TO 725,000 EQUITY SHARES BY KARUTURI PADMAVATHI (REFERRED TO AS ("THE PROMOTER GROUP SELLING SHAREHOLDER") (TOGETHER REFERRED TO AS THE SELLING SHAREHOLDERS") AGGREGATING TO ₹[●] MILLION ("OFFER FOR SALE"). THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) NOT EXCEEDING 5% OF OUR POST-ISSUE PAID UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE WOULD CONSTITUTE [●] %, OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL AND THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE [●] %, OF OUR POST-ISSUE PAID-UP SHARE CAPITAL.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE 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 BOOK RUNNING LEAD MANAGER AND THE AMOUNT OF DISCOUNT, IF ANY TO RETAIL INDIVIDUAL BIDDERS AND THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (THE "RETAIL DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●]AND THE [●] EDITION OF THE TELUGU NEWSPAPER, [●] (TELUGU BEING THE REGIONAL LANGUAGE OF ANDHRA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by atleast three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 (Ten) Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE by issuing a press release, and also by indicating the change on the websites the Book Running Lead Manager ("**BRLM**") and the terminals of the other members of the Syndicate and Self Certified Syndicate Banks ("**SCSBs**").

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), this is an Issue for at least 25% of the post-Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("**QIB Portion**"), provided that our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion") at the Anchor Investor Allocation Price, out 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 accordance with the SEBI ICDR Regulations. 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 Issue Price. Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All potential investors, other than Anchor Investors, are required to mandatorily use the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Specific attention of investors is invited to the chapter titled "*Issue Procedure*" on page 281 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Shares is [●] and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (as determined and justified by our Company and the Selling Share holders in consultation with BRLM as stated in the chapter titled "*Basis for Issue Price*" beginning on page 82 of this Draft Red Herring Prospectus) 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 Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does 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" beginning on page 18 of this Draft Red Herring Prospectus.

ISSUER'S AND SELLING SHAREHOLDER'S 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 Issue, which is material in the context of the Issue, 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. Further, the Selling Shareholders severally accept responsibility that this Draft Red Herring Prospectus contains all information about themselves as a Selling Shareholder in the context of the Offer for Sale and further assumes responsibility for statements in relation to themselves included in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, [●] will be the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of 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 Bid/Issue Closing Date, please see the section titled "*Material Contracts and Documents for Inspection*" on page 367 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
KARVY INVESTMENT BANKING **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 Email: cmg@karvy.com Investor Grievance Email: igmbd@karvy.com Website: www.karvyinvestmentbanking.com Contact Person: P. Balraj / Krishna Teja SEBI Registration No:MB/INM000008365	**Bigshare Services Private Limited** E-2/3, Ansa Industrial Estate, Saki vihar Road, Sakinaka, Andheri East, Mumbai, Maharastra-400 072 Tel: +91 -22- 4043 0200 Fax: +91 22 – 2847 5207 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website:www.bigshareonline.com Contact Person: Babu Raphael SEBI Registration No: INR000001385

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON [●] (1)	BID/ISSUE CLOSES ON [●] (2)

(1) Our Company and the Selling Shareholders, may in consultation with the BRLM offer a discount of upto [●] % {equivalent of ₹(●) on the Issue Price to Retail Individual Bidder and Eligible Employees.Our Company and the Selling Shareholders may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

(2) Our Company and the Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs, one Working Day prior to the Bid/Issue 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, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time.

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive.

General Terms

Term	Description
"our Company", "the Company", "the Issuer", "Apex" , "AFFL"	Apex Frozen Foods Limited, a company incorporated under the Companies Act, 1956 and having its registered and corporate office situated at 3-160, Panasapadu, Kakinada, East Godavari, Andhra Pradesh - 533 005
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Articles of Association / AoA	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of the Board of Directors described in the section entitled "*Our Management*" on page 150 of this DRHP constituted in accordance with Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act,
Auditors / Statutory Auditors	Statutory auditors of our Company, being M/s. Boda Ramam & Co., Chartered Accountants, Kakinada, Andhra Pradesh
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Chief Financial Officer	Ch. Vijaya Kumar
Compliance Officer	S. Sarojini
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee of our Board of Directors described in the section entitled "*Our Management*" on page 150 of this DRHP constituted in accordance with the Companies Act, 2013
Director(s)	The director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Group Entities/ Group Companies	Companies which are covered under the applicable accounting standards and other companies as considered material by our Board. For details, please see the section entitled "*Our Group Entities*" on page 169 of this DRHP
IPO Committee	The IPO committee of our Board of Directors described in the section entitled "Our Management" on page 150 of this DRHP constituted in accordance with the Companies Act, 2013
Key Management Personnel/ KMPs	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as disclosed in the section entitled "*Our Management*" on page 150 of this DRHP
Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations

Term	Description
Promoters	The promoters of our Company, namely Karuturi Satyanarayana Murthy and Karuturi Subrahmanya Chowdary. For details, see "*Our Promoters and Promoter Group*" beginning on page 166 of this DRHP
Promoter Selling Shareholder	Karuturi Satyanarayana Murthy
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, please see the section entitled "Our Promoters and Promoter Group" beginning on page 166 of this DRHP
Promoter Group Selling Shareholder	Karuturi Padmavathi
Registered Office and Corporate Office	Registered and corporate office of our Company is situated at 3-160, Panasapadu, Kakinada, East Godavari, Andhra Pradesh- 533 005
Registrar of Companies /RoC	Registrar of Companies, Andhra Pradesh & Telangana at Hyderabad.
Restated Standalone Financial Statements	The Restated Standalone Financial Information of our Company, which comprises of the restated standalone summary statement of assets and liabilities, restated standalone summary statement of profits and losses and restated standalone summary statement of cash flows, as at and for the fiscal year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and for the nine months period ended December 31, 2016, together with the annexures and notes thereto. For details, please see the section entitled "Financial Statements" beginning on page 172 of this DRHP
Selling Shareholders	Karuturi Satyanarayana Murthy and Karuturi Padmavathi.
Shareholders	Shareholders of our Company from time to time.
Stakeholders Relationship Committee	Stakeholders relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	The allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted 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 requirements specified in the SEBI ICDR Regulations and this Draft Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the 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 Book Running Lead Manager on the Anchor Investor Bidding Date
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 Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The price at which the 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 Issue Price but not higher than the Cap Price.

Term	Description
	The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM
Anchor Investor Portion	Up to 60% of the QIB Portion, consisting of up to [●] Equity Shares, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLM, 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 at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by an ASBA Bidder, which will be blocked by such SCSB to the extent of the Bid Amount specified by a Bidder
ASBA Bid	A Bid made by an ASBA Bidder, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
ASBA Bidder	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
Bankers to the Issue/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section entitled "*Issue Procedure*" on beginning on page 281 of this DRHP
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company 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, and 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 on submission of the Bid in the Issuer, which shall be net of Employee Discount and Retail Discount for Eligible Employees and Retail Individual Bidders, as applicable
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and regional editions of [●] (a widely circulated newspaper in Telugu which is the regional language of State of Andhra Pradesh, where our Registered and Corporate Office is located) and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations Further, our Company and the Selling Shareholders may, in consultation with the BRLM, may decide to close Bidding by QIBs one Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper, [●], all editions of the Hindi national newspaper, [●] and regional edition of the Telugu regional newspaper, [●] (Telugu

Term	Description
	being the regional language of Andhra Pradesh, where our Registered Office is located)
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof. Provided however that all the Bidding shall be kept open for a minimum of three working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Issue Period for the QIB Category one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
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 Centers	Centers at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process/Method	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Manager/ BRLM	Karvy Investor Services Limited
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 Centers, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges i.e. www.bseindia.com and www.nseindia.com
CAN/Confirmation of Allocation Note	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/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue 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
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in
Cut-off Price	Issue Price, as finalised by our Company and the Selling Shareholders, in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such locations of the CDPs where ASBA 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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
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 Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries/ Collecting Agent	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated March 30, 2017 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible Employee(s)	All or any of the following: (a) a permanent and full time employee of our Company (excluding such employee not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) 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 is based, working and present in India as on the date of submission of the Bid cum Application Form; and (b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as of the date of filing 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 and is based and present in India as on the date of submission of the Bid cum Application Form. An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee'. Eligible Employees may be given a discount at the discretion of our Company And the Selling Shareholders in consultation with the BRLM in accordance with Regulation 29 of the SEBI ICDR Regulations
Employee Reservation Portion	The portion of the Issue, being up to [●] Equity Shares that may be reserved for allocation and Allotment to Eligible Employees on a proportionate basis. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Issue capital of our Company, or increase the size of the Issue by more than [●]%
Escrow Account	An account opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement dated [●] entered into amongst our Company, the Selling Shareholders, the Registrar to the Issue, the BRLM, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors on the terms and conditions thereof

Term	Description
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, in this case being ₹ [•] at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to 7,250,000 Equity Shares aggregating up to ₹ [●] Million by our Company
General Information Document/GID	General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in "*Issue Procedure*" beginning on page 281 of this DRHP
Issue	The public issue of up to 8,700,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale
Issue Agreement	The agreement dated March 24, 2017 amongst our Company, the Selling Shareholders and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus. Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date. A discount of up to [●] % (equivalent of ₹ [●]) per Equity Share on the Issue Price may be offered to Retail Individual Investors and Eligible Employees
Issue Proceeds	The proceeds of the Issue that are available to our Company and the Selling Shareholders
Maximum RIB Allottees	Maximum number of Retail Individual Investors who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot
Mutual Funds	Mutual funds registered with 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), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" beginning on page 71 of this DRHP
Non-Institutional Investors/NIIs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FIIs, FVCIs and FPIs
Non- Resident Indian	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
Offer for Sale	The offer for sale of up to: (i) 725,000 Equity Shares by Karuturi Satyanarayana Murthy and (ii) 725,000 Equity Shares by Karuturi Padmavathi at the Issue Price aggregating up to ₹ [●] Million in terms of the Red Herring Prospectus
Price Band	Price band of a minimum price of [●] per Equity Share (Floor Price) and the maximum price of [●] per Equity Share (Cap Price) including any revisions thereof.

Term	Description
	The Price Band and the minimum Bid Lot for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLM and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper and regional editions of [●] (a widely circulated newspaper in Telugu which is the regional language of the state of Andhra Pradesh, where our Registered and Corporate Office is located)
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLM, will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	A bank account opened in accordance with the Companies Act, 2013 to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Public Issue Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened, in this case being [●]
QIB Category/ QIB Portion	The portion of the Issue being such number of Equity Shares to be allotted to QIBs on proportionate basis
Qualified Institutional Buyers or 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 the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors Bidders shall be made
Refund Bank(s)	[●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members, eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Issue/Registrar	Bigshare Services Private Limited
Registrar Agreement	The agreement dated March 24, 2017 entered into amongst our Company, the Selling Shareholders and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
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
Retail Individual Investors /RII(s)	Individual Bidders other than Eligible employees bidding in Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the Bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price.

Term	Description
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders 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 Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI a http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The agreement dated [●] entered into between Company, the Selling Shareholders, the BRLM and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centers where the Syndicate shall accept ASBA Forms from Bidders
Stock Exchanges	BSE Limited and The National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated [●] entered into amongst the BRLM, the Syndicate Members, our Company, the Selling Shareholders and Registrar to the Issue in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate	BRLM and the Syndicate Members
Syndicate Bidding Centers	Syndicate and Sub Syndicate centers established for acceptance of the Bid cum Application Form and Revision Forms
Syndicate Members	Intermediaries registered with SEBI who is permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] to be entered into amongst the Underwriters, our Company, and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms /Abbreviations

Term	Description
ASC	Aquaculture Stewardship Council
AUC	Area under Cultivation
BIS	Bureau of Indian Standards
bps	Basis Points
BR	Base Rate
BRC Food Grade	British Retail Consortium Food Grade
CAA	Coastal Aquaculture Authority
cGMP	Current Good Manufacturing Practices
EMS	Early Mortality Syndrome
ETP	Effluent Treatment Plant
GOAL	Global Aquaculture Alliance
HACCP	Hazard Analysis and Critical Control Point
HPV	Human Papillomavirus
IQF	Individual Quick Freezing
MBV	Methylene Blue Value
MEIS	Merchandise Exports from India Scheme
MTPA	Metric Tonnes Per Annum
NFDB	National Fisheries Department Board
RO Plant	Reverse Osmosis Plant
SPF	Specific Pathogen Free
SSOP	Sanitation Standard Operating Procedure
SOP	Standard Operating Procedure
PCR	Polymerase Chain Reaction
PE Lined	Polythene Lined
PH Level	Potential of Hydrogen Level
VAP	Value Added Products
WSSV	White Spot Syndrome Virus
US FDA	United States Food and Drug Administration

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %) : (End Year / Base Year) ^ (1 / No. of years between Base year and End year) - 1 [^ denotes 'raised to']
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Category I Foreign Portfolio Investors/Category I FPIs	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investors / Category II FPIs	FPIs who are registered with SEBI as “Category II foreign portfolio investors” under the SEBI FPI Regulations.

Term	Description
Category III Foreign Portfolio Investors/Category III FPIs	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations.
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
Client ID	Client identification number of the Bidders beneficiary account
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
Debt equity ratio	Total Debt (Long-term loans + Short-term loans + Current maturities of long-term loans) / Total Equity (Share Capital + Reserves & surplus)
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant Identification
DP / Depository Participant	Depository Participant as defined under the Depositories Act
EU	European Union
EURO	Currency of European Union
EBITDA	Earnings before interest, taxes, depreciation and amortisation = Total operating revenue (net) - total expenses (includes - cost of raw material and components consumed, purchase of traded goods, change in inventories of traded and finished goods, employee benefits expense and other expenses)
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into by our Company with the Stock Exchanges
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
GAAR	General Anti Avoidance Rules
GDP	Gross Domestic Product
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
ISO	International Organization of Standardization
IT Act	The Income Tax Act, 1961

Term	Description
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
JPY	Japenese Yen
KVA	Kilo Volt X Amps
LIBOR	London Inter Bank Offered Rate
LLP Act	Limited Liability Partnership Act, 2008
MICR	Magnetic Ink Character Recognition
Mutual Fund (s)	Mutual Fund (s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRI	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
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	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 Issue
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
PLR	Prime lending rate
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
₹/ Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Term	Description
SEBI Takeover Regulations /Takeover Regulations	Securities and Exchange Board of India (Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
U.S. / USA / United States	United States of America
USD / US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "USA", "US" and "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 otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Information prepared in accordance with the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year, acordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. The reconciliation of the financial information to Ind AS, Indian GAAP, U.S. GAAP or IFRS financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and we urge investors to consult their own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Indian GAAP and IFRS, see "*Risk Factors – Companies in India (based on notified thresholds)*, including our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company. Such transition to Ind-AS may have a significant impact on our financial position and results of operations. All income tax assessments in India will also be required to follow the Income Computation Disclosure Standards." on page 31 of this DRHP. Further, for details of significant differences between Indian GAAP and Ind-AS, see "*Summary of Significant Differences between Indian GAAP and Ind AS*" on page 246 of this DRHP. Accordingly, the degree to which the financial information 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, Indian GAAP, the Companies Act and the SEBI ICDR Regulations.

Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on pages 18, 119 and 226 respectively of this DRHP, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States; and
- "Euro" or "€" are to Euro, the official currency of the Eurozone (the monetary union of the European Union).

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. 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 periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015	As on March 31, 2016	As on December 31, 2016
1 USD	54.39	60.10	62.59	66.33	67.95
1 Euro	69.54	82.58	67.51	75.10	71.62

Source: www.rbi.gov.in

Note: Exchange rate is rounded off to two decimal places

(i) In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

(ii) The above figures are based on the RBI reference rates.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications issued by CRISIL Research, a division of CRISIL Limited and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

For details of risks in relation to the industry report, see "Risk Factors – We have commissioned industry reports from CRISIL Research which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us" on page 35 of this DRHP.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page 82 of this DRHP includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM has independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 35 of this DRHP.

Further, in accordance with Regulation 51A of the SEBI ICDR Regulations and the Listing Regulations, as applicable, our Company may be required to undertake an annual updation of the disclosures made in this Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

FORWARD-LOOKING STATEMENTS

Our Company has included statements in this Draft Red Herring Prospectus which contain words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are 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.

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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- inadequate or interrupted supply and price fluctuation of our raw materials and packaging materials;
- loss of one or more of our significant customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products;
- a slowdown or shutdown in our processing operations;
- failure to effectively manage our future growth and expansion;
- Dependence on our Promoters and Key Managerial Personnel; and
- Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws.

For further discussion of factors that could cause our actual results to differ from the expectations, see sections entitled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 18, 119 and 226 of this DRHP, 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 investors that the expectations reflected in these forward looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLM nor any of their respective affiliates have 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 will ensure that investors 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. In accordance with SEBI requirements and as prescribed under applicable law, the Selling Shareholders severally and not jointly will ensure that investors are informed of material developments in relation to statements and undertakings made by the respective Selling Shareholders from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II - RISK FACTORS

This section describes the risks that we currently believe may materially affect our business and operations. Any investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks, uncertainties and challenges described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section together with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 119, 89 and 226 of this DRHP, *respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

If any or a combination of the following risks, or other risks and uncertainties that are not currently known or are now deemed immaterial, actually materialize, our business, financial condition, cash flows, results of operations and prospects may suffer, the trading price of our Equity Shares may decline or fall significantly, and all or part of your investment in our Equity Shares may be lost. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and cash flows.

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. 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 Issue.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may 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" on page 16 of this DRHP.

Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

INTERNAL RISK FACTORS:

1. ***Company generates majority of its revenues through export of shrimp to United States of America, United Kingdom and a few countries in European Union. Any adverse developments or changes in these markets may adversely impact our business, financial condition and results of operations.***

Our Company generates most of its revenues through export of shrimp to the customers located in United States of America and Europe. For the nine months ended December 31, 2016, for the year ended March 31, 2016, March 31, 2015 and March 31, 2014, our revenues from operations to United States of America constitutes 81.29%, 85.64%, 87.50% and 93.54% respectively and to United Kingdom and various countries of European Union constitutes 18.71%, 13.86%, 12.50% and 6.46% respectively. Any adverse change in demand to our products, seafood consumption patterns, international prices, government regulations and other social, economic, political and environmental developments in United States of America, United Kingdom or European region may adversely affect our business, financial condition and results of operations.

2. ***Any shortfall in the supply of our raw materials or an increase in raw material costs or other input costs may adversely impact the pricing and supply of our products and have an adverse effect on our business.***

Raw materials are subject to supply disruptions and price volatility caused by various factors such as the quality and availability of supply, consumer demand, changes in government programs and regulatory sanctions. Our Company caters to 15-20% of the raw materials required for our business through our in house farming and cultivation process and a substantial amount of our raw materials are purchased from third party farmers. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. The prices and supply levels of raw materials are dependent on factors, which are not in our control such as general economic conditions, competition, production levels, transportation costs and import duties. On account of overall inflationary situation the cost of farming could go up significantly and to that extent our profitability may be adversely affected.

Any increase in raw material prices may affect our procurement of raw materials and will result in corresponding increases in our product costs, while the increase in the selling price of the finished products may not be in proportionate to the increase in raw material price. Such change in pricing may adversely affect our sales, cash flow and our overall profitability

Our Company's cost of raw material consumed constituted 77.90%, 75.68%, 78.59% and 81.08% of our total revenues in nine months ended December 31, 2016, Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively. If we are unable to manage these costs or increase the prices of our products to offset these increased costs, our margins, cash flows and our profitability may be adversely affected.

We have a cordial relation with such associate farmers due to our assistance efforts where in we provide advisory on scientific methods and techniques.However, such associate farmers are not obligated to have an exclusive relationship with us and are open to have similar relationship with our competitors. Any decision of such associate farmers to provide shrimp to our competitors and not to us may disturb the production of shrimp and will have adverse affect on our business and financials.

We currently do not have and do not intend to enter into long term contracts with any of the raw material suppliers since we typically place orders with them in advance on the basis of our anticipated requirements. The absence of long term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our consumers and which could negatively affect the overall profitability and financial performance of our business.

3. ***Our aquaculture farms operate in an environment sensitive industry. We do not possess any control on the bio security measures employed at different level of operations. Improper measures may lead to risk of development of new infections/ diseases and the shrimp it produces may be prone to certain diseases, epidemic, bacteria and viruses spread in the environment.***

Our aquaculture farms operate in an environment sensitive industry and the shrimp grown by us are quite vulnerable to diseases and viruses especially known as the White Spot Disease. Our Company is constantly following various methods and processes to ensure that all sort of viruses and diseases are avoided, however such method and process may not be foolproof and we cannot assure or guarantee that the shrimp being grown by us will not be prone to any virus or disease.

Bio security measures can be defined as the set of procedures undertaken to prevent, control and eradicate infectious viruses and diseases in organisms. Although, we have standard management system and a biosecurity arrangement in place, there may be possibility of insufficient biosecurity arrangement at our farms. This may cause to develop the risk of new diseases among the shrimps. If we fail in controlling these risks, our business may be significantly and adversely affected. Accordingly, investors should consider our business and prospects in light of the competition, challenges and risk faced by the company and should not consider only our past performance and results as an indication of our future performance.

4. ***We derive a significant portion of our revenue from a few customers, we do not have long term contractual arrangements with most of them, and the loss of one or more such customers, the deterioration of their financial condition or prospects, 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 customers. For the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, our top three customers contributed ₹3292.8 million, ₹3357.7 million, ₹2978 million and ₹2336.9 million, comprising of 61.53%, 55.63%, 49.68% and 45.44% 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. These significant customers include Chicken of the Sea Frozen Foods (USA); Ocean World Ventures LLC (USA); Pacific Sea Food Group (USA), who in the aggregate contributed 61.53%, 54.37%, 42.16% and 27.09% of our total revenues for the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, respectively.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. 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.

5. ***Our processing facility and procurement operations are concentrated in Andhra Pradesh region and any adverse developments affecting these regions could have an adverse effect on our business, results of operations and financial condition.***

Our processing facility is located at Kakinada, Andhra Pradesh. We also have our owned hatchery located in Vijayanagaram and a leased hatchery with Satyadev Marine Foods in Annayyapeta in Andhra Pradesh. Our pre processing plant is located in Tallarevu, Andhra Pradesh. We also have a processing arrangement with Royale Marine Impex Private Limited for processing of shrimp in Bapatla. Since our entire infrastructure, facilities and business operations are currently concentrated in these region, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies of the state or local governments of these regions or the Government of India, could require us to incur significant capital expenditure, change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

6. ***We intend to utilize a portion of the Net Proceeds for setting up an additional processing unit at Peddapuram Mandal, G. Ragampeta Village, East Godavari district, Andhra Pradesh. We are yet to place orders for plant and machinery and apply for requisite government approvals for the proposed processing unit. Any delay in undertaking such and not adhering to the schedule of implementation could have an adverse effect on our business growth and prospects and results of operations.***

We intend to utilize a portion of the Net Proceeds for setting up an additional processing unit at Pedapuram Mandal, G. Ragampeta Village, East Godavari district, Andhra Pradesh. We estimated the total cost of the project be ₹ 857.04 million comprising of purchase of land (including registration charges) amounting to ₹ 74.74 million, building and civil works amounting to ₹ 189.80 million, plant and machinery amounting to ₹ 554.53 million and contingency expenses amounting to ₹ 37.97 million. As on the date of this Draft Red Herring Prospectus, our Company has acquired 21.3 acres of land at G. Ragampeta Village, East Godavari district, Andhra Pradesh for an amount of ₹ 74.74 million out of internal accruals for setting up an additional processing unit which will be replenished from the Net Proceeds, however we are yet to place orders for 100% of plant and machinery. Further, we are yet to apply for requisite government approvals for the proposed processing unit. We have not entered into any definitive agreements to utilize the net proceeds of the Issue and have relied on the quotations received from third parties for estimation of some of the cost. Our Company, depending on various factors, will finalise the suppliers for the proposed object which may not be the same from whom the quotations were obtained. While we have obtained the quotations from various vendors in relation to the plant and machinery, 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 and set up a manufacturing facility as per our schedule of implementation. For details, see "***Objects of the Issue***" at page 71 of this DRHP. Any cost overrun due to our failure to purchase plant and machinery within our budget could adversely impact our financial condition temporarily and also delay our growth prospects.

7. Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may adversely affect our business, results of operations and financial condition.

Our Company is currently involved in four legal proceedings before various fora in the United States of America pertaining to levy of anti-dumping duties on various Indian companies exporting shrimp to the USA. There can be no assurance that these proceedings will not be determined against us. Decisions in any such proceedings that are adverse to our interests and our failure to successfully defend claims may have a material, adverse effect on our business, future financial performance and results of operations.

For further details regarding these legal proceedings, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 251 of this DRHP.

8. Any shortage, disruption or non-availability of power and water may adversely affect our entire farming, pre processing and processing requirements and have an adverse impact on our business, results of operations and financial condition.

Our facilities and operations requires significant and constant power supply as our raw materials and finished products are required to be processed and stored at specified controlled temperatures environments. Temperature control becomes essential in relation to, processing and preservation of raw materials and our products, some of which have relatively short shelf lives. We currently source our water requirements from bore wells and water tankers and depend on state electricity supply for our energy requirements. Although we have diesel generators to meet exigencies at our facilities, we cannot assure you that our facilities will be operational during longer power failures.

Any major failure in power supply may occur in the future as a result of any natural calamity, technical fault, shortage of power or other factors beyond our control or failure to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, requiring us to either stop our operations or activities and may involve additional time and increase our costs which may have an adverse effect on our business, results of operations and financial condition.

9. ***Our Company is required to procure imported plant & machinery for the purpose of our business. The same are required for our pre-processing plants and processing plants. The plant & machinery are imported and are subject to risk arising from foreign exchange fluctuation***.

Our business requires us to import plant and machinery. The same is required based on the demand, supply, sales, new methods, expansion plans and etc. most of our plants & machineries are imported and are subject to exchange rates fluctuations. The exchange rate between the rupee and other currency is variable and may continue to fluctuate in future and we are subject to such fluctuations, as we have to import our plant and machinery. Our Company has a natural hedge against its payables as its receivables are in foreign currency, however our Company may still be subject to exchange rates fluctuations. Fluctuations in the exchange rate may affect the cost of the project, which may require us to arrange the additional fund for completion of the project. If we are not able to arrange such additional fund in due time, which may result in delay in implementation of our project and which may result into adversely affects the profitability and financial results of the company.

10. Complete portion of our revenues is dependent on our exports to international customers. Any failure to fulfill the requirements of our international customers may adversely affect our revenues, result of operations and cash flows.

All our revenue is derived from exports. Our operations may be impacted by various risks inherent in international sales, including, failure of our global delivery service model, restrictions imposed on sale and purchase of our products by the Government of India or the respective governments where our customers are located and economic, political or regulatory uncertainty, currency exchange rate fluctuations and varied regulatory framework and requirements. We currently avail benefits under certain export promotion schemes. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the financial incentive schemes of the Government of India, would adversely affect our business, results of operations and financial condition. To the extent that we are unable to effectively manage our global operations and risks, we may be unable to maintain our revenue and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition, results of operations and cash flows may be adversely affected.

11. We are highly dependent on smooth supply and transportation and timely delivery of our products from our farms to our customers and regular supply of raw materials. Various uncertainties and delays or non-delivery of our products will affect our production and sales.

We rely on transportation services in Andhra Pradesh for movement of our product from our farms to the port across the entire production cycle. We depend on transportation services for timely delivery of our required raw materials and for delivery of our products to our customers. We also rely on third party logistics to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and supply to our customers, to the extent that our losses are not covered by insurance. A major part of our business is also dependent on booking a proper cargo shipment to ensure that the final packaged product is duly exported to our end customers. Any delay or contingencies faced in booking such cargo and shipment may affect our sales and business.

Such uncertainties and delays may result in an adverse impact on our business, financial condition, results of operations and prospects.

12. Our business depends on processing the shrimp and any loss of or shutdown of operations of the processing activities on any grounds could adversely affect our business or results of operations.

Our shrimp pre-processing and processing facility are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lockouts, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our pre processing and processing facilities will have a material adverse affect on our business, financial condition and results of operations.

13. The laws of various countries govern our customer contracts and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.

Several of our purchase orders executed with our customers are governed by the laws of the country in which either the customer is incorporated or where the business of the customer is situated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

14. Our business requires us to obtain and renew certain registrations; licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals, which may affect our business adversely.

For more information about the licenses required in our business and the licenses and approvals applied for renewal and approvals yet to apply, please refer section *"Government and other statutory approvals*" appearing on page 255 of this DRHP.

15. Our inability to manage our growth may disrupt our business and reduce our profitability.

From fiscal year 2013 to fiscal year 2016, our total revenue have grown at a CAGR of 33.53%, and the Company's profit after tax has increased at a CAGR of 26.99% respectively. As part of our growth strategy to meet customer needs, we are committed to diversify our product offerings, customer base and geographic footprint and minimizing our exposure to individual markets and segment. This will in turn result in substantial demands on our management, operational, and financial resources and our growth will require us to continuously invest in our operations and improve our operational, financial and internal controls, employee costs, newer units in newer locations, expansion of existing units and administrative infrastructure. An inability to manage our growth, including as a result of a failure to adequately respond to any such challenges, risks or uncertainties, may disrupt our business and reduce our profitability.

16. We are subject to anti-dumping duty levied on shrimp exports by the U.S. Government. Any change in such quantum of duty being levied for shrimp export may affect our financial and business operations.

We export a considerable amount of our produce to the U.S. market and generate a considerable amount of our revenue from customers based in U.S. The U.S. government levies anti-dumping duty on export of shrimp into U.S. on the exporter. We cannot guarantee the fluctuation or change in the quantum of anti-dumping duty that may be levied by the U.S. government in the future. Any change in such quantum of anti-dumping duty being levied for shrimp export may affect our financials and also have an adverse affect on our sales and business operations.

17. ***We are subject to strict quality requirements and customer inspections and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and prospects.***

We are in aquaculture business wherein we export processed shrimp. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in processed shrimp production may lead to cancellation of supply orders or non-renewal of contracts by our customers. We are subject to strict quality requirements, customer inspections and any failure to comply with quality standards as per our customers' requirements could result in cancellation or non-renewal of purchase orders that may have an adverse impact on our business, financial condition, results of operations and prospects.

Our quality-control procedures may fail to test for all possible conditions of use or identify all defects in the product. Any such defects could require us to undertake service actions or product recalls. Any defect in our Company's products could also result in customer claims for damages.

Any negative publicity regarding our Company, or products could adversely affect our reputation, our operations and our results from operations. Prior to entering into purchase contracts, some of our customers undertake a detailed review process and quality check, which involves inspection of our processing facilities. We are therefore subject to a stringent quality control mechanism at each stage of the entire process and are required to maintain the quality and precision level for our product. We will continue to incur a portion of our future revenues to manage our product quality and to maintain our existing quality control, which may impact our profitability.

18. ***We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition and results of operations.***

All our revenue from operations is denominated in United States Dollar (USD). Appreciation of Indian Rupee against the USD may adversely affect our results of operations by decreasing the realization of the receivables to the extent the same is received as unhedged foreign currency. Any adverse change in foreign currency fluctuations in the value of the Indian Rupee against the U.S. dollar could adversely affect our financial condition and results of operations.

19. Increase in operation costs and other charges, may adversely affect our results of operation and profitability.

Our business would be affected by the fluctuation of costs at various levels. The overall cost factor of our operations is dependent on various factors, which are not in our control such as general economic conditions, competition, production levels, transportation costs and import duties. On account of overall inflationary situation the costs of operations could go up significantly and to that extent our profitability may be adversely affected. Any increase in the costs of our operations may adversely affect our business, financial condition and results of operation.

20. Our success depends heavily upon our Promoters and Senior Management for their continuing services, strategic guidance and financial support.

Our success depends heavily upon the continuing services of our Promoters and Senior Management who are the people in control of our Company. Their rich experience and vision have played a key role in obtaining our current market position and the growth of the business as a whole. We would depend significantly on our Key Managerial Persons for continuing our operation and executing the proposed expansion plan. If our Managing Director, Executive Directors or any member of the senior management team are unable or unwilling to continue in their present position, we may not be able to replace them easily or replace at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

21. We have had negative cash flows in recent periods. Our inability to generate and sustain adequate cash flows in the future may adversely affect our business, results of operation and financial condition.

We have experienced negative cash flows in the recent periods, the details of which, as per our Restated Financial Information are as follows:

(₹ in Million)

Particulars	For the Nine months ended December 31, 2016	For year ended			
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Net cash provided by / (used in) operating activities	(8.73)	373.50	123.16	94.23	(108.44)
Net cash flow from / (used in) investing activities	(167.77)	(159.78)	(120.38)	(168.38)	(93.19)
Net cash flow from / (used in) financing activities	175.36	(211.78)	(1.00)	78.27	191.10

For further details, please refer to Annexure III of chapter "*Financial Information*" on page 172 of this DRHP.

22. Our Group Entity, Karutturi Global Exports Private Limited is authorised to engage in a similar line of business as us, which could create conflicts of interest, which may have an adverse effect on our business.

Karutturi Global Exports Private Limited, our Group Entity in which our promoters have significant influence is authorised under their constitutional documents to engage in a similar line of business as we do. Whereas, as on the date, it does not carry out any business activities, we have not entered into any non compete or similar arrangement with Karutturi Global Exports Private Limited or otherwise with our Promoter.

Accordingly, there can be no assurance that the Group Entity will not in future engage in any competing business activity or acquire interests in competing ventures. If so, conflict of interest may arise in the future and in the absence of a non compete arrangement, we may not be able to suitably resolve any such conflict without an adverse effect on our business or operations. In a situation where a conflict of interest may occur between our business and the business activities of Karutturi Global Exports Private Limited, it could have an adverse effect on our business, prospects, results of operations and financial condition.

23. We have not entered into any arrangements for alternate source of raising the funds required for our "Objects of the Issue". Any shortfall in raising/meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not entered into any arrangement for alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in delay in implementing the project and may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

24. 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.

Our Company has entered into related party transactions with the promoters. These transactions or any future transactions with the related parties could potentially invite conflicts of interest.

For details regarding related party transactions, kindly refer to the section "Financial Information" starting at page 172 of this DRHP.

25. We have had instances of regulatory non-compliances and lapses in relation to appointment of Company Secretary under applicable company law.

Our Company is required to employ a whole time Company Secretary in accordance to the applicable provisions of the Companies Act, 2013, however we had failed to do so in the past and was not complaint with applicable provisions of the Companies Act, 2013. We cannot assure you that the regulators will not take a divergent view and impose penalties on us in this regard, which may adversely impact our financial position.

26. If we experience insufficient cash flows, there may be an adverse effect on our financial condition and results of operations.

Our operations require a significant amount of working capital on account of our global delivery service model requiring us to meet the customer requirements. Our working capital requirements have also increased significantly in recent years due to the growth in our business and a greater focus on expanding our global delivery service model. If we do not maintain adequate cash flows to enable us to fund our working capital requirements or to service our working capital loans, there may be an adverse effect on our business, financial condition, results of operations and prospects.

27. We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.

We are subject to credit risk through our trade receivables and other receivables due from our customers in case of delay. By their nature, trade receivables involve risks, including the risk of non-performance by counterparties. Further, the failure of any of our customers to make timely payments could affect our profitability and liquidity and decrease in resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our customers that adversely affects their ability to pay and failure of any of our customers to make timely payments may materially and adversely affect our cash flows, business prospects, financial condition and results of operations.

28. Our hatchery situated at Annayyapeta and a considerable amount of our farming operations are located on leased locations.

At present, our Company is running hatcheries on properties owned by third party at Annayyapeta. The tenure of the agreements is generally agreed in the lease agreements and is subject to renewal after the agreed period of time. Any change in the terms and conditions of the lease agreements, any premature termination such lease agreements, may adversely affect our business operations and our financial condition.

Almost more than 90% of our farming lands are also on properties owned by third parties and we are operating our farming process based on lease arrangements with such third parties for the usage of the land. The tenure of the agreements is generally agreed in the lease agreements and is subject to renewal after the agreed period of time. Any change in the terms and conditions of the lease agreements, any premature termination such lease agreements, may adversely affect our business operations and our financial condition.

29. We have a shrimp processing arrangement with Royale Marine Impex Private Limited for processing of shrimp in the facility owned by Royale Marine Impex Private Limited vide an agreement dated November 24, 2014.

At present, our Company is having a shrimp processing arrangement with Royale Marine Impex Private Limited for processing of shrimp by Royal Marine Impex Private Limited for the Company from the raw shrimp provided by the Company in the facility owned by Royale Marine Impex Private Limited The tenure of the agreements is generally agreed in the agreement and is subject to renewal after the agreed period of time. Any change in the terms and conditions of the agreement, any premature termination of such agreement, may adversely affect our business operations and our financial condition.

For further details, see “Our Business” on page 119 of this DRHP.

30. *Our Company requires sizeable amounts of working capital for a continued operation and growth. Our inability to meet with our working capital requirements may have an adverse effect on our growth, development, financial results and its operations.*

Our shrimp industry requires intensive working capital for day-to-day operations. This being a business wherein we are required to procure considerable amount of raw shrimp from third parties to ensure that our sales are continuous across the entire year. Considering the same, our Company needs sizeable amount of working capital. The credit period given to the clients is also considerable and as such recovery of sales revenue from a customer may take some time. Considering the same it is very important that a considerable amount of working capital is required to be deployed for a smooth and break free operation and growth. Our inability to meet with our capital requirements may have an adverse effect on our growth, development, business operations and financial results.

31. Information relating to the historical utilized capacity of our processing facilities included in this DRHP is based on various assumptions and estimates and future production and capacity may vary

Information relating to the historical utilized capacity of our processing facilities included in this DRHP is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential utilisation levels and operational efficiencies. Actual production levels and rates may differ significantly from the estimated production capacities or historical estimated capacity information of our facilities. Undue reliance should therefore not be placed on our historical capacity information for our existing facilities included in this DRHP.

32. We have certain contingent liabilities, which, if materialise, may adversely affect our financial condition.

As of December 31, 2016, our contingent liabilities are as set out in the table below:

(₹ in millions)

Particulars	As at December 31, 2016
a. Bank Guarantee	0.50
b. Export Obligations (Pending Obligations against EPCG License)	249.98
c. Letters of Credit	64.53
Total	**315.01**

33. Our Company avails various credit facilities from the Bank and as per sanction terms there are certain restrictive covenants imposed on us.

As on December 31, 2016, our aggregate long-term borrowings from banks and financial institutions were ₹ 266.15 million, while aggregate total short-term borrowings from banks amounted to ₹ 803.74 million, and we expect to incur additional indebtedness in relation to our capital expenditures. As on December 31, 2016, our Total Debt/Equity ratio was 1.17 times. We have entered into certain agreements for our borrowings and some of these agreements require us to maintain certain financial ratios and also impose certain restrictive covenants on us, such as requiring lender consent for, *inter alia*, effecting any changes in capital structure, making material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking a restructuring or declaring dividends. While there have not been any instances of non-compliances in relation to any of our loan agreements or any covenant therein, there can be no assurance that we will be able to comply with these covenants in the future or that we will be able to obtain the consents necessary to take the actions that may be necessary.

Our existing debt or additional debt that we may incur has, or may have, among others, the following consequences:

- limiting our ability to fund future working capital, capital expenditures and other general corporate requirements;
- requiring us to dedicate a substantial portion of our cash flow from operations to service our debt;
- limiting our flexibility to react to changes in our business and in the industry in which we operate;
- placing us at a competitive disadvantage with respect to any of our competitors who have less debt;
- requiring us to meet additional financial covenants; and
- leading to circumstances that result in an event of default, if not waived or cured.

Any failure to service our debt, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, affect our ability to raise additional funds or renew maturing borrowings to finance our existing working capital requirements and pursue our growth initiatives. We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they become due.

The termination of, or declaration or enforcement of default under, any financing agreement may have an adverse effect on our business, financial condition, results of operations and prospects.

For details of our indebtedness, see "Financial Indebtedness" on page 243 of this DRHP.

34. Our Company faces competition in its business from other competitors in International market.

Though the aquaculture sector in India is fragmented and unorganised, is highly competitive and our Company faces competition from other competitors located both in India and globally. There are competitors who may have better financials and management resources who may have captured greater market share than our Company has. Our Company may face competition in the future from established players having significant operations in India. Our products as marketed to our customers may also face tough competition from local players of the respective countries with better market presence and financial stability. This may adversely affect our business operations and our financial condition.

35. Any disruption in labour industry or strikes by our workforce may affect the production capability of our Company.

Our manufacturing activities are labor intensive, and expose us to the risk of various labour related issues. We cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers and impair our market reputation, which may adversely impact our business and financial condition.

36. If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.

Our Company is subject to a number of stringent labour laws, which protect the interests of workers, including in relation to dispute resolution, employee removal, pending payments and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations of Andhra Pradesh, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits.

Further, stringent labour laws will ensure difficulty in maintaining flexible human resource policies, and working environment, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

37. Not all the trademarks used by us are registered in our name. Our ability to use our intellectual property including our logo may be impaired.

We do not enjoy a registered trademark status with respect to our flagship logo and few of our brands. Our Company has filed the application for the said trademarks and the same is currently pending before the trademark authorities in India, European Union and United Kingdom and the same is pending before the authorities.

Till such time as the authorities grant the registration of the trademark, we do not enjoy the statutory protections accorded to registered trademarks in India or the other geographies wherein our customers are based out of. In the absence of registration, any person or any legal entity may challenge our use of our corporate name and logo or allege that we have breached their intellectual property rights, which may adversely affect our brand image, goodwill and customer relations. In the event that we become involved in litigation in order to defend our intellectual property claims, there is no assurance that any such litigation will be resolved in our favor.

For further details, see *"Government and other Approvals"* on page 255 of this DRHP.

38. Changes in safety, health and environmental laws and regulations may require ~~to~~ additional costs and as such this may adversely affect our results of operations and financial condition.

We are required to comply with the safety, health and environmental laws and regulations in the areas in which we operate, this includes the disposal and storage of raw materials, air and water discharges, to manage the storage, use and disposal of the chemical used by us, employee exposure to hazardous materials and other aspects of our operations. Compliance with any changes in these laws may increase our costs and as such adversely affect our results of operations and financial condition.

Aquaculture farming is subject to various Laws and rules and regulations framed by the various authorities viz. Local Authorities, State Government Authorities and Central Government Authorities. Various Laws and regulation that govern the acquisition and development of Farm, including laws and regulations related to zoning, permitted uses of Land, norms for the open space to be kept, norms for environmental and safety measures and to comply with the various Laws relating to the Labour and their safety too. This requires additional cost to be incurred and to that extent it will adversely affect our results of operations and financial condition.

39. We have unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and cash flows.

As per our restated standalone financial statements, as on December 31, 2016, we have unsecured loan of ₹ 34 million from promoters and directors, which is repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and liquidity. For further details of these unsecured loans, please refer to "Financial Information" beginning on page 172 of this DRHP.

40. Our Promoters and members of the Promoter Group will continue to jointly retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

Post this Issue, our Promoters and Promoter Group will collectively own [•]% of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, may exercise a significant degree of influence over Company and may be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

41. Our Promoters, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors. Furthermore, one of our Director, namely Karuturi Neelima Devi is related to our individual Promoters. For further details, please see the sections entitled "*Our Management*" and "*Our Promoters and Promoter Group*" on page 150 and 166 of this DRHP, respectively.

42. Our Promoters have provided personal guarantees for a significant portion of our borrowings and collaterals to secure certain of our loans.

Our Promoters have provided personal guarantees as collateral for a significant portion of our borrowings. If any of these guarantees are revoked or if such collateral is proved insufficient, lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to lenders, we may need to seek alternative sources of capital which may not be available to us at commercially reasonable terms or at all, or get compelled to agree to more onerous terms under such financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected.

43. Our management will have broad discretion in how we deploy the Net Proceeds.

We intend to use the Net Proceeds for the purposes described under "Objects of the Offer" on page 71 of this DRHP. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised and will not be monitored by any bank, financial institution or other independent agency. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable laws.

Additionally, the funds raised pursuant to the Offer for Sale by the Selling Shareholders in this Offer will not be available to our Company.

44. The Selling Shareholders will sell the Equity Shares in the Offer for Sale at a price that is higher than their average cost of acquisition of the Equity Shares.

The Selling Shareholders will sell the Equity Shares in the Offer for Sale at a price that is in excess of their average cost of acquisition of the Equity Shares. For details of the average cost of acquisition of Equity Shares by the Selling Shareholders, see *"Risk Factors – Prominent Notes"* on page 37 of this DRHP.

45. Our Company has not paid dividends on Equity Shares in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Since incorporation, our Company has not paid any dividend as the profits of our Company were invested in our Company for the purposes of incurring capital expenditure. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors.

46. The various insurance coverage taken by our Company for its employees, fixed assets, stocks, receivables and finished products may not be adequate to protect against certain business risks.

Operating and managing a business involves many risks that may adversely affect our Company's operations, and thus in order to mitigate these risks to a certain extent, the appropriate risk cover is therefore a need. Our Company maintains general liability insurance coverage for its employees, fixed assets, stocks, receivables and finished products. Our Company believes that its insurance coverage is generally consistent with industry practice.

However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, it could be exposed to substantial costs and losses that would adversely affect results of operations. In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that its insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds its available insurance coverage or that leads to adverse changes in its insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect Company's results of operations.

Our Company is taking adequate steps to ensure that all insurances are renewed on time and none of the insurances have elapsed due to time delay in the past.

47. Increasing expansion and push for R&D/technology upgradation increase the costs.

Our industry is very sensitive to environment and the healthy growth/catch of the shrimps dependent on favourable environment. After introduction of upgradation in shrimp farming technologies, the chances of diseases has decreased considerably. However, the industry is prone to environmental changes. Our Company has to constantly upgrade and adopt the new technologies in order to minimize its dependence on environmental factors.

Our Company has in-house research facility and team to constantly test and monitor the aquaculture activities carried on our farms. Our management is very much adoptive to technological up gradation and of the business operations, which is evidenced by the installations of auto-feeder systems to shrimps, PH level testers among others. Our Company put forward continuous and conscious efforts to match the pace of technological advancements with the business requirements. Our company has to incur cost for the same and to that extent it may adversely affect our business operations and our financial condition.

EXTERNAL RISK FACTORS

48. Companies in India (based on notified thresholds), including our Company, will be required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and there is no clarity on the impact of such transition on our Company. Such transition to Ind-AS may have a significant impact on our financial position and results of operations. All income tax assessments in India will also be required to follow the Income Computation Disclosure Standards.

We currently prepare our annual financial statements under Indian GAAP (which are different to the International Financial Reporting Standards ("IFRS") in various material respects. Companies in India, including us, will be required to prepare financial statements under 'Indian Accounting Standard' ("Ind-AS"), which are converged with IFRS. On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the "MCA") announced 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 through a press release. Further, on February 16, 2015, the MCA has released the Companies (Indian Accounting Standards) Rules, 2015, which has come into effect from April 1, 2015.

Ind-AS will be required to be implemented on a mandatory basis by companies based on their respective net worth as set out below:

Phase I - Mandatory for accounting periods on or after April 1, 2016 (comparatives for the periods ended March 31, 2016 or as appropriate)	Phase II - Mandatory for accounting periods on or after April 1, 2017 (comparatives for the periods ended March 31, 2017 or as appropriate)
• Those whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth of ₹ 5,000 million or more. ("A")	• Those whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth less than ₹ 5,000 million. ("A")
• Companies, other than those covered in "A", having a net worth of ₹ 5,000 million or more. ("B")	• Companies, other than those covered in "A", having a net worth of ₹ 2,500 million or more but less than ₹ 5,000 million. ("B")
• Holding, subsidiary, joint venture or associate companies of companies covered under "A" or "B".	• Holding, subsidiary, joint venture or associate companies of companies covered under "A" or "B".

For the purpose of calculation of net worth of Companies, the net worth shall be calculated in accordance with the standalone financial statements of the company as on March 31, 2014 or the first audited period ending after that date are required to implement Ind-AS in the financial year commencing on April 1, 2017, and to provide comparative figures for the corresponding period in our prior financial year. Given that Ind-AS is different in many respects from Indian GAAP, under which we currently prepare our financial statements, the transition to Ind-AS may have a significant impact on our financial position and results of operations. For further information, please see *"Summary of Significant Differences between Indian GAAP and Ind-AS"* on page 246 of this DRHP.

In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above (even though if they do not meet above threshold) shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, Ind-AS differs in certain respects from IFRS and therefore financial statements prepared under Ind-AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind-AS than under Indian GAAP or IFRS.

Furthermore, the Government of India has issued a set of Income Computation and Disclosure Standards ("ICDS") that will be applied in computing taxable income and payment of income taxes thereon, applicable from the assessment year 2016-2017. ICDS will apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources." This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

We may encounter difficulties in the ongoing process of implementing and enhancing our management information systems under Ind-AS reporting and the ICDS. There can be no assurance that the adoption of Ind-AS and the ICDS by our Company will not adversely affect its results of operation or financial condition.

49. Significant differences exist between Indian GAAP and other accounting principles, such as 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.

Our financial statements, including the financial statements included in this Draft Red Herring Prospectus, were prepared in accordance with Indian GAAP. 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 it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries.

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 Issue and the financial information contained in this Draft Red Herring Prospectus.

50. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, and spending.

51. Any changes in the regulatory framework could adversely affect our operations and growth prospects.

Our Company is subject to various regulations and policies. For details see section titled *"Regulations and Policies"* beginning on page 135 of this DRHP. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

52. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price And liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

53. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

54. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the stock exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

55. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

56. 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.

57. Our ability to raise capital outside India may be constrained by Indian law, which may adversely affect our financial condition, results of operations and prospects.

We are subject to exchange controls in India that regulate borrowing in foreign currencies. Such regulatory restrictions limit our sources of financing our operations and hence could constrain our ability to obtain financing arrangements on competitive terms. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all.

Limitations on foreign debt may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions may have an adverse effect on our business growth, financial condition and results of operations.

58. ***The requirements of being a listed company may strain our resources.***

We have no experience as a listed company and will, on receipt of final listing and trading approvals for our Equity Shares pursuant to this Offer, become subject to increased disclosure and corporate governance requirements and public scrutiny of our affairs. Our Promoters and some of our other Directors and key personnel have also not been associated with any listed company in the past and may, therefore, find increased demands on their time due to a greater requirement for management supervision, or face challenges in implementing the increased disclosure requirements and enhanced financial and other internal controls.

59. If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.

Despite a decreasing trend in recent months, in recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, salaries, materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be adversely affected.

60. Investors may not be able to enforce a judgment of a foreign court against us.

Our Company is a public limited company incorporated under the laws of India. All our Directors and key personnel are residents of India and our operating assets are located in India. As a result, it may not be possible for investors to affect service of process on us or such persons outside India or enforce judgments obtained against such parties outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, amongst others, the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Civil Code and thus a judgment of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "Civil Code"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against officers, our directors, or us it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

61. We cannot guarantee the accuracy of third-party statistical, financial and other data or information in this Draft Red Herring Prospectus, which may be incomplete or unreliable.

Certain data relating to India, its economy or the industries in which we operate as contained in this Draft Red Herring Prospectus is subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable which have been assessed and quantified internally by our Company as no other credible third party sources are available for such data. We have not independently verified data from industry publications and other sources and therefore cannot assure that they are complete or reliable. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. Statistical and other information in this Draft Red Herring Prospectus relating to matters relating to India, the Indian economy or the industries in which we operate have been derived from various government and other publications that we believe to be reliable.

While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, each of the BRLM or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

62. Our Equity Shares have not been publicly traded prior to this Offer. After this Offer, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue. Moreover, the Issue Price shall be determined through a book-building process and may not be indicative of the price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to, among other factors, general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, market conditions specific to the industry that we operate in, developments relating to India (as well as other jurisdictions in which we operate), volatility in the Indian and global securities market, changes in the

estimates of our performance, recommendations by financial analysts, etc. The trading price of our Equity Shares might also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us or are unrelated to our business.

63. The trading price of our Equity Shares may fluctuate due to volatility of the Indian and global securities markets.

Stock exchanges in India have in recent years, in line with global developments, experienced substantial fluctuations in the prices of listed securities. The SENSEX, BSE's benchmark index, increased by approximately 18.67%, representing approximately 3,522 points in Fiscal Year 2014, increased by approximately 24.55% representing approximately 5,511 points in Fiscal Year 2015 and has subsequently decreased by around 10.33% in Fiscal year 2016 representing approximately 2,918 points. In addition, Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

64. Any future issuance of Equity Shares may dilute your shareholding, and sale of Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

Any future issuances of Equity Shares by our Company or securities linked to Equity Shares after this Offer will dilute you shareholdings in our Company. In addition, the perception that such issuance or may occur could also adversely affect the trading price of our Equity Shares and impair our future ability to raise capital through an issue of Equity Shares. No assurance can be given that we will not issue any additional Equity Shares. We cannot predict the effect that sale of Equity Shares by major Equity Shareholders or the availability of Equity Shares for future sale may have on the trading price of our Equity Shares.

65. 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 listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("STT") has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. 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.

66. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

67. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

68. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is to commence within six working days of the date of closure of the Issue. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods prescribed under law.

Prominent Notes

1. Public Issue of up to 8,700,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of up to 7,250,000 Equity Shares aggregating up to ₹ [●] million by our Company and Offer of Sale of up to 1,450,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Issue comprises a Net Issue to the public of [●] Equity Shares (the "Net Issue") and a Reservation of [●] Equity Shares Aggregating up to ₹ [●] million for subscription by Eligible Employees. The Issue would constitute [●] % of our post – Issue paid – up Equity Share capital and the Net Issue to the Public would constitute [●]% of our post-Issue paid-up Equity Share capital.

2. Our Company and the Selling Shareholder may, in consultation with the BRLM, offer a discount of up to [●]% (equivalent of ₹[●] per Equity Share) to the Issue Price to Retail Individual Investors.

3. For details of incorporation of our Company, change in name and the Registered Office of our Company, see *"History and Certain Corporate Matters"* on page 144 of this DRHP.

4. Our net worth as on December 31, 2016 as per our Restated Financial Information included in this Draft Red Herring Prospectus was ₹ 916.33 million. For details kindly refer to *"Financial Statements"* beginning on page 172 of this DRHP.

5. The net asset value per Equity Share as on December 31, 2016 as per our Restated Financial Information is ₹38.18.

6. The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoter	Number of Equity Shares Held	Average Cost of Acquisition (₹)
Karuturi Satyanarayana Murthy	9,600,000	5.83
Karuturi Subrahmanya Chowdary	9,600,000	8.26

7. For details of related party transactions entered into by our Company with the Group Companies and other related parties during the last financial year, the nature of transactions and the cumulative value of transactions, see "Related Party Transactions" on page 170 of this DRHP.

8. There has been no financing arrangement whereby our Promoters, Promoter Group, Directors, or any of their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of the business during the six months preceding the date of this Draft Red Herring Prospectus.

9. For more information on Group Entities that have business or other interests in our Company, see "Our Group Entities" and "Related Party Transactions" on pages 169 and 170 of this DRHP, respectively.

10. Investors may contact any of the Book Running Lead Manager for any complaints, information or clarification pertaining to the Issue. For details of the Book Running Lead Manager, please refer to the section titled "General Information" on page 52 of this DRHP.

All grievances, in relation to the ASBA process, may be addressed to the Registrar to the Issue, 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.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

GLOBAL MARKET

Seafood is an important source of nutrition for human population and it also provides livelihood for millions of people around the globe. Seafood being a vital source of protein and micronutrients, it is often referred to as a rich food for poor people due to its relatively lower cost as compared to other comparable sources of nutrition. Improved fisheries management coupled with sharp growth in aquaculture over the past few *decades* has significantly improved per capita seafood consumption from 15 kgs in 1995 to over 20 kgs in 2015.

Consequently, global seafood consumption, which stood at 151 million tonnes in 2015, has grown at a relatively faster compounded annual growth rate (CAGR) of 3% over the past decade. Based on the type of sourcing, seafood products can be classified as - capture fisheries and aquaculture. In 2015, the share of capture fisheries and aquaculture stood at 55% and 45%, respectively. Twenty years ago, the share was 80% for capture fisheries while the share of aquaculture was relatively low at 20%. Aquaculture has played a very important role in meeting rising global demand even as capture fisheries production has saturated.

Global seafood consumption to reach 170-175 million tonne by FY21

Seafood roughly accounts for about one-sixth of global intake of animal protein and its consumption has been growing at a healthy pace over the last 2 decades. The global per capita seafood consumption rose from 15.0 kg in 1995 to 17.0 kg in 2005 and further to 20.4 kg in 2015, at a compounded annual growth rate (CAGR) of 2% during the period. In absolute terms, seafood consumption grew at 3% CAGR to 151 million tonne in the decade 2005-2015, increasing its share in global food intake by 40 basis points. Global demand for seafood has been growing because of rising population and income level, diversification in varieties of fish offered, and richness in protein content.

Global aquaculture market

Aquaculture gains share; marine catch remains stagnant

Overfishing, or exploitation of seafood stock exceeding the maximum sustainable yield level has resulted in stagnation in marine production. While marine catch has remained stagnant over the past 10 years, increase in aquaculture production has helped meet increasing demand for seafood. Aquaculture is the rearing and cultivation of aquatic species for food under controlled conditions. Global aquaculture production has grown at 7.0% CAGR to 67-71 million tonne in the past 10 years. Consequently share of aquaculture has increased by 13 percentage points (1 percentage point = 100 basis points) over the last decade to 45%. Going forward also, we expect this trend to continue with share of aquaculture increasing to 52% by 2020.

Trends in global trade

USA to remain major importer for aquaculture products

Developed countries such as the USA, Japan, and EU are highly dependent on imports of fishery products, as they are not self-sufficient in meeting their domestic requirement. USA, China, Japan, Spain and Thailand are the key importing countries of aquaculture products, together accounting for close to half of total imports.

Rising demand for aquaculture products such as shrimp and tuna has helped USA in maintaining the pole position. Japan, which was once the largest importer, now occupies a distant second, after being overtaken by the US. Factors such as declining demand especially from the youth, coupled with weaker currency (the yen depreciated 6.7% CAGR to reach JPY 121 in 2015), has made imports expensive in Japan. South-east Asian countries such as Thailand source seafood products from countries such as India, carry out value addition, and re-export to countries in the West, thereby earning better margins. China is one of the largest importers as well as exporters for these products.

Going forward as well, we expect the demand from USA to keep on rising owing to increasing consumption of shrimps as well as other aquaculture species leading to higher imports. Further, imports from China and Thailand are projected to rise and reach 9-11% and 5-7%, respectively in 2020 as they would continue with value addition activities. However, falling demand from youth popoulation in Japan would result in its declining share, which is expected to reach 8-10% by 2020.

The exporters' league and India's place in it

The rising demand for aquaculture products is met by top exporting countries such as China, India, Vietnam, Chile and USA, accounting for 41% (in volume terms) of total aquaculture exports. India's share increased by ~330 bps to 7.8% between 2010 and 2015. Favourable government policies for setting up aquaculture farms, depreciation of the Indian rupee vis-à-vis the dollar, and spread of white spot disease in aquaculture farms in south-east Asia (one of the major producers of aquaculture products, especially shrimps) have helped India gain market share. China too saw its market share rise to 7.6% in 2015 from 5.5% in 2010. However, Vietnam's share contracted to 10% in 2015 from 15% in 2014. The reduction in exports was mainly linked to spread of white spot disease in the Vietnamese aquaculture farms, thereby hampering production.

By 2020, we expect the India's share in aquaculture exports to reach 10-12% on account of increasing production following rise in number of aquaculture farms. While the share of China is expected to continue to rise and reach 11-13%, share of USA is expected to remain stable. Vietnam's share is projected to reach 12-14% by 2020 as it recovers from EMS disease.

INDIAN AQUACULTURE MARKET

Indian aquaculture production witnessed a 6% compounded annual growth rate (CAGR) from 1995 to 2015. Up to early 2000s, the development of brackish water aquaculture was mostly confined to a single species, Penaeus Monodon, also known as white tiger shrimp, the scientific farming of which began only in the early 1990s. Majority of the shrimps produced were destined to exports, which fetched high realisations. However, due to the breakout of white spot syndrome virus (WSSV) the production of white tiger shrimp remained stagnant.

In 2003, pilot research and small scale production of L. vannamei, also known as Pacific white leg shrimp, was initiated. After six years of research, large scale production of L vannamei was permitted in 2009 and since then its skyrocketed and grew at a CAGR of 190% to reach 0.4 million tonne in 2015. The export of Pacific white leg shrimp has fetched hefty export realisations. Its production is comparatively easier, as they can be reared at high stocking densities up to 150/ square meters and are tolerant to a wide range of salinities.

With technological advancements and creation of better awareness, aquaculture farming can be a good source of income, as they fetch high export realisations.

Domestic market size

India's seafood industry turnover close to ₹ 1,100 billion in FY16

The domestic seafood market in India is highly unorganised and is predominantly a wet market (fresh fish is sold directly in the market). The export market, on the other hand, is largely organised due to stringent quality and hygiene requirements. Processing is carried out by exporters according to buyer requirements.

The size of the overall seafood industry in India stood at about ₹.1,095 billion in 2015-16, with domestic market accounting for 72% share, while exports contributed the rest. Steady demand from the domestic market and rising exports resulted in the overall industry growing by 14% CAGR (in value terms) between 2010-11 and 2015-16. The domestic segment registered 12% while exports grew at a relatively faster pace of 19%. While increase in realisations and per capita consumption (in the domestic market) propelled growth, exports were especially aided by an outbreak of early mortality syndrome in South East Asian countries such as Thailand and Vietnam, which impacted global supply and provided Indian players an opportunity to increase exports and benefit from high realisations.

Domestic seafood market is highly unorganised and dependent on capture fisheries

Capture fisheries (marine and inland) comprises major share of the domestic seafood market, with the share of aquaculture accounting for only 15-20% of total sales. The lower share of aquaculture is because of traditional preference of India's populace for on marine fishes such as pomfret, mackerel, hilsa, rohu, seer fish, and katla. As capture fisheries comprises over three-fourth share, realisations are impacted by the availability of fish, which are seasonal in nature.

A growing population, rising incomes, and availability of diversified seafood products have resulted in a rise in per capita consumption, thereby driving growth for this market. The size of the domestic seafood market in 2015-16 was about Rs 791 billion. Between 2010-11 and 2015-16, the domestic seafood market grew at 12% CAGR in value terms and 3% CAGR in volume terms. Although, close to 80-85% of consumption in domestic market is from capture fisheries, demand for aquaculture products is also on the rise. Increasing incomes, health conscious consumers (preference over red meat), and more variety of brands available in super and hyper markets is driving growth for the aquaculture products.

Over the next 5 years, CRISIL Research projects the domestic seafood market to grow at a CAGR of 14-15% to reach ₹1,500-1,600 billion by 2020-21. Realisations are expected to rise by 9-11% year-on-year. Seasonal availability of marine and inland catch and higher demand for these products compared to supply, will drive realisations growth. Increase in share of high value aquaculture products will also boost average realisations. Volumes are projected to increase by 3-3.5%, with steady growth in population and per capita seafood consumption. Per capita seafood consumption is expected to reach 6.8 kg from 6.2 kg over the same period.

Export Market

Exports market dominated by shrimps (in value terms)

India's exports mainly comprise frozen shrimps, cuttlefish, frozen squids and dried fish with shrimps dominating the exports basket. In 2015-16, shrimps contributed 40% in volume and 64% in value terms to total exports. The top five products in India’s export basket accounted for 80% in volume and 88% in value terms.

India’s export market grew at a CAGR of 10% to $ 4.7 billion (~ ₹.308 billion) between 2010-11 and 2015-16. The growth was supported by a sudden spurt in demand especially for shrimps during 2013-14 and 2014-15 following spread of early mortality syndrome (EMS) in the aquaculture farms of south-east Asia (the major exporters of shrimp). The disease, which was detected in aquaculture farms of China in 2009, soon started spreading to countries such as Vietnam and Malaysia in 2011, and Thailand in 2012, impacting aquaculture farms in those countries.

In the first half of 2016-17, India's exports increased 18% on-year in value terms to reach $ 2.6 billion (~₹ 175 billion), driven primarily by shrimp exports. The growth in rupee terms was higher compared to dollar terms owing to 4% depreciation of INR. Shrimp exports (a major contributor to the country's export basket) grew 17.5% on-year to USD 2 billion (₹134 billion). Going forward, shrimp will continue to dominate India's export basket growing at a healthy pace of 17-19% CAGR to reach ~$7 billion (₹ 465 - 467 billion) by 2020-21 assuming an exchange rate of INR 67/USD. Further, diversification in product offerings (introduction of new species such as seabass, cobia, tilapias and grouper) and rising share of value added products coupled with quality control will also aid overall exports from India.

USA major export market, south east Asia follows

Of the total exports from India, USA was the top-most destination (28%) followed by south-east Asia, European Union (EU) and Japan. Over the last five years, exports to USA and EU are continuously witnessing a rising trend. Various factors such as increasing aquaculture production, and rise in varieties of seafood products offered are responsible for this growth. Exports to south-east Asia also peaked by 2014 owing to the spread of EMS disease. As the aquaculture farms in that region were impacted, they imported from India to fulfill their export obligations, as well as to satisfy the local demand. However, demand from south-east Asia has declined, as their domestic production has also started recovering. Further, Chinese demand has slowed down especially over the past one year, owing to deceleration in its economy. Demand from Japan has remained stable while exports to Middle East is on the rise owing to growing demand and gaining popularity of fish over meat (due to health benefits).

Going forward, we expect demand from USA to continue to rise with its share expected to reach 30-32% by 2020-21. Further, imports by South East Asia from India would continue to rise not only for value addition and re-export but also on account of rising demand for seafood products in the region. Going forward, its share in India's total export is expected to reach 29-31%. Demand from Middle East would also increase with its share expected to reach 6-8% by 2020-21.

After the government's decision to allow cultivation of vannamei shrimp in 2009, aquaculture production in India has grown rapidly. Further, rising demand for aquaculture products globally especially from USA, rising popularity among local population, and outsourcing of seafood processing activities by south-east Asian countries to India have also aided growth.

Over the next five years, we expect India's overall exports to grow at 14-16% CAGR driven by strong volume growth. Rise in aquaculture production in India, which is expected to grow at 11-13% CAGR, should drive volumes. However, south-east Asian markets recovery from white spot disease will put some pressure on realisations, especially shrimps, as the global supply situation improves.

PACIFIC WHITE LEG SHRIMP INDUSTRY

India's aquaculture production and export palate favor shrimps

Shrimps are the undisputed favourites of the aquaculture market in India. Of the total aquaculture production, close to 80% is exported while the rest is sold in the domestic market. There are many varieties of shrimps such as Pacific white leg shrimps (L.vannamei), tiger shrimps, and scampi cultivated in India. Shrimps which can be cultivated in fresh or brackish water contribute to over 90% of India's total exports. Apart from shrimps, some other products that are cultivated through aquaculture are tilapia, grouper, Asian sea bass, mud crab, cobia and mullet.

Trend in exports

Shrimp exports expected to touch $ 7 billion by FY21

The size of export market for shrimps stood at $ 3.1 billion in 2015-16, with white leg shrimps contributing about 75-85% share. The overall shrimp exports grew at a robust CAGR of 33% between 2009-10 and 2014-15. Volumes grew by 22% while realisations by 11%. One of the major factors that aided growth for India was the spread of the EMS disease in south-east Asian aquaculture farms. Countries such as Vietnam and Thailand which were the major shrimp exporters were impacted by this disease, thereby benefitting India. A sudden spurt in demand helped Indian exporters, who had the necessary capability and capacity, to export the given quantity and thereby gain better realisations. In 2015-16, gradual recovery of south-east Asian markets slowed down both volume and realisations for Indian exporters.

In first half of 2016-17, shrimp exports recorded a growth of 18% on-year in value terms, and 14% on-year in volume terms. Over the next 5 years, we expect shrimp exports to grow at a CAGR of 17-19% in value terms, primarily driven by volumes. Volumes are expected to grow at a CAGR of 11-13%. Realisations are expected to record a growth of about 6%. The realisation growth will be contracted compared to what the shrimp segment has witnessed in the past owing to improvement in shrimp supply in global seafood market following recovery of south-east Asian countries from the EMS disease.

SUMMARY OF BUSINESS

Our Company is one of the integrated producer and exporter of shelf stable quality aquaculture products. We supply our ready-to-cook products to a diversified customer base consisting of food companies, retail chains, restaurants, club stores and distributors spread across the developed markets of USA, UK and various European countries. Our output majorly comprises of variants of processed Vannamei shrimp (White shrimp) and are sold under the brands owned by our customers and also through our brands namely Bay fresh, Bay Harvest and BayPremium.

For over two decades, our promoters have been associated with aquaculture business in Andhra Pradesh. Our Company leased a shrimp processing facility and commenced operations in the year 1995 after which we set-up our own MODERN shrimp processing facility in the year 2004.

Our processing facility is located at Kakinada, Andhra Pradesh with a capacity to process approximately over 9,240 MTPA of finished products and an additional pre-processing and processing arrangement at a facility owned by Royale Marine Impex Private Limited located at Bapatla, Andhra Pradesh, for a capacity to process around 3,000 MTPA of finished products. The processing facilities are supplemented by cold storage facilities located at Kakinada and Bapatla. Along with this, to further assuage our operations, we have our own fleet of vehicles with freezing capabilities.

Our Competitive Strengths

Economies of scale on account of integrated operations

We are able to achieve economies of scale due to our synergised business operations. We source approximately 15%-20% of our raw material requirements through our own farming efforts. Our in-house farming and our association with our associate farmers enable reliable and uninterrupted supply of raw shrimp.

Strategically located processing plant

Our operational facilities are strategically located along the costal belt of Andhra Pradesh. All our operational facilities are located in proximity to one another, thereby enabling smooth transition of products to each stage of the product life cycle. Our processing facility in Kakinada is located within a proximity of 10 to 200 kilometers from our various farms situated on our owned as well as leased land which in turn catalyses our just-in-time sourcing model of raw materials from our farms. Our facility is approximately 20Kms from Kakinada port and approximately 150Kms from Vishakapatnam port, thereby providing a substantial logistical advantage for the transport of our finished product.

Established Customer Relationships

We have long-standing relationships with numerous global customers. Our entire produce is being exported to countries such as USA, UK and various European countries. Some of our major customers are Chicken of the Sea Frozen Foods (USA), Ocean World Ventures LLC (USA) and Pacific Sea Food Group (USA).

Focus on quality control measures and research &development initiatives

We export 100% of our products to countries across the world, such as USA, UK and European countries. Abiding by international standards and maintaining customer satisfaction is of utmost importance to us, hence we have deployed quality assurance checks at each stage of the product life cycle.

Proven and experienced management

We have a dedicated management team with vast experience in the industry. Our senior management has been associated with us for many years to ensure that the progress and the growth of the Company are achieved in the right manner. Our senior management has diverse experience across our operations.

Procurement of raw materials from our farms

Our Company has numerous ponds situated in a total extent of 1,032 acres with 105.78 acres of owned land and 926.22 acres of leased land. This farming at our ponds allows us to procure raw materials and ensures that our business of shrimp processing is cost effective.

Robust Financial Performance

Following the export trends, our business growth since incorporation, contributed significantly to our financial strength. As per the Restated Standalone Financial Statements, the Company's total revenues have grown from ₹ 2,554.83 million in Fiscal 2013 to ₹ 6,082,66 million in Fiscal 2016, at a CAGR of 33.53 %, and the Company's profit after tax, as restated, has increased from ₹ 94.15 million in Fiscal 2013 to ₹ 192.80 million in Fiscal 2016, at a CAGR of 26.99 %. Further, as per the Restated Standalone Financial Statements, the Company's total revenues for the nine months ended December 31, 2016, was ₹ 5,411.73 million, and the Company's profit after tax, as restated, was ₹163.70 million.

Particulars	***Nine months ended December 31, 2016***	***Year ended March 31, 2016***	***Year ended March 31, 2015***	***Year ended March 31, 2014***	***Year ended March 31, 2013***
Revenue from operations (net) (₹ in million)	5,351.05	6,035.27	5,993.58	5,142.60	2,552.71
EBITDA (₹ in million)	380.96	455.33	381.78	328.5	224.16
Profit after tax, as restated (₹ in million)	163.70	192.8	183.57	134.24	94.15
Return on net worth	17.86%*	25.62%	32.79%	35.48%	38.56%

**Not Annualised*

For a detailed discussion in relation to our financial condition and results of operations, see "*Management Discussion and Analysis of Financial Condition and Result of Operations*" on page 226 of this DRHP.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Standalone Financial Statements prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with "Financial Statements" and *"Management's Discussion and Analysis of Financial Conditions and Operations"* on pages 172 and 226 of this DRHP, respectively.

Restated Standalone Summary Statement of Assets and Liabilities

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	240.00	240.00	240.00	200.00	150.00
(b) Reserves and surplus	676.33	512.63	319.83	178.39	94.15
	916.33	**752.63**	**559.83**	**378.39**	**244.15**
2. Non - Current Liabilities					
(a) Long term borrowings	220.42	118.91	93.73	147.15	66.79
(b) Deferred tax liability (Net)	6.70	10.34	8.10	(3.23)	(0.08)
(c)Long term provisions	2.51	1.65	1.19	0.68	0.24
	229.63	**130.90**	**103.02**	**144.60**	**66.95**
3. Current Liabilities					
(a) Short term Borrowings	803.74	641.84	777.08	625.50	548.10
(b) Trade Payables					
-Total Outstanding dues of micro enterprises and Small enterprises	-	-	-	-	-
-Total Outstanding dues of creditors other than micro enterprises and Small enterprises	185.25	161.35	114.83	162.62	54.79
(c) Other current liabilities	45.73	31.41	35.26	29.51	13.99
(d) Short term provisions	99.44	69.75	61.37	64.01	15.55
	1,134.16	**904.35**	**988.54**	**881.64**	**632.43**
TOTAL	**2,280.12**	**1,787.88**	**1,651.39**	**1,404.63**	**943.53**
II. ASSETS					
1. Non-Current Assets					
(a) Fixed assets					
(i) Tangible assets	742.37	551.82	522.64	402.58	206.30
(ii) Capital work - in – progress	-	79.97	-	-	57.74
(b) Other non-current assets	12.93	0.50	0.50	0.80	12.96
	755.30	**632.29**	**523.14**	**403.38**	**277.00**
2. Current Assets					
(a) Inventories	718.05	595.87	502.99	505.42	218.49
(b) Trade receivables	706.77	414.62	502.12	339.63	363.27
(c) Cash and bank balances	29.69	18.31	15.90	33.96	37.91
(d) Short term loans &advances	70.31	126.79	107.24	122.24	46.86
	1,524.82	**1,155.59**	**1,128.25**	**1,001.25**	**666.53**
TOTAL	**2,280.12**	**1,787.88**	**1,651.39**	**1,404.63**	**943.53**

Restated Standalone Summary Statement of Profit and Loss

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
I. Revenue					
1.Revenue from operations	5,351.05	6,035.27	5,993.58	5,142.60	2,552.71
2.Other income	60.68	47.39	50.11	3.10	2.12
Total Revenue	**5,411.73**	**6,082.66**	**6,043.69**	**5,145.70**	**2,554.83**
II. Expenses					
1.Cost of material consumed	4,215.60	4,603.24	4,749.84	4,172.33	1,952.66
2.Stores and Spares Purchased	132.16	164.18	137.37	127.33	86.01
2.Changes in inventories of finished goods & work-in-progress	(122.18)	(92.88)	2.43	(286.93)	(143.88)
3.Manufacturing expenses	386.83	405.54	269.95	225.19	151.38
4.Employee benefit expenses	203.53	232.80	258.07	226.46	104.38
5.Finance cost	88.05	104.12	96.14	79.50	56.01
6.Depreciation and amortization expense	45.64	49.27	4.02	45.10	25.36
7.Other expenses	214.83	314.45	244.25	352.81	180.12
Total Expenses	**5,164.46**	**5,780.72**	**5,762.07**	**4,941.79**	**2,412.04**
Restated Profit before Exceptional Item and Tax	247.27	301.94	281.62	203.90	142.79
Exceptional Items	-	-	-	-	-
Restated Profit Before Tax	**247.27**	**301.94**	**281.62**	**203.90**	**142.79**
Current Tax	83.32	102.72	84.63	72.82	48.72
Deferred Tax	(3.65)	2.24	11.32	(3.16)	(0.08)
Profit After Tax	**167.60**	**196.98**	**185.67**	**134.24**	**94.15**
Less: CSR Expenses	3.90	4.18	2.10	-	-
Restated Profit for the period / year	**163.70**	**192.80**	**183.57**	**134.24**	**94.15**
Earnings Per share					
-Basic & Diluted*	**6.82**	**8.03**	**7.65**	**5.59**	**4.40**

***Not annualized for the Nine months ended December 31, 2016*

Restated Standalone Summary Statement of Cash Flow Statements

(₹ in Million)

Particulars	Nine Months Ended December 31, 2016	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
A. Cash flow from operating activities					
Restated Profit Before Tax	247.27	301.94	281.62	203.90	142.79
Adjustments for:					
Depreciation	45.64	49.27	4.02	45.10	25.36
Interest Expenses	88.05	104.12	96.14	79.50	56.01
CSR expenses	(3.90)	(4.18)	(2.10)	-	-
Interest income	(0.88)	(0.89)	(2.84)	(2.85)	(2.12)
Profit/loss on sale of asset	-	(0.16)	(0.55)	(0.25)	-
Operating cash flow before Working capital changes	**376.18**	**450.10**	**376.29**	**325.40**	**222.04**
Increase / (Decrease) in Trade payables	23.89	46.53	(47.79)	107.83	9.75
Increase / (Decrease) in Long term provisions	0.86	0.46	0.51	0.44	0.24
Increase / (Decrease) in Other current liabilities	14.32	(3.85)	5.75	15.52	(20.10)
Increase / (Decrease) in Short term provisions	29.71	8.37	(2.64)	48.47	(28.01)
Decrease / (Increase) in Inventories	(122.19)	(92.88)	2.42	(286.93)	(143.88)
Decrease / (Increase) in Trade receivables	(292.15)	87.50	(162.49)	23.64	(116.85)
Decrease / (Increase) in Short term loans &advances	56.49	(19.55)	15.00	(75.38)	20.19
Decrease / (Increase) in Margin Deposits	(12.52)	(0.48)	20.74	8.06	(21.10)
Cash generated from Operations	**74.59**	**476.07**	**207.78**	**172.75**	**(59.71)**
Income Tax paid	83.32	102.72	84.63	72.82	48.72
Net Cash flow Provided by/(used in) Operating activities(A)	**(8.73)**	**373.50**	**123.16**	**94.23**	**(108.44)**
B. Cash flow from investing activities					
Purchase of Fixed Assets	(156.21)	(160.83)	(124.08)	(184.57)	(84.76)
Advances for Capital Goods	(12.44)	0.00	0.31	12.16	(12.96)
Proceeds on Sale of Asset	-	0.16	0.55	1.18	2.41
Interest Income	0.88	0.89	2.84	2.85	2.12
Net Cash from/(used in) Investing activities(B)	**(167.77)**	**(159.78)**	**(120.38)**	**(168.38)**	**(93.19)**
C. Cash flow from financing activities					
Proceeds from issue of share capital	-	-	-	-	50.00

Particulars	Nine Months Ended December 31, 2016	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Proceeds/(repayment) from Short Term Borrowings	161.91	(135.25)	151.59	77.40	270.04
Proceeds/(repayment) from Long Term Borrowings	101.50	25.18	(53.42)	80.37	(72.92)
Application of Reserves	-	2.40	(2.13)	-	-
Long term Loans and Advances	-	-	-	-	-
Finance Cost	(88.05)	(104.12)	(96.14)	(79.50)	(56.01)
Net Cash flow from/(used in) Financing Activities (C)	**175.36**	**(211.78)**	**(1.00)**	**78.27**	**191.10**
Net increase / (Decrease) in cash & Cash Equivalents(A+B+C)	(1.14)	1.93	2.68	4.12	(10.52)
Cash and Cash equivalents as at beginning of the period/year	11.13	9.20	6.52	2.40	12.92
Cash and Cash equivalents as at end of the Period/year	**9.99**	**11.13**	**9.20**	**6.52**	**2.40**

THE ISSUE

The following table summarises the Issue details:

Equity Shares Issued	Particulars
Issue of Equity Shares	Up to 8,700,000 Equity Shares, aggregating up to ₹ [●] million
Of which:	
Fresh Issue[(1)]	Up to 7,250,000 Equity Shares, aggregating up to ₹ [●] million
Offer for Sale[(2)]	Up to 1,450,000 Equity Shares, aggregating up to ₹ [●] million
Of which:	
Employee Reservation Portion[(3)]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
Net Issue to the Public	Up to [●] Equity Shares, aggregating up to ₹ [●] million
Of which:	
A) QIB portion[(4)]	Not more than [●] Equity Shares
of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion excluding Anchor Investor Portion)	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(5)]	Not less than [●] Equity Shares
C) Retail Portion [(5)]	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	24,000,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See "Objects of the Issue" on page 71 of this DRHP for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see *"Issue Procedure"* on page 281 of this DRHP.

(1) *The Fresh Issue has been authorized by a resolution of our Board of Directors dated March 08, 2017 and by a resolution of our Shareholders in the EGM held on March 10, 2017.*

(2) *The Equity Shares being offered in the Offer for Sale by the Selling Shareholders are as follows;*

Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of consent
Karuturi Satynanarayana Murthy	725,000	March 20, 2017
Karuturi Padmavathi	725,000	March 20, 2017

The Equity Shares being offered by each Selling Shareholder have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations and are eligible for being offered for sale in the Issue.

(3) *Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the shares allocated to Anchor Investors. 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. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding 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 Issue Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Issue Procedure" on page 281 of this DRHP.Allocation to all categories shall be made in accordance with SEBI ICDR Regulations*

(4) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion (including the employee reservation portion), would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange.*

(5) *In the event of under subscription, if any, in this issue, allotment from fresh issue shall be given priority over allotment from the offer for sale upto minimum subscription.*

Eligible Employees bidding in the Employee Reservation Portion bidding, less Retail Discount at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be less Retail Discount) does not exceed ₹ 500,000. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Bid Amount while filling the "SCSB/Payment Details" block in the Bid cum Application Form.

GENERAL INFORMATION

Our Company was originally formed as partnership firm constituted under the Partnership Act, 1932 ("Partnership Act") in the name of Apex Exports, pursuant to a deed of partnership dated October 24, 1995. Apex Exports was thereafter converted from a partnership firm into a private limited company under Part IX of the Companies Act, 1956, with the name "Apex Frozen Foods Private Limited" and received a certificate of incorporation from Registrar of Companies, Andhra Pradesh on March 30, 2012. Subsequently, our Company was converted into a public limited company with the name "Apex Frozen Foods limited" and a fresh certificate of incorporation was granted by the Registrar of Companies, Hyderabad on November 29, 2016.

Registered and Corporate office of our Company
3-160, Panasapadu, Kakinada,
East Godavari- 533005,
Andhra Pradesh, India
Tel: +91 884 2383902/03/04
Fax: +91 884 2383 905/906
E-mail: cs@apexfrozenfoods.com
Website: www.apexfrozenfoods.in
Corporate Identification Number: U15490AP2012PLC080067
Registration Number: 080067

There has been no change in Registered Office of our Company since incorporation.

Address of the RoC
Our Company is registered with the RoC situated at the following address:

Registrar of Companies
2nd Floor, Corporate Bhawan
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad- 500 068
Andhra Pradesh & Telangana

Board of Directors
The Board of Directors of our Company comprises the following:

Name	Designation	DIN	Address
Karuturi Satynanarayana Murthy	Chairman & Managing Director	05107525	2-23-14/1, Sarada Street, Srinagarkakinada, East Godavari, Kakinada- 533003, Andhra Pradesh
Karuturi Subrahmanya Chowdary	Executive Director	03619259	2-23-14/1, Sarada Street, Srinagarkakinada, East Godavari, Kakinada- 533003, Andhra Pradesh
Karuturi Neelima Devi	Whole Time Director	06765515	2-23-14/1, Sarada Street,Srinagarkakinada, East Godavari, Kakinada- 533003, Andhra Pradesh
Datla Chandra Sekhar Raju	Non Executive Independent Director	07714265	Plot No. 26, R V Brundavanam, Opp M N R School, Tirumalagiri, Chandanagar, Hyderabad, Telangana- 500050
Datla Venkata Subba Raju	Non Executive Independent Director	07717952	70-3-36/6B, CT Colony, Ramanayyapeta, Kakinada, APSP camp, East Godavari District- 533005, Andhra Pradesh
Mantena Lakshmipathi Raju	Non Executive Independent Director	07717931	53-16-84/27, Sivalayam Street, Near V.S Krishna College, Maddillapalem, Vishakapatnam (Urban), Vishakapatnam, H B Colony, Andhra Pradesh- 530022

For further details of our Directors, please see the section titled *"Our Management"* on page 150 of this DRHP.

Company Secretary and Compliance Officer

S. Sarojini
3-160, Panasapadu, Kakinada,
East Godavari- 533005,
Andhra Pradesh, India
Tel: +91 884 2383902/03/04
Fax: +91 884 2383 905/906
E-mail: cs@apexfrozenfoods.com

Chief Financial Officer

Ch. Vijaya Kumar
3-160, Panasapadu, Kakinada,
East Godavari- 533005,
Andhra Pradesh, India
Tel: +91 884 2383902/03/04
Fax: +91 884 2383 905/906
E-mail: cfo@apexfrozenfoods.com

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue 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 Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as 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 Syndicate Member at the Specified Locations or Registered Broker where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Investor should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Investor, 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 Investor.

Book Running Lead Manager

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
Email: cmg@karvy.com
Investor grievance email: igmbd@karvy.com
Website: www.karvyinvestmentbanking.com
Contact Person: P. Balraj / Krishna Teja
SEBI Registration No. MB/INM000008365

Legal Counsel to the Issue

ALMT Legal
2 Lavelle Road
Bengaluru 560 001
Karnataka, India
Tel: + 91 80 4016 0000
Fax: +91 80 4016 0001
Email: projectfresh@almtlegal.com
Contact Person: Rajat Bopaiah

Statutory Auditors to our Company

Boda Ramam & Co
#2-18-24/1, Madhav Nagar Main Road,
Kakinada – 533 003.
Tel: 0884-2345681/82
Fax: NA
Email: akboda@rediffmail.com
Firm Registration No.: 005383S

Registrar to the Issue

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Sakinaka, Andheri East, Mumbai- 400072,
Maharashtra, India
Tel: +91 22- 4043 0200
Fax: +91 22 – 2847 5207
E-mail: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Babu Raphael
SEBI Registration No.: INR000001385

Bankers to the Issue / Escrow Collection Banks
[●]

Bankers to our Company	
Bank of India 27-4-4, Jawahar Street, Kakinada - 533001 **Tel:** 0884 – 2363981 **Fax:** NA **E-mail:** kakinada.vishakhapatnam@bankofindia.in **Contact Person:** Ch. Gopala Krishna	**HDFC Bank Limited** 11-1-7, Meenakshi Manor, 3 light Junction, Prakasam Street, Kakinanda, Andhra Pradesh – 533 004 **Tel:** 0884 – 2386444 **Fax:** NA **Website:** www.hdfcbank.com **E-mail:** ravindra.kandi@hdfcbank.com **Contact Person:** Ravindra Reddy Kandi

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/home/list/5/33/0/0/Recognised-Intermediaries. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, M/s. Boda Ramam & Co., to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated March 15, 2017 on the Restated Financial Information of our Company and the statement of tax benefits dated March 15, 2017, 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.

As the Equity Shares in the Issue will not be registered under the Securities Act, any references to the term "expert" herein and the Auditor's consent to be named as an "expert" to the Issue are not in the context of a registered offering of securities under the Securities Act.

Our Company has received written consent from the Chartered Engineer namely, Rams Associates dated March 24, 2017, to include its name as an expert under Section 26 of the Companies Act, 2013 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.

IPO Grading

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

Monitoring Agency
In terms of Regulation 16 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 5,000 million.

Appraising Entity
None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Responsibilities of the Book Running Lead Manager:

The responsibilities of the Book Running Lead Manager for various activities in this issue are as follows:

Sl. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing
3.	Co-ordination for all statutory advertisements
4.	Co-ordination for all publicity material other than statutory advertisements, including non-statutory /corporate advertisement and brochures
5.	Appointment of intermediaries and coordination of intermediary agreements - Advertising agency and printers - Escrow Collection Banks and Registrar
6.	Marketing strategy for domestic institutions including banks, mutual funds, etc., finalizing the list and division of investors for one to one meetings, in consultation with the Company and the Selling Shareholders, and finalizing the investor meeting schedules
7.	Non-institutional and retail marketing of the Issue, which will include inter alia, formulating marketing strategies, preparation of publicity budget, finalizing media and PR strategy, finalizing centres for holding conferences for press and brokers, deciding on the quantum of issue material and following-up on distribution of publicity and issue material including forms, prospectuses, etc.
8.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading

9.	Managing the book and finalization of pricing, in consultation with the Company and the Selling Shareholders
10.	The post bidding & post issue activities including management of escrow accounts, co-ordination of institutional and non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat of delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue, SCSBs and the bank(s) handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

Trustees

As this is an Issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

The Book building, in the context of the Issue, 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 and the Selling Shareholders in consultation with the BRLM, and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and regional editions of [●] (a widely circulated newspaper in Telugu which is the regional language of the state of Andhra Pradesh, where our Registered Office is located) at least five Working Days prior to the Bid/Issue Opening Date. The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM after the Bid/Issue Closing Date.

All Investors (except Anchor Investors) can participate in this Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. For further details on method and process of Bidding, see "*Issue Structure*" on page 275 of this DRHP.

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

Illustration of Book Building Process and the Price Discovery Process.

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue, and does not illustrate bidding by Anchor Investors)

For an illustration of the Book Building Process and the price discovery process, please see the section entitled "*Issue Procedure – Part B – Basis of Allocation – Illustration of Book Building Process and Price Discovery Process*" on page 314 of this DRHP.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, 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 Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations.

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter will be several and will be subject to certain conditions specified therein.

The Underwriter has 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, number and e-mail address of the Undeerwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the 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). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

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 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 purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

		Aggregate value at face value	Aggregate value at Issue Price
		(₹ In million)	
A	**AUTHORIZED SHARE CAPITAL**		
	36,000,000 Equity Shares of face value of ₹ 10 each	360.00	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	24,000,000 Equity Shares of face value of ₹ 10 each	240.00	-
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Public Issue of 8,700,000 Equity Shares of face value ₹ 10 each	87.00	[●]
	Which comprises:		
	Fresh Issue of up to 7,250,000 Equity Shares of face value ₹ 10 each (1)	72.50	[●]
	Offer for Sale of up to 1,450,000 Equity Shares of face value of ₹. 10 each (2)	14.50	[●]
	Which includes		
	Employees Reservation portion of upto [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 10/- each	[●]	[●]
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	*Nil*	
	After the Issue#	[●]	

 # To be finalized upon determination of the Issue Price.

(1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated March 08, 2017 and a resolution of our Shareholders in the EGM dated March 10, 2017.

(2) For details of authorisations received for the Offer for Sale, please refer to "The Issue" on page 50 of this DRHP. *The Equity Shares being offered for sale by the Selling Shareholders in the Issue have been held by them, for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI.*

Changes in the Authorised Share Capital

Date of Shareholders' Resolution	Particulars
September 8, 2012	Clause V of the Memorandum of Association was amended to increase the authorized share capital from ₹ 100,000,000 divided into 10,000,000 Equity Shares of ₹ 10 each to ₹ 150,000,000 divided into 15,000,000 Equity Shares of ₹ 10 each.
September 25, 2013	Clause V of the Memorandum of Association was amended to increase the authorized share capital from ₹ 150,000,000 divided into 15,000,000 Equity Shares of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each.
September 20, 2014	Clause V of the Memorandum of Association was amended to increase the authorized share capital from ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 241,500,000 divided into 24,150,000 Equity Shares of ₹ 10 each.
November 11, 2016	Clause V of the Memorandum of Association was amended to increase the authorized share capital from ₹ 241,500,000 divided into 24,150,000 Equity Shares of ₹ 10 each to ₹ 360,000,000 divided into 36,000,000 Equity Shares of ₹ 10 each.

Notes to the Capital Structure

1. **Equity Share Capital History of our Company**

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

Date of Allotment of the Equity Shares	Nature/reason for allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid- up Equity Share Capital (₹)	Cumulative securities premium
March 30, 2012	Allotment of shares against erstwhile partners' capital(1)	10,000,000	10	10	Other than cash(1)	10,000,000	100,000,000	_
September 29, 2012	Allotment of Equity Shares (2)	4,500,000	10	10	Cash(2)	14,500,000	145,000,000	_
December 31, 2012	Allotment of Equity Shares (3)	500,000	10	10	Cash(3)	15,000,000	150,000,000	_
September 29, 2013	Bonus Issue(4)	5,000,000	10	-	Other than cash(4)	20,000,000	200,000,000	_
December 10, 2014	Bonus Issue(5)	4,000,000	10	-	Other than cash(5)	24,000,000	240,000,000	_

(1) Allotment of Equity Shares pursuant to conversion of Apex Exports, a partnership firm into our Company under Part IX of the Companies Act, 1956 to Karuturi Satyanarayana Murthy (4,800,000), Karuturi Padmavathi (5,010,000), Karuturi Subrahmanya Chowdary (150,000), Sankuratri Ravi Kanth (10,000), Sankuratri Anitha Devi (10,000), Karuturi Neelima Devi (10,000), and Vallepalli Hanumantha Rao (10,000).

(2) Further allotment to Karuturi Satyanarayana Murthy (2,500,000), Karuturi Padmavathi (1,500,000) and Subrahmanya Chowdary Karuturi (500,000) towards un-secured loan outstanding in the books of accounts.

(3) Further allotment to Karuturi Padmavathi (500,000) towards un-secured loan outstanding in the books of accounts.

(4) Bonus issue of shares in the ratio of 1:3 to the existing shareholders to Karuturi Satyanarayana Murthy (2,400,000), Karuturi Padmavathi (2,505,000), Karuturi Subrahmanya Chowdary (75,000), Sankuratri Ravi Kanth (5,000), Sankuratri Anitha Devi (5,000), Karuturi Neelima Devi (5,000), and Vallepalli Hanumantha Rao (5,000)

(5) Bonus issue of shares in the ratio of 1:5 to the existing shareholders to Karuturi Satyanarayana Murthy (16,00,000), Karuturi Padmavathi (7,84,000), Karuturi Subrahmanya Chowdary (16,00,000), Sankuratri Ravi Kanth (4,000), Sankuratri Anitha Devi (4,000), Karuturi Neelima Devi (4,000), and Vallepalli Hanumantha Rao (4,000).

(b) ***Issue of Equity Shares for consideration other than cash***

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Name of the allottee	Number of Equity Shares allotted	Face value (in ₹)	Issue price per Equity Share (in ₹)	Reason for allotment	Benefit accrued to our Company
March 30, 2012	Karuturi Satyanarayana Murthy	4,800,000	10	10	Allotment of shares against erstwhile partners' capital	--
	Karuturi Padmavathi	5,010,000				
	Karuturi Subrahmanya Chowdary	150,000				
	Sankuratri Ravi Kanth	10,000				
	Sankuratri Anitha Devi	10,000				
	Karuturi Neelima Devi	10,000				
	Vallepalli Hanumantha Rao	10,000				
September 29, 2013	Karuturi Satyanarayana Murthy	2,400,000	10	--	Bonus issue in the ratio of 1:3 authorised by our Shareholders through a resolution dated September 27, 2013	--
	Karuturi Padmavathi	2,505,000				
	Karuturi Subrahmanya Chowdary	75,000				
	Sankuratri Ravi Kanth	5,000				
	Sankuratri Anitha Devi	5,000				
	Karuturi Neelima Devi	5,000				
	Vallepalli Hanumantha Rao	5,000				
December 10, 2014	Karuturi Satyanarayana Murthy	1,600,000	10	--	Bonus issue in the ratio of 1:5 authorised by our Shareholders through a resolution dated September 30, 2014	-
	Karuturi Padmavathi	784,000				
	Karuturi Subrahmanya Chowdary	1,600,000				
	Sankuratri Ravi Kanth	4,000				
	Sankuratri Anitha Devi	4,000				
	Karuturi Neelima Devi	4,000				
	Vallepalli Hanumantha Rao	4,000				

(c) Issue of Equity Shares in the last one year

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus.

2. **Preference Share Capital of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

3. **History of the Equity Share Capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 19,200,000 Equity Shares, constituting 80% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding are set out below.

Build-up of our Promoters' shareholding in our Company

Name of the promoter	Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/transferred	Nature of consideration	Face value per Equity Share (in ₹)	Issue price/ transfer price per Equity Share (in ₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
Karuturi Satyanarayana Murthy	March 30, 2012	Allotment of shares against erstwhile partners' capital(1)	4,800,000	Other than Cash(1)	10	10	20.00	[●]
	September 29, 2012	Allotment of Equity Shares(2)	2,500,000	Cash (2)	10	10	10.42	[●]
	September 19, 2013	Transfer(3)	(90,000)	Gift	10	--	(0.38)	[●]
	September 19, 2013	Transfer(4)	(5,000)	Gift	10	--	(0.02)	[●]
	September 19, 2013	Transfer(5)	(5,000)	Gift	10	--	(0.02)	[●]
	September 29, 2013	Bonus issue	2,400,000	Other than cash	10	N.A	10.00	[●]
	September 29, 2014	Transfer (6)	(1,600,000)	Gift	10	--	(6.67)	[●]
	December 10, 2014	Bonus issue	1,600,000	Other than cash	10	NA	6.67	[●]
Total (A)			**9,600,000**				**40.00**	[●]
Karuturi Subrahmanya Chowdary	March 30, 2012	Allotment of shares against erstwhile partners' capital	150,000	Other than cash(7)	10	10	0.63	[●]
	September 29, 2012	Allotment of Equity Shares	500,000(8)	Cash	10	10	2.08	[●]
	September 19, 2013	Transfer(9)	(415,000)	Gift	10	--	(1.73)	[●]
	September 19, 2013	Transfer(10)	(5,000)	Gift	10	--	(0.02)	[●]

Name of the promoter	Date of allotment/transfer	Nature of transaction	No. of Equity Shares allotted/transferred	Nature of consideration	Face value per Equity Share (in ₹)	Issue price/ transfer price per Equity Share (in ₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
	September 19, 2013	Transfer[11]	(5,000)	Gift	10	--	(0.02)	[●]
	September 29, 2013	Bonus issue	75,000	Other than cash	10	NA	0.31	[●]
	September 29, 2014	Transfer [12]	6,100,000	Gift	10	--	25.42	[●]
	September 29, 2014	Transfer[6]	1,600,000	Gift	10	--	6.67	[●]
	December 10, 2014	Bonus issue	1,600,000	Other than cash	10	NA	6.67	[●]
Total – B			**9,600,000**				**40.00**	
TOTAL-A+B			**19,200,000**				**80.00**	

[1] Allotment of Equity Shares pursuant to conversion of Apex Exports, a partnership firm into our Company under Part IX of the Companies Act, 1956 to Karuturi Satyanarayana Murthy (4,800,000)
[2]Further allotment to Karuturi Satyanarayana Murthy (2,500,000) towards Un-secured loan outstanding in the books of accounts
[3]Gift from Karuturi Satyanarayana Murthy to Karuturi Padmavathi vide gift deed dated September 19, 2013
[4]Gift from Karuturi Satyanarayana Murthy to Sankuratri Anitha Devi vide gift deed dated September 19, 2013
[5]Gift from Karuturi Satyanarayana Murthy to Sankuratri Ravi Kanth vide gift deed dated September 19, 2013
[6] Gift from Karuturi Satyanarayana Murthy to Karuturi Subrahmanya Chowdary vide gift deed dated September 29, 2014
[7] Allotment of Equity Shares pursuant to conversion of Apex Exports, a partnership firm into our Company under Part IX of the Companies Act, 1956 to Karuturi Subrahmanya Chowdary (150,000)
[8] Further allotment to Karuturi Subrahmanya Chowdary (500,000) towards Un-secured loan outstanding in the books of accounts
[9] Gift from Karuturi Subrahmanya Chowdary to Karuturi Padmavathi vide gift deed dated September 19, 2013
[10] Gift from Karuturi Subrahmanya Chowdary to Karuturi Neelima Devi vide gift deed dated September 19, 2013
[11] Gift from Karuturi Subrahmanya Chowdary to Vallepalli Hanumantha Rao vide gift deed dated September 19, 2013
[12] Gift from Karuturi Padmvathi to Karuturi Subrahmanya Chowdary vide gift deed dated September 29, 2014

4. **Shareholding of our Promoters and Promoter Group**

Sl. No	Name of the Shareholder	Pre-Issue		Post Issue	
		No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
Promoters					
1	Karuturi Satyanarayana Murthy	9,600,000	40.00	[●]	[●]
2	Karuturi Subrahmanya Chowdary	9,600,000	40.00	[●]	[●]
	Sub – Total (A)	**19,200,000**	**80.00**	[●]	[●]
Promoter Group					
3	Karuturi Padmavathi	4,704,000	19.60	[●]	[●]
4	Karuturi Neelima Devi	24,000	0.10	[●]	[●]
5	Sankuratri Anitha Devi	24,000	0.10	[●]	[●]
6	Vallepalli Hanumantha Rao	24,000	0.10	[●]	[●]
	Sub- Total (B)	**4,776,000**	**19.90**	[●]	[●]
	Total (A+B)	**23,976,000**	**99.90**		

The Equity Shares of our Company held by our Promoter and Promoter Group will be converted to dematerialized form prior to filing of the Red Herring Prospectus.

5. **Details of Promoter's contribution locked in for three years:**

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, at least an aggregate of 20% of the fully diluted post-Issue equity share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from date of Allotment.

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'Promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:
The Equity Shares offered for Promoters' contribution have not been acquired in the last three years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) have resulted from a bonus issue by utilisation of revaluation reserves or unrealized profits of our Company or resulted from bonus issue against Equity Shares which are ineligible for computation of Promoters' contribution;

(i) The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(ii) The Equity Shares held by the Promoters and offered for Promoters' contribution are not subject to any pledge; and

(iii) All the Equity Shares of our Company are currently in physical form. The same will be converted into dematerialized form prior to the filing of the Red Herring Prospectus.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment are set out in the following table:

Name	**Date of allotment /transfer**	**Nature of transaction**	**No. of equity shares**	**Face value (in Rs)**	**Issue/acquisition price per Equity Share (in ₹)**	**No. of Equity Shares locked in ***	**Percentage of post-Issue paid up Equity Share capital (%)**
Karuturi Satyanarayana Murthy	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Karuturi Subrahmanya Chowdary	[●]	[●]	[●]	[●]	[●]	[●]	[●]

**For a period of three years from the date of Allotment.*

Our Promoters have confirmed to our Company and the BRLM no loans or financial assistance from any bank or financial institution has been availed for acquiring Equity Shares, which form part of the Promoter's contribution.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the person defined as a promoter under the SEBI ICDR Regulations.

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

In terms of the Regulation 37 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked-in as part of our Promoter's contribution as stated above, the entire pre- Issue equity share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Issue except the Equity Shares transferred pursuant to the Offer for Sale.

7. **Other requirements in respect of lock-in**

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan; and (ii) if the shares are locked- in as Promoter's contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and 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 SEBI ICDR Regulations has expired.

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, except the Equity Shares subscribed to and allotted pursuant to the Offer for Sale, including the excess of minimum Promoters' Contribution, as per Regulation 36 and 37 of the SEBI ICDR Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling Shareholders would also be locked-in for one year from the date of Allotment. Such lock-in of the Equity Shares would be created as per the bye-laws of the Depositories.

8. **Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

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

9. **Details of the build-up of equity share capital held by the Selling Shareholder in our Company**

For the buildup of our Company held by Karuturi Satyanarayana Murthy, please see paragraph 3 titled "*History of the Equity Share Capital held by our Promoters*" in this section.

The details of the build-up of equity share capital of Karuturi Padmavathi is as follows:

Name of the promoter	**Date of allotment/ transfer**	**Nature of transaction**	**No. of Equity Shares allotted/transferred**	**Nature of consideration**	**Face value per Equity Share (in ₹)**	**Issue price/transfer price per Equity Share (in ₹)**	**Percentage of the pre-Issue capital (%)**	**Percentage of the post-Issue capital (%)**	
Karuturi Padmavathi	March 30, 2012	Allotment of shares against erstwhile partners' capital	50,10,000	Other than cash	10	10	20.88		
	September 29, 2012	Allotment of Equity Shares	1,500,000	Cash	10	10	6.25		
	December 31, 2012	Allotment of Equity Shares	500,000	Cash	10	10	2.08		
	September 19, 2013	Transfer(1)	90,000	Gift	10	--	0.38		
	September 19, 2013	Transfer(2)	415,000	Gift	10	--	1.73		
	September 29, 2013	Bonus issue	2,505,000	Other than cash	10	N.A	10.44		
	September 28, 2014	Transfer (3)	(6,100,000)	Gift	10	--	(25.42)		
	December 10, 2014	Bonus issue	784,000	Other than cash	10	N.A	3.27		
TOTAL			**4,704,000**				**19.60**		

(1) Gift from Karuturi Satyanarayana Murthy to Karuturi Padmavathi vide gift deed dated September 19, 2013
(2) Gift from Karuturi Subrahmanya Chowdary to Karuturi Padmavathi vide gift deed dated September 19, 2013
(3) Gift from Karuturi Padmvathi to Karuturi Subrahmanya Chowdary vide gift deed dated September 28, 2014

10. **Shareholding Pattern of our Company**

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

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid- up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) =(IV)+(V)+(VI)	Shareholding 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 Outstanding 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 dematerialized form (XIV)*
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	6	23,976,000	-	-	23,976,000	99.90	23,976,000	-	23,976,000	99.90	-	-	-		-	-	-
(B)	Public	1	24,000	-	-	24,000	0.1	24,000	-	24,000	0.1	-	-	-		-	-	-
(C)	Non Promoter- Non Public	Nil	Nil	-	-	-	-	-	-	-	-	-	-	-		-	-	-
(C1)	Shares underlying DRs	Nil	Nil	-	-	-	-	-	-	-	-	-	-	-		-	-	-
(C2)	Shares held by Employee Trusts	Nil	Nil	-	-	-	-	-	-	-	-	-	-	-		-	-	-
	Total	**7**	**24,000,000**	-	-	**24,000,000**	**100.00**	**24,000,000**	-	**24,000,000**	**100.00**	-	-	-		-	-	-

11. There are no public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company as on the date of this Draft Red Herring Prospectus.

12. The list of top 10 Shareholders of our Company and the number of Equity Shares held by them are set forth below:

- The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Karuturi Satyanarayana Murthy	9,600,000	40.00
2.	Karuturi Subrahmanya Chowdary	9,600,000	40.00
3.	Karuturi Padmavathi	4,704,000	19.60
4.	Karuturi Neelima Devi	24,000	0.10
5.	Sankuratri Ravi Kanth	24,000	0.10
6.	Sankuratri Anitha Devi	24,000	0.10
7.	Vallepalli Hanumantha Rao	24,000	0.10
	TOTAL	**24,000,000**	**100.00**

- The top 10 Shareholders ten days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Karuturi Satyanarayana Murthy	9,600,000	40.00
2.	Karuturi Subrahmanya Chowdary	9,600,000	40.00
3.	Karuturi Padmavathi	4,704,000	19.60
4.	Karuturi Neelima Devi	24,000	0.10
5.	Sankuratri Ravi Kanth	24,000	0.10
6.	Sankuratri Anitha Devi	24,000	0.10
7.	Vallepalli Hanumantha Rao	24,000	0.10
	TOTAL	**24,000,000**	**100.00**

- The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Karuturi Satyanarayana Murthy	9,600,000	40.00
2.	Karuturi Subrahmanya Chowdary	9,600,000	40.00
3.	Karuturi Padmavathi	4,704,000	19.60
4.	Karuturi Neelima Devi	24,000	0.10
5.	Sankuratri Ravi Kanth	24,000	0.10
6.	Sankuratri Anitha Devi	24,000	0.10
7.	Vallepalli Hanumantha Rao	24,000	0.10
	TOTAL	**24,000,000**	**100.00**

13. Except as stated in the section entitled "*Our Management*" on page 150 of this DRHP, none of our Directors or key management personnel holds any Equity Shares in our Company.

14. As on the date of this Draft Red Herring Prospectus, the BRLM and its respective associates do not hold any Equity Shares in our Company.

15. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under the provisions of Sections 230 to 240 of the Companies Act, 2013.

16. Our Company has not issued any Equity Shares at a price that may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

17. None of the members of the Promoter Group, the Promoters, or our Directors and their immediate relatives have purchased or sold any Equity Shares of our Company, during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

18. As of the date of the filing of this Draft Red Herring Prospectus, the total number of Shareholders is seven.

19. Neither our Company nor any of our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLM has not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

20. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Draft Red Herring Prospectus.

21. Our Company has not issued any Equity Shares out of revaluation reserves or unrealised profits.

22. All Equity Shares transferred pursuant to the Issue will be fully paid-up at the time of allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

23. Any oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

24. Except for the Offer for Sale of Equity Shares by Karuturi Satyanarayana Murthy and Karuturi Padmavathi in the Issue, our Promoters, Promoter Group and Group Entities will not participate in the Issue.

25. There have been no financial arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

26. No person connected with the Issue, including, but not limited to, the BRLM, the members of the Syndicate, our Company, the Directors, the Promoters, members of our Promoter Group and Group Entity, 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.

27. Except for the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue 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 shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

28. Except for the Fresh Issue, 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.

29. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

30. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group during the period between the date of registering this Draft Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

31. Our Company does not have any employee stock option plan.

32. This Issue is being made under Rule 19(2)(b)(i) of the SCRR read and in accordance with Regulation 26(1) of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, wherein not more than 50% of the Net Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

33. Only Eligible Employees would be eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The Employee Reservation Portion will not exceed 5% of the post-Issue capital of our Company.

34. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Issue. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Such inter-se spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under subscription, if any, in the QIB Category will not be allowed to be met with spill-over from any category or combination thereof.

OBJECTS OF THE ISSUE

The Issue comprises of Fresh Issue of 7,250,000 Equity Shares by our Company aggregating upto ₹ [●] million ("**Fresh Issue**") and the Offer for Sale of up to 1,450,000 Equity Shares by the Selling Shareholders.

The Offer for Sale

The proceeds of the Offer for Sale will be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale.

The Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards the following objects:

1. Setting up a new shrimp processing unit with a proposed capacity of 20,000 MTPA at East Godavari District, Andhra Pradesh **("Project")**;

2. General Corporate purposes

(collectively referred to herein as "**Objects**")

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects ancillary to the main objects caluse as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Requirements of Funds

The details of the proceeds of the Fresh Issue are summarised in the table below:

Particulars		Estimated Amount [(1)] (in ₹ million)
Gross Proceeds of the Fresh Issue		[●]
Less:	Proceeds of the Offer for Sale	[●]
	Issue expenses [(2)]	
Net Proceeds		[●]

[(1)] *To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.*

[(2)] *All expenses for the Issue shall be shared between the Selling Shareholders and our Company inproportion to the Equity Shares being offered by them in the Issue.*

Utilization of Net Proceeds

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

Sl. No.	Particulars	Amount (in ₹ million)
I.	Setting up a new Shrimp processing unit with a proposed capacity of 20,000 MTPA at East Godavari District, Andhra Pradesh;	857.04
II.	General corporate purposes [(1)]	[●]
	Total Net Proceeds	[●]

[(1)] *To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.*

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the BRLM or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the 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. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

In the event of 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 shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Schedule of Implementation and Deployment of Net proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:-

(₹ in million)

Sl. No.	Particulars	Total estimated costs	Amount deployed till February 28, 2017	Estimated Utilisation of Net Proceeds
				Financial Year 2018
I.	Setting up a new Shrimp processing unit with a proposed capacity of 20,000 MTPA at East Godavari District, Andhra Pradesh	857.04	74.74(1)	782.30
II.	General Corporate purposes(2)	[●]	[●]	[●]
	Total	[●]	[●]	[●]

(1) As certified by M/s. Boda Ramam & Co., Chartered Accountants, pursuant to their certificate dated March 15, 2017, ₹74.74 million (including registration charges, stamp duty and other taxes as applicable) towards purchase of land by the Company admeasuring approximately 21.3 acres G. Ragampeta Village, East Godavari, Andhra Pradesh as on February 28, 2017.

(2) The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial year 2018. In the event that the estimated utilization of the Net Proceeds in a Financial year 2018 is not completely met, the same shall be utilised, in part or full, in the next Financial year or a subsequent period towards the Objects.

Means of Finance

Our Company shall utilise the entire Net Issue Proceeds for the objects stated above. The funds requirements described above are proposed to be entirely funded from the Net Issue Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Some of our objects mentioned are already underway and is currently being funded out of internal accruals, which shall be replenished subsequently by the resources mobilised from Net Proceeds. Further, in the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

Our Company operates in competitive and dynamic market conditions. Accordingly, we may have to revise our business plan from time to time. Our fund requirements and utilisation of Net Proceeds may also change as a result of variations in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management, subject to the necessary approvals, and such rescheduling, if any, shall be within the objects of the Issue. In addition, the estimated dates of completion of various plans as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

Details of the Objects of the Fresh Issue

I. Setting up a new Shrimp processing unit with a capacity of 20,000 MTPA at East Godavari District, Andhra Pradesh.

With a view to expand our processing capacity, we intend to utilize ₹ 857.04 million from the Net Proceeds to set up a new Shrimp processing unit with a proposed capacity of 20,000 MTPA at East Godavari District, Andhra Pradesh, which includes cooked shrimp processing facility with an intended fully utilized approximate capacity of 5000 MTPA.

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

(₹ in million)

Sl. No.	Particulars	Total Estimated Cost
1.	Purchase of Land	74.74
2.	Buildings & Civil works	189.84
3.	Plant & Machinery	554.53
4.	Contingency expenses	37.93
	Total	**857.04**

1. Purchase of Land

The total area of land required for the proposed processing facility is estimated to be approximately 21.3 acres.

The following are the details of the land acquired by us:

Sl. No.	Interest	Description of the Property	Salient Features
1.	Freehold	**Location**: land admeasuring 4.00 acres, survey no. 209/1A1 and 209/3C Pedappuram Mandal, G. Ragampeta Village, East Godavari.	**Document**: Sale Deed dated November 25, 2015 **Vendors**: 1. Kadiyala Visweswara Rao, 2. Kadiyala Sri Ramanjaneya, Suryanarayana Murthy and 3. Kadiyala Lakshmi Narasimha Srikrishna **Vendee**: M/s. Apex Frozen Foods Limited. **Registration:** Registered as document number 4135 of 2015. **Consideration**: ₹ 6.60 Million (including Stamp duty and registration charges)
2.	Freehold	**Location**: land admeasuring 2.05 acres, survey no. 209/1A2 Pedapuram Mandal, G. Ragampeta Village, East Godavari.	**Document**: Sale Deed dated November 25, 2015 **Vendors:** 1. Kadiyala Bhanumathi, 2. Chittavajula Nagavenkata Sita Ramalakshmi and 3. Kadiyala Jagadheswari **Vendee:** M/s. Apex Frozen Foods Limited **Registration:** Registered as document number 4763 of 2015. **Consideration**: ₹ 3.38 Million (including Stamp duty and registration charges)
3.	Freehold	**Location**: land admeasuring 3.67 acres, survey no. 209/2 Pedapuram Mandal, G. Ragampeta Village, East Godavari.	**Document**: Sale Deed dated January 30, 2017 **Vendors:** 1. Durvasula Nagamani and 2. Durvasula Anuradha **Vendee:** M/s. Apex Frozen Foods Limited **Registration:** Registered as document number 184 of 2017. **Consideration**: ₹ 15.59 Million (including Stamp duty and registration charges)

4.	Freehold	**Location**: land admeasuring 11.58 acres, survey nos. 209/2, 210/4, 210/4A, 210/4B, 210/4C, 211/4, 212/1 and 209/1B Peddapuram Mandal, G. Ragampeta Village, East Godavari.	**Document**: Sale Deed dated February 09, 2017 **Vendors:** Durvasula Venkata Sastry, 2. Durvasula Subbaraya Sastry, 3. Durvasula Manoj Krishna Sastry, 4. Durvasula Vinay Prasad, 5. Durvasula Prasanthi, 6. Durvasula Veda Kalyani, 7. Durvasula Surya Kala, 8. Hota Aparna and 9. Durvasula Sudhir Venkata Subbarao **Vendee:** M/s. Apex Frozen Foods Limited. **Registration:** Registered as document number 278 of 2017. **Consideration**: ₹ 49.17 Million (including Stamp registration charges)

2. Building and Civil works

The building and civil works includes construction of factory building including ground plus two floors, cold storage, laboratory, male and female quarters, compound wall etc. In relation to the same, we have received a quotation from Rams Associates his letter dated March 24, 2017 for an estimated cost of approximately ₹ 189.84 million, the summary of which is as follows:-

Sl. No.	Description of the work	Amount (₹ in million)
1.	Building and civil works (Main factory buildings and non factory buildings)	156.39
2.	External works	14.28
3.	Infrastructure	12.37
4.	Fit-out works	6.80
	Total	**189.84**

3. Plant & Machinery

We propose to utilise ₹ 554.53 million towards purchase of plant and machinery which primarily includes Freezers, Hardners, Grading machine, Ammonia refrigeration system among others. We are yet to place orders for plant and machinery. We have received a quotation from various vendors for the estimated cost of approximately ₹ 554.53 million, the summary of which is as follows:-

IMPORTED MACHINERY

Description of Machinery	Date of Quotation	Name of Supplier	Indicative Quantity	Unit cost in Foreign Currency (in USD)*	Unit cost (In ₹ Millions)	Total Amount (In ₹ Millions)
IQF-Freezer	March 8, 2017	John Bean Technologies (Kunshan) Co. Ltd	1	397,700.00	26.65	26.65
IQF-Hardener	March 8, 2017	John Bean Technologies (Kunshan) Co. Ltd	1	-	6.86	6.86
IQF-Hardener	March 8, 2017	John Bean Technologies (Kunshan) Co. Ltd	1	327,000.00	21.91	21.91
LVS System	March 8, 2017	John Bean Technologies (Kunshan) Co. Ltd		-	5.87	5.87
IQF – FloFreezer - Model FF A20e	March 8, 2017	John Bean Technologies (Kunshan) Co. Ltd	1	436,600.00	29.25	29.25
IQF – Hardener	March 8, 2017	John Bean Technologies (Kunshan) Co. Ltd	1	-	7.86	7.86
Grading Machine	March 1, 2017	Nam Dung Co., Ltd	2	48,000.00	3.22	6.43
Screw Compressor	January 24, 2017	Johnson Controls India Pvt.Ltd	1	1,286,900.00	86.22	86.22
Reach Truck-Capacity - 1450 Kg	January 2, 2017	Godrej & Boyce Mfg. Co. Ltd.	3	55,950.00	3.75	11.25
Batteries	January 2, 2017	Godrej & Boyce Mfg. Co. Ltd.	5	-	0.36	1.78
Battery Charger	January 2, 2017	Godrej & Boyce Mfg. Co. Ltd.	2	-	0.13	0.25
		Total – (A)				**204.33**
Description of Machinery	**Date of Quotation**	**Name of the Supplier**	**Indicative Quantity**	**Unit cost in (€Euro)**	**Unit cost (In ₹ Millions)**	**Total Amount (In ₹ Millions)**
Flash Cooker	January 3, 2017	Innotech Systems B.V.	1	150,980.00	11.02	11.02
Chiller	January 3, 2017	Innotech Systems B.V.	1	115,600.00	8.44	8.44
Plate Freezers	January 24, 2017	FX Multitech Private Limited	3	33,686.00	2.46	7.38
Evaporative Condenser	January 5, 2017	Decsa srl	5	46,818.90	3.42	17.09
Evaparators-LU-VE Unit Cooler	January 24, 2017	LU-VE India	-	101,885.00	7.44	7.44
		Total – (B)				**51.37**
GRAND TOTAL (A+B)						**255.70**

*****_Quotation amounts are converted at an exchange rate of ₹67.00 per USD and ₹73.00 per Euro._

INDEGENOUS MACHINERY

Description of Machinery	Date of Quotation	Name of Supplier	Indicative Quantity	Amount as per Quotation (In ₹ Million)*
Cold Storage Puf Panels & Installation	January 16, 2017	Llyod Insulations India Limited	-	43.90
Supply and Erection of Electrical Work-HT Work	January 28, 2017	Perfect Engineers	-	21.13
Supply and Erection of Electrical Work-LT Work	January 28, 2017	Perfect Engineers	-	25.17
Supply and Installation of Ammonia refrigeration System	January 26, 2017	City Refrigeration	-	84.63
Falling Film Chiller - 10,000 Ltrs/Hr	January 25, 2017	Omega IceHill Pvt.Ltd	2	1.48
Falling Film Chiller - 20,000 Ltrs/Hr	January 24, 2017	Omega IceHill Pvt.Ltd	1	1.12
SIEMENS make VFD Modules-150 KW Drive	January 25, 2017	Pragmatic Industrial Automation Solutions Pvt.Ltd	5	3.25
SIEMENS make VFD Modules-475 KW Drive	January 24, 2017	Pragmatic Industrial Automation Solutions Pvt.Ltd	3	5.56
SIEMENS make VFD Modules-375 KW Drive	January 24, 2017	Pragmatic Industrial Automation Solutions Pvt.Ltd	2	3.58
SIEMENS make VFD Modules-180 KW Drive	January 24, 2017	Pragmatic Industrial Automation Solutions Pvt.Ltd	3	2.26
Valves and Components-Danfoss Controls	January 25, 2017	Frigsales Climate Technologies Pvt.Ltd	--	8.95
Plate Ice Maker-Model - IM 30 Ton	January 24, 2017	Omega IceHill Pvt.Ltd	4	8.40
Generators-1500 KVA	January 5, 2017	Powerica Limited	2	21.92
Cold Storage Racking and Mazzanine System-Drive Pallet Racking	January 3, 2017	Godrej & Boyce Mfg.Co.Ltd	-	15.53
Cold Storage Racking and Mazzanine System-Mezzanine System	January 3, 2017	Godrej & Boyce Mfg.Co.Ltd	-	10.56
Motors	January 4, 2017	Siemens	-	8.97
Fork Lift-Capacity - 2000 Kg	January 6, 2017	Godrej& Boyce Mfg. Co. Ltd	1	1.29
Battery Charger, Additional Battery and C Type Battery Remover	January 6, 2017	Godrej& Boyce Mfg. Co. Ltd	1	0.30
Hand Pallet Truck-Capacity - 2300 Kg	January 5, 2017	Godrej& Boyce Mfg. Co. Ltd	10	0.30
Filth Washing Machine-Capacity 2 Ton / Hr	March 2, 2017	Gloria Industrial Equipments	2	1.33
Weight Scales-6 Kg	February 15, 2017	Mettler Toledo India Private Limited	20	1.68

Description of Machinery	Date of Quotation	Name of Supplier	Indicative Quantity	Amount as per Quotation (In ₹ Million)*
Weight Scales-150 Kg	February 15, 2017	Mettler Toledo India Private Limited	5	0.49
SS Tables, Agitators, Trolleys, Shovels, Crate Pallets, Depanning Machine, Footrest, Handdips	February 12, 2017	Trinity	--	12.55
Videojet Straight Umbilical IP65 Positive Air Pump.	February 2, 2017	Videojet Technologies (I) Private Limited	3	1.13
Videojet Straight Umbilical IP55 Positive Air Pump.	February 2, 2017	Videojet Technologies (I) Private Limited	1	0.20
Cold Storage Doors	January 25, 2017	Metaflex Doors India Pvt.Ltd	-	8.81
Extinguishers and Hydrant System	January 27, 2017	Sri Sai Services	-	2.33
U.V Lamps	January 17, 2017	Godavari Fluid Systems	-	0.13
Lab Equipment	January 27, 2017	Febris Life Sciences	-	0.68
Lab Equipment	March 3, 2017	Febris Life Sciences	-	1.20
Total				**298.83**

** Estimates includes taxes wherever applicable*

4. Contingency Expenses

We have estimated our contingency expenses to be ₹ 37.93 million.

II. General Corporate Purposes

In terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the proceeds of the Fresh Issue.

Our management will have flexibility in applying ₹ [●] million of the Net Proceeds towards general corporate purposes, including (i) brand building and other marketing efforts; (ii) acquiring fixed assets; (iii) meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures, acquisitions, etc.; and (iv) any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The Issue expenses consist of underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsel, fees payable to the SCSBs including processing fee for processing the ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to the SCSBs and Registrar to the Issue, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges as agreed in terms of the Issue Agreement. All expenses for the Issue shall be shared amongst the Selling Shareholders and our Company, inproportion to the Equity Shares being offered by them in the Issue.

The break-up for the Issue expenses is as follows:

Activity	Estimated expenses[1] (₹ in million)	As a % of total estimated Issue related expenses[1]	As a % of Issue size[1]
BRLM fees and commission (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission and processing fees for SCSBs[2]	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers, RTAs and CDPs [3]	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Other advisers to the Issue	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Others: i. Listing fees, SEBI filing fees, book building software fees; ii. Printing and stationary expenses; iii. Advertising and marketing; and iv. Miscellaneous.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

[1] Amounts will be finalised at the time of filing the Prospectus and on determination of the Issue Price and other details.

[2] The SCSBs will be entitled to a processing fee of [●] per valid ASBA Form for processing the Bid cum Application Forms procured by the members of the Syndicate, Brokers, sub-syndicate agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs.

[3] Registered Brokers, the RTAs and CDPs will be entitled to a commission of ₹ [●] per every valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.

Interim use of Net 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 utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more 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 Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds
As this is a Fresh Issue for less than ₹ 5,000 million, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of Regulation 16 of the SEBI ICDR Regulations.

Our Board and Audit committe shall monitor the utilisation of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to Regulation 32 (3) of SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) 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 utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, and applicable rules, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised.

Other Confirmations

We have not entered into any definitive agreements to utilize the net proceeds of the Issue. The prices for the plant and machinery proposed to be purchased, as set out above, are as per the quotations received from the suppliers. Our Company depending on various factors, will finalise the suppliers for the proposed object which may not be the same from whom the quotation were obtained. We will obtain fresh quotations at the time of actual placement of the order for the respective plant and machinery. The actual cost would, thus, depend on the prices finally settled with the suppliers and, to that extent, may vary from the above estimates. No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

None of our suppliers/ service providers for utilisation of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities 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, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares issued 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 Issue 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 chapters titled "Our Business", "Risk Factors" and "Financial Statements" on pages 119, 18 and 172 of this DRHP, 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 Issue Price are:

- Economies of scale on account of integrated operations
- Strategically located processing plant
- Established Customer Relationships
- Focus on quality control measures and research & development initiatives
- Proven and experienced management
- Procurement of raw materials from our farms

For further details, see chapter titled *"Our Business"* on page 119 of this DRHP.

Quantitative Factors

Information presented in this section is derived from the Restated Standalone Summary 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 Issue Price are as follows:

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

Financial	Basic and Diluted EPS (in ₹)	Weight
2014	5.59	1
2015	7.65	2
2016	8.03	3
Weighted Average	7.50	
Nine Months ended December 31, 2016*	6.82	

**Not Annualised*

Note:

a. Earnings per share calculations have been done in accordance with Accounting Standard 20 - "Earnings per Share" issued by the ICAI.

b. The face value of the Equity Share of the Company is ₹ 10 each.

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

Particulars	Standalone
a) P/E ratio based on basic/diluted EPS for the year ended March 31, 2016 at the Lower end of the price band	[●]
b) P/E ratio based on basic/diluted EPS for the year ended March 31, 2016 at the Higher end of the price band	[●]

Industry Peer Group P/E Ratio

	Industry P /E Multiple*
Highest	496.11
Lowest	19.47
Industry Composite	188.28

**The Industry high and low has been considered based on the standalone financials from the Industry Peer Set consisting of 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" below*

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

Financial	RoNW (%)	Weight
2014	35.48	1
2015	32.79	2
2016	25.62	3
Weighted Average	29.65	
Nine Months ended December 31, 2016*	17.86	

**Not Annualised*

Return on net worth (%) = Profit after tax as restated * 100 / Net worth at the end of the year / period

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

4. Minimum return on increased net worth after the Issue required for maintaining pre-issue EPS at March 31, 2016

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

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

Financial	NAV per share (in ₹)	Weight
2014	15.77	1
2015	23.33	2
2016	31.36	3
NAV after the Issue	[●]	[●]
Issue Price*	[●]	[●]
Weighted Average	26.09	
Nine Months ended December 31, 2016	38.18	

**Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

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 during the year ended March 31, 2015 and March 31, 2014.

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. acquaculture, 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 (₹) ****
Peer Group*							
Avanti Feeds Limited	Standalone	20,182.89	2.00	34.19	19.75	41.63	82.13
	Consolidated	20,182.89	2.00	34.68	19.47	41.62	83.33
The Waterbase Limited	Standalone	3,186.35	10.00	0.18	496.11	0.69	25.59
Zeal Aqua Limited	Standalone	1,212.86	10.00	6.23	49.00	9.15	68.06
The Company							
Apex Frozen Foods Limited	Standalone	6,035.27	10.00	8.03	[●]#	25.62	31.36

**Source: Respective peer groups regulatory filings with The BSE Limited*

***Basic earnings per share for peer group is based on the respective peer group regulatory filings with The BSE Limited for the year ended March 31, 2016.*

****The P/E figures for the peers is computed based on the closing price on the BSE (available at www.bseindia.com) as on February 28, 2016, divided by basic EPS based on the respective peer groups regulatory filings with the BSE Limited for the year ended March 31, 2016*

*****The RONW and NAV per share for the peers have been computed based on the respective peer groups regulatory filings with the BSE Limited for the year ended March 31, 2016 as follows:*

*Return on net worth (%) = Net profit after tax * 100 / Net worth at the end of the year*

Net Asset value per share = Net worth at the end of the year / No. of shares outstanding at the end of year

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

 # Based on the Issue Price to be determined on conclusion of book building process and the basic EPS of our Company.

The Issue Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager 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 18 of this DRHP and the financials of our Company including important profitability and return ratios, as set out in the section titled "Financial Statements" on page 172 of this DRHP. The trading price of the Equity Shares could decline due to the factors mentioned in section titled "Risk Factors" on page 18 of this DRHP and an investor may lose all or part of his investment.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Apex Frozen Foods Limited
Regd. Office- 3-160, Panasapadu Kakinada
East Godavari
Andhra Pradesh- 533005
India

Dear Sirs,

Sub: Statement of possible tax benefits available to Apex Frozen Foods 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').

We hereby report that the enclosed statement in **Annexure** prepared by the Company states the possible special tax benefits available to the Company and to its shareholders under the provisions of the Income-tax Act, 1961, ("**the Act**") and Income-tax Rules, 1962, as amended (together "**Tax Laws**") presently in force in India. Several of 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 these special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure** covers only special tax benefits available to the Company and to its shareholders and do not cover general tax benefits available to the Company and to its shareholders. The benefits discussed in the enclosed **Annexure** are not exhaustive. Further, the preparation of the Statement and its contents is the responsibility of the Company's management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 or holding/selling of the Equity Shares thereafter, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither we are 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:

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

The contents of the enclosed Annexure 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.

For Boda Ramam & Co.,
Chartered Accountants
Firm Registration No: 005383S

Boda Anand Kumar
Partner
Membership No. 029123

Place: Kakinada
Date: 15/03/2017

Enclosed: ANNEXURE

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 2016-17 relevant to the assessment year 2017-18). 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.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company under the provisions of the IT Act.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the company.

Note: *All the above benefits are as per the current provisions of the Income Tax Act, 1961 and any change or amendment in the laws/regulation, which when implemented would impact the same.*

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from "CRISIL Research" None of the Company, the BRLM or any other person connected with the Issue has independently verified this Information, their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report and no part of this Report should be construed as on expert advice or investment advice or any form of investment banking within the meaning of any law or regulations. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval

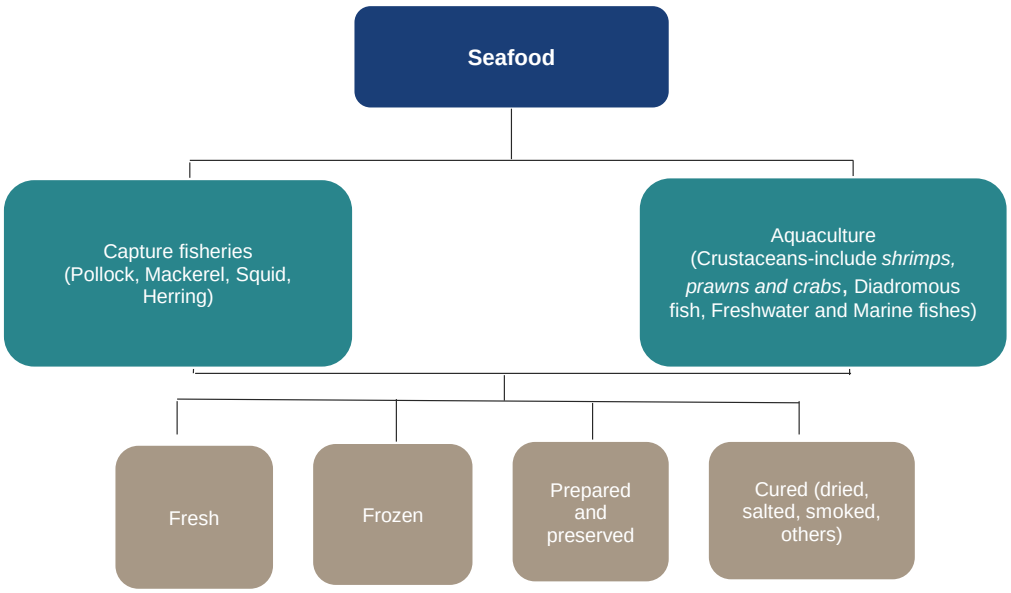
GLOBAL MARKET

Introduction

Seafood is an important source of nutrition for human population and it also provides livelihood for millions of people around the globe. Seafood being a vital source of protein and micronutrients, it is often referred to as a rich food for poor people due to its relatively lower cost as compared to other comparable sources of nutrition. Improved fisheries management coupled with sharp growth in aquaculture over the past few *decades* has significantly improved per capita seafood consumption from 15 kgs in 1995 to over 20 kgs in 2015.

Consequently, global seafood consumption, which stood at 151 million tonnes in 2015, has grown at a relatively faster compounded annual growth rate (CAGR) of 3% over the past decade. Based on the type of sourcing, seafood products can be classified as - capture fisheries and aquaculture. In 2015, the share of capture fisheries and aquaculture stood at 55% and 45%, respectively. Twenty years ago, the share was 80% for capture fisheries while the share of aquaculture was relatively low at 20%. Aquaculture has played a very important role in meeting rising global demand even as capture fisheries production has saturated.

Classification of Seafood



Source: Industry, CRISIL Research

Capture comprises aquatic species taken from natural waterbodies (sea, lakes, ponds etc.), while aquaculture comprises species cultivated in aquaculture farms. Within aquaculture, aquatic species can be cultivated in marine, fresh, or brackish water. Crustaceans, diadromous fish, freshwater fish and marine fish are various segments considered in aquaculture. Both capture fisheries and aquaculture can be sold in fresh, frozen, or value added product forms (i.e, prepared and preserved or cured).

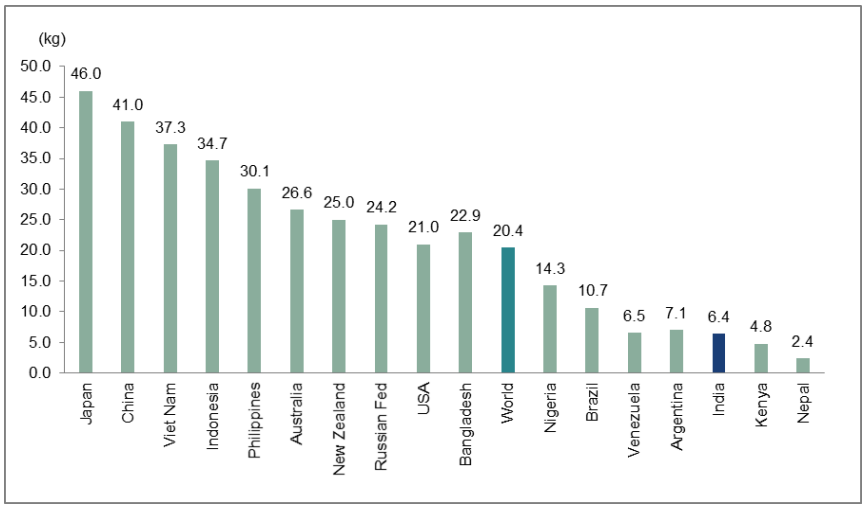
Seafood (capture fisheries and aquaculture) remain important sources of food and nutrition. The sector supports the livelihoods of hundreds of millions. It continues to be one of the most traded food commodities worldwide.

Global seafood consumption

Global seafood consumption to reach 170-175 million tonne by FY21

Seafood roughly accounts for about one-sixth of global intake of animal protein and its consumption has been growing at a healthy pace over the last 2 decades. The global per capita seafood consumption rose from 15.0 kg in 1995 to 17.0 kg in 2005 and further to 20.4 kg in 2015, at a compounded annual growth rate (CAGR) of 2% during the period. In absolute terms, seafood consumption grew at 3% CAGR to 151 million tonne in the decade 2005-2015, increasing its share in global food intake by 40 basis points. Global demand for seafood has been growing because of rising population and income level, diversification in varieties of fish offered, and richness in protein content.

Country wise per capita consumption of seafood (2015)

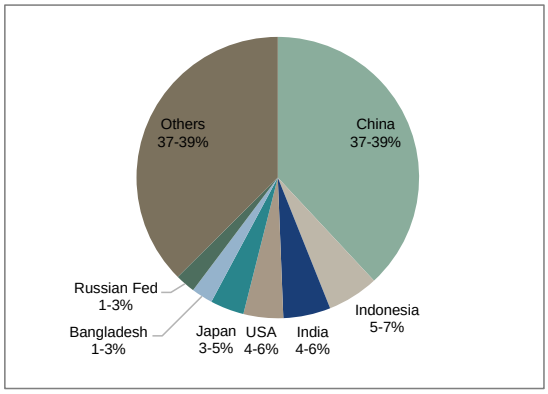


Source: FAO, CRISIL Research

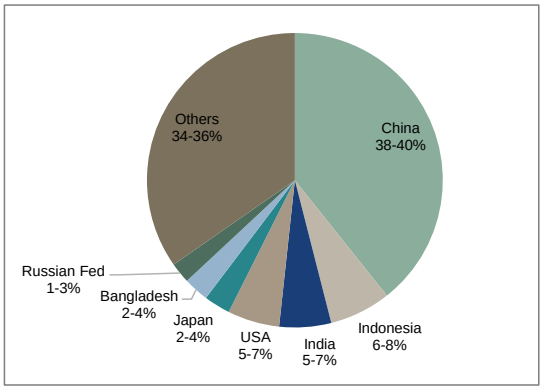
In terms of absolute seafood consumption, Asia ranks highest, followed by Europe and Africa. China, Indonesia and India are the top three seafood consuming nations accounting for 48% of total consumption. However, in terms of per capita consumption, Oceania (25.0 kg) and Asia (24.3 kg) top the chart, while Africa and Latin America are at the bottom. The per capita seafood consumption for India stood at 6.4 kg in 2015 indicating that there is lot of scope for improvement.

Country-wise share in total seafood consumption

2015



2020-21P



Source: FAO, CRISIL Research

We expect global seafood consumption to continue on its growth trajectory, registering 2.5-3.0% CAGR between 2015-16 and 2020-21, to reach 170-175 million tonne. Growth is likely to be slightly slower than that witnessed in the previous five years, mainly on account of lower demand from China due to slowdown in its GDP growth. Although, the seafood consumption in China is expected to slowdown, its share will still be high compared to global seafood consumption growth. China's share in total seafood consumption is projected to reach 38-40% by 2020-21. Further, markets such as US and EU hold a more optimistic outlook, and should partly offset the anticipated slower growth. Also, estimated growth in world population at 1.1% CAGR between 2015 and 2020 is also expected to drive global seafood consumption.

Key growth drivers and threats

Key growth drivers: Rising population and disposable incomes

The global seafood industry is set to grow at a healthy rate over the next few years driven by rising demand and population. Some of the key growth drivers that will support the market growth are:

- **Rising per capita consumption**
  With increasing awareness of health benefits associated with seafood, per capita consumption has increased 2.0% from 2005 to 2015. It is expected to rise further with easy availability and larger variety of value added products being launched in the market.

- **Rising disposable income**
  With increasing per capita income, the demand for exotic seafood such as oyster and shrimp is rising. The national per capita income of major consuming and importing countries like USA, Japan and EU has risen 1-2% on an average from 2000 to 2015.

- **Population growth**
  With better medical and health facilities, death rate has declined, leading to a higher world population. From 2000 to 2010, world population rose by 1.2% annually and is expected to continue increasing by around 1% each year up to 2025. Increasing per capita consumption and steadily rising population is expected to contribute to market growth.

- **Product diversification and technological advancement**
  Advanced technologies like individual quick freezing and advanced canning has led to diverse range of products and great demand for seafood/seafood-based convenience products in ready-to-eat or ready-to-cook forms.

- **Better marketing and branding of seafood products**
  With better packaging facilities like easy to open cans and retortable pouches, storage has become easier. This has provided additional opportunities for better branding and marketing activities that are expected to support market growth.

- **Increased market penetration with government support**
  Free trade agreements between major exporting and importing countries such as USA and Canada, Japan and India, EU and India, and Japan and Vietnam, encourage exporting countries to access new markets and increase sales.

The seafood industry also faces a host of problems which have to be tackled for smooth development and growth. Some of the key challenges faced by the industry are:

- **Quality control**
  The disinfectants used to rear seafood and maintain hygienic water often leave a residue on the species. A higher than desired amount of residue makes the species inedible.

- **Diseases**
  With unhygienic environment and improper feed, the species are bound to catch diseases.

For instance, in 2013, aquaculture farms in South East Asian regions were adversely impacted due to the spread of white spot disease among the aquatic species.

- **Inadequate storage facilities**
  After the processing of species, non-availability of hygienic chilling centers lead to decay and wastage.

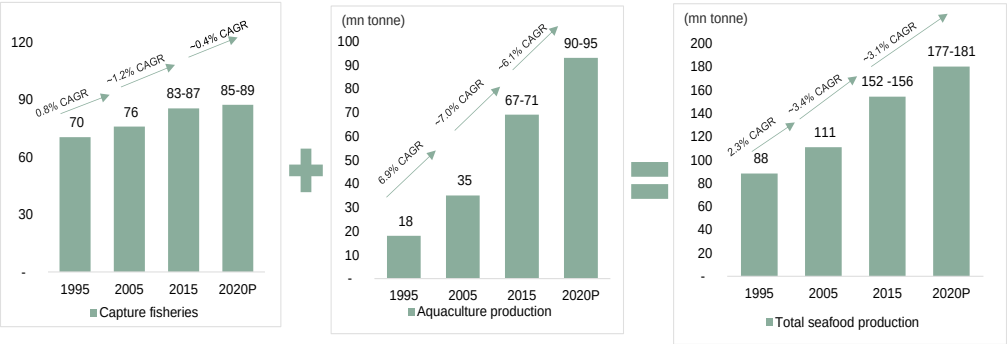
- **Exchange rate related risks**
  Fluctuating currency rates of importing and exporting countries lead to exchange related losses

- **Government Regulations**
  Countries such as Japan have implemented an import quota to protect their domestic seafood industry. Thus, only limited quantity can be exported to Japan in a year. Meanwhile, USA levies anti-dumping duty on seafood imported from countries such as Vietnam, Thailand and India. The United States International Trade Commission states that a review of an antidumping or countervailing duty order has to be conducted within 5 years after its publication to determine its continuation or revision of rates. Else, the order will be revoked unless it is determined that material injury to the domestic industry is likely to recur. This is known as the sunset clause

Global aquaculture market

Aquaculture gains share; marine catch remains stagnant
Overfishing, or exploitation of seafood stock exceeding the maximum sustainable yield level has resulted in stagnation in marine production. While marine catch has remained stagnant over the past 10 years, increase in aquaculture production has helped meet increasing demand for seafood. Aquaculture is the rearing and cultivation of aquatic species for food under controlled conditions. Global aquaculture production has grown at 7.0% CAGR to 67-71 million tonne in the past 10 years. Consequently share of aquaculture has increased by 13 percentage points (1 percentage point = 100 basis points) over the last decade to 45%. Going forward also, we expect this trend to continue with share of aquaculture increasing to 52% by 2020.

Trend and outlook on capture fisheries and aquaculture production



Note: P: Projected;
Source: FAO, CRISIL Research

In terms of region-wise aquaculture production, Asia accounts for over 90%, followed by America, Europe and Africa that make the remaining 8%.

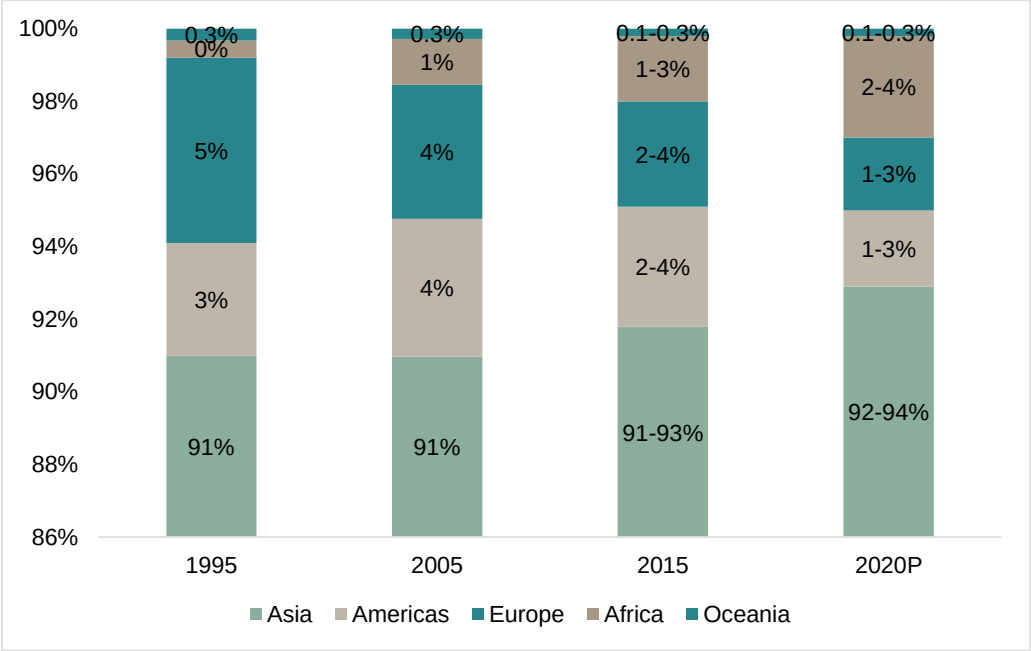
China, India, Indonesia, and Vietnam are the key countries that have contributed to the growth of aquaculture production in Asia. These countries together account for 88% of total aquaculture production from Asia. Over the past five years, production growth has been fastest for Indonesia at 20% CAGR, whereas production in the other three countries has grown 5-6%.

The spurt in the production number of Indonesia can be attributed to low base along with growing number of aquaculture farms in the country. The production in Vietnam, which has grown rapidly over the past 10 years, was impacted since 2013 due to spread of white spot disease in its aquaculture farms.

Going forward as well, we expect the Asian region to continue to dominate the total aquaculture production. South east Asian markets such as Thailand, Indonesia and Vietnam have started recovering from the EMS disease. However, it will take some time for these countries to rebound to prior high production levels. The temporary setback will benefit countries such as India who accounted a share of more than 7% in global aquculture production in 2015. Further,

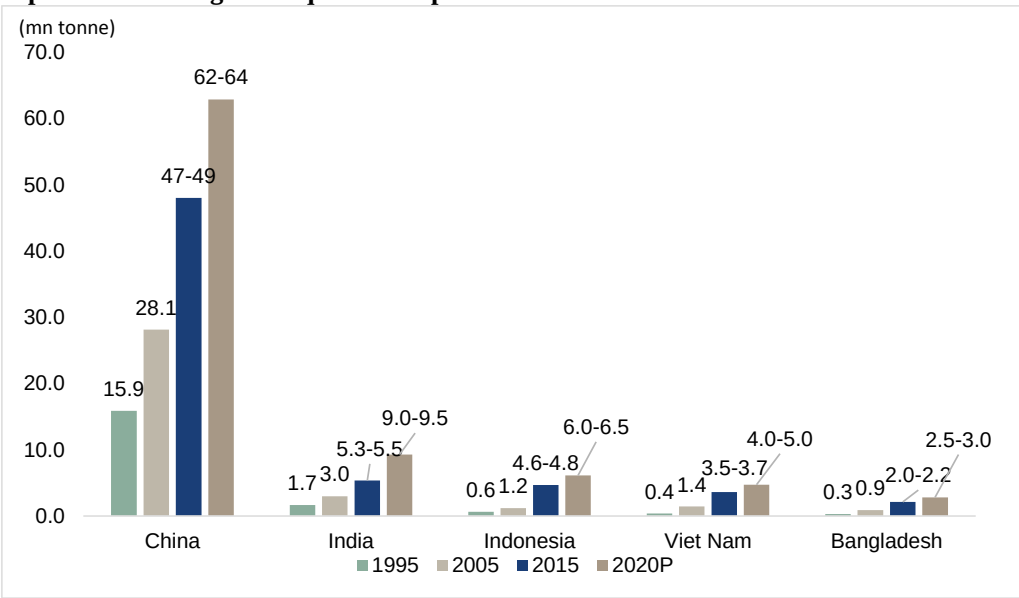
Indian players have required production capability. Thus, India's share in global aquaculture production is expected to continue to grow.

Region-wise share in aquaculture production (volume terms)



Note: P: Projected;
Source: FAO, CRISIL Research

Top 5 countries in global aquaculture production

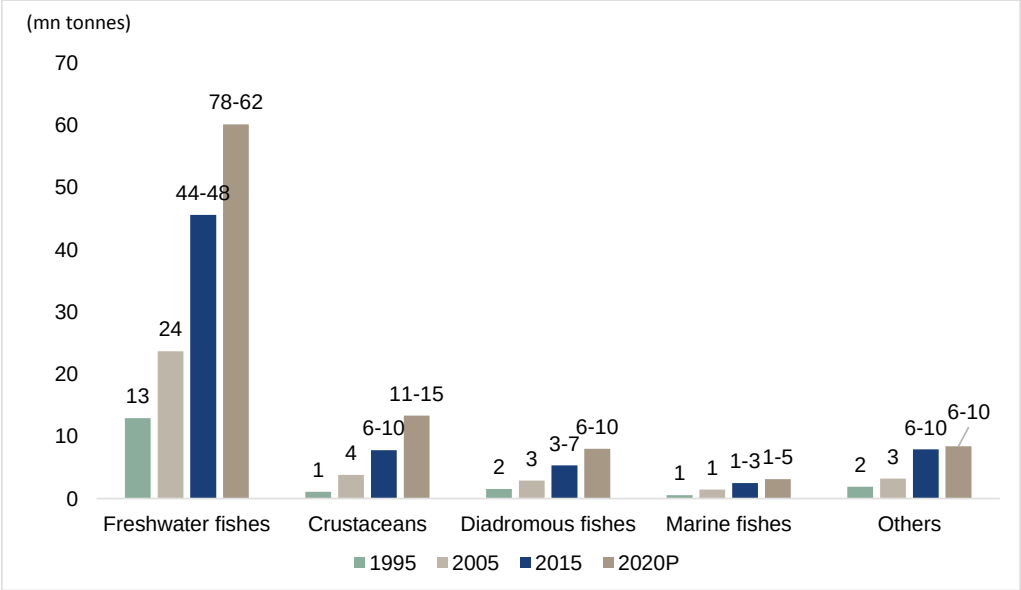


Note: P: Projected;
Source: FAO, CRISIL Research

Of the total aquaculture production, the share of freshwater species (66%) is the highest followed by crustaceans (11%), diadromous fishes (8%) and marine fishes (8%). Freshwater fishes which has witnessed a growth of about 14% in the past decade is expected to slowdown (5-7%) over next five years to 78-62 million tonne owing to higher

base. Crustaceans segment is expected to grow by 11-13% to 11-15 million tonne from 7% growth recorded over the past 10 years. Rising demand for shrimps globally and rising number of aquaculture farms especially in Asia would be the factors for the growth. Diadromous fishes segment is expected to grow by 9% while growth in marine fishes is expected to slowdown at 4% in 2020.

Product-wise growth in aquaculture



Note: Refer to Annexure- Table 1; P: Projected

Source: FAO, CRISIL Research

Trends in global trade

USA to remain major importer for aquaculture products

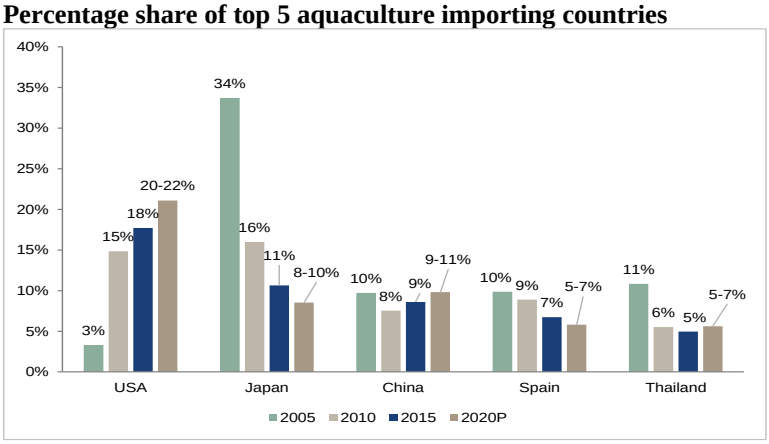
Developed countries such as the USA, Japan, and EU are highly dependent on imports of fishery products, as they are not self-sufficient in meeting their domestic requirement. USA, China, Japan, Spain and Thailand are the key importing countries of aquaculture products, together accounting for close to half of total imports.

Rising demand for aquaculture products such as shrimp and tuna has helped USA in maintaining the pole position. Japan, which was once the largest importer, now occupies a distant second, after being overtaken by the US. Factors such as declining demand especially from the youth, coupled with weaker currency (the yen depreciated 6.7% CAGR to reach JPY 121 in 2015), has made imports expensive in Japan. South-east Asian countries such as Thailand source seafood products from countries such as India, carry out value addition, and re-export to countries in the West, thereby earning better margins. China is one of the largest importers as well as exporters for these products.

Apart from its own production, China imports from countries such as India, and re-export value added products to markets in USA, Europe, etc. Also, consumption of certain species which are not domestically produced is on the rise in this country. All these factors make China one of the largest importers for aquaculture products.

Going forward as well, we expect the demand from USA to keep on rising owing to increasing consumption of shrimps as well as other aquaculture species leading to higher imports. Further, imports from China and Thailand are projected to rise and reach 9-11% and 5-7%, respectively in 2020 as they would continue with value addition activities. However, falling demand from youth popoulation in Japan would result in its declining share which is expected to reach 8-10% by 2020.

Percentage share of top 5 aquaculture importing countries



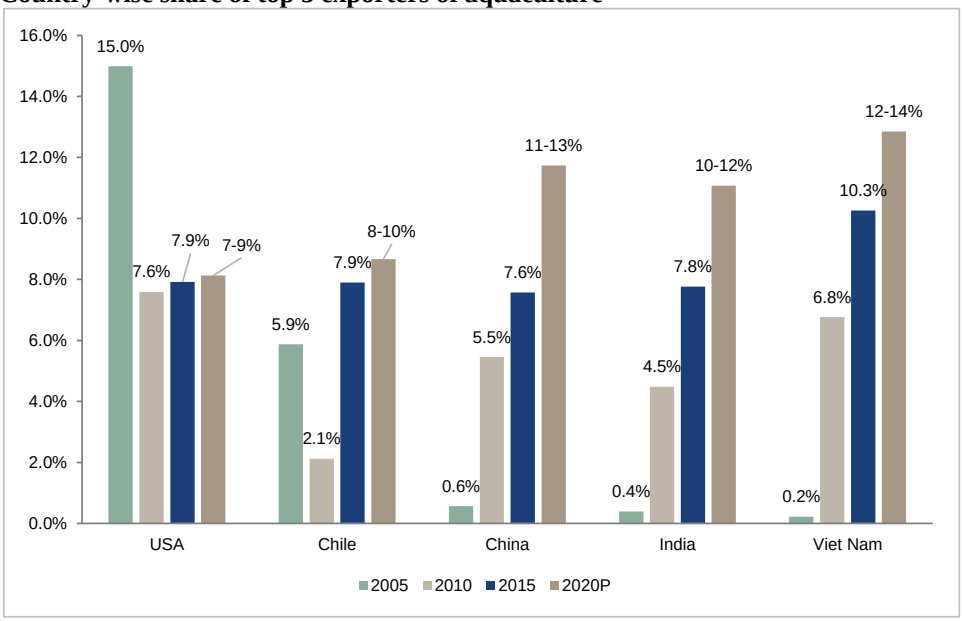
Source: UN Comtrade, CRISIL Research

The exporters' league and India's place in it

The rising demand for aquaculture products is met by top exporting countries such as China, India, Vietnam, Chile and USA, accounting for 41% (in volume terms) of total aquaculture exports. India's share increased by ~330 bps to 7.8% between 2010 and 2015. Favourable government policies for setting up aquaculture farms, depreciation of the Indian rupee vis-à-vis the dollar, and spread of white spot disease in aquaculture farms in south-east Asia (one of the major producers of aquaculture products, especially shrimps) have helped India gain market share. China too saw its market share rise to 7.6% in 2015 from 5.5% in 2010. However, Vietnam's share contracted to 10% in 2015 from 15% in 2014. The reduction in exports was mainly linked to spread of white spot disease in the Vietnamese aquaculture farms, thereby hampering production.

By 2020, we expect the India's share in aquaculture exports to reach 10-12% on account of increasing production following rise in number of aquaculture farms. While the share of China is expected to continue to rise and reach 11-13%, share of USA is expected to remain stable. Vietnam's share is projected to reach 12-14% by 2020 as it recovers from EMS disease.

Country-wise share of top 5 exporters of aquaculture



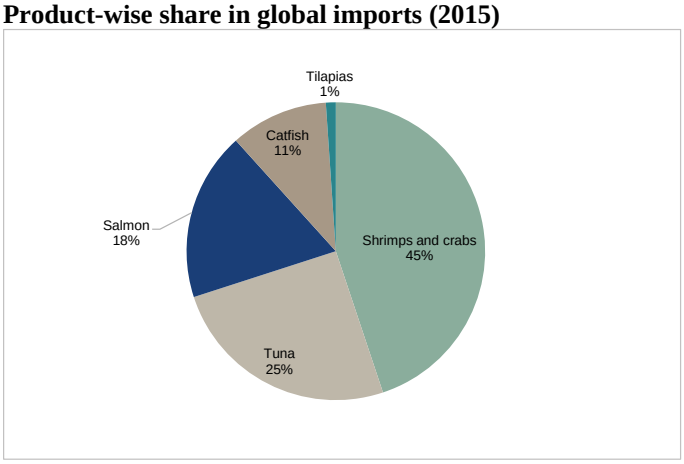
Source: UN Comtrade, CRISIL Research

Seafood trade represents a significant source of foreign currency earnings for many developing countries, in addition to its important role in income generation, employment, food security and nutrition. Going forward, we expect the total global aquaculture exports to be driven by India, and China. Also, Vietnam's journey towards recovery from the white-spot disease will also aid growth in global aquaculture exports.

Shrimps, crabs account for close to half of global aquaculture imports

Of the total global aquaculture imports, shrimps and crabs account for 45% (in volume terms), followed by tuna (25%), salmon (18%) and catfish (11%). Apart from shrimps, other species exported include crabs, tilapia, mussels, clams, mullet, etc. India largely exports shrimps, Vietnam; catfish and shrimps, and China; shrimps and salmon. Going forward, the share of shrimps would continue to rise and reach close to ~50% by 2020 owing to its increasing demand.

Product-wise share in global imports (2015)



Source: UN Comtrade, CRISIL Research

Major players and investments in seafood global industry

Asian region to witness more investments in aquaculture

With growing favourable conditions, and countries such as India, China, Thailand and Vietnam being major seafood exporters, the Asian region has developed a huge number of aquaculture farms. Although the western countries are not as heavily invested in these farms as their Asian counterparts, they have a significant number of processing units that cater to both domestic and international demand for processed and value added seafood. Some of the American companies such as Blue Ridge Aquaculture and Australian companies such as Huon Aqua and Tassal Group are vertically integrated and grow aquatic species in their own farms. Amongst the Asian companies, the Chinese have advanced processing units along with large aquaculture farms that help them fetch hefty realisations and profits. Dalian Zhangzidao and Zhanjiang Evergreen Aquatic Product are some of the well-known, vertically integrated Chinese companies. Most of the Asian companies supply to the USA, Middle East and Europe, as these regions are major importers of seafood. The most preferred seafood products by consumers are Tilapia, salmon and shrimps, which are priced higher than fish, as they are considered exotic and unique in taste.

With growing demand for value added and ready to eat seafood products, investments are expected in setting up processing centres in the Asian region, already invested heavily in aquaculture farms. Further, the cost of cultivation is low, making it an attractive destination for seafood imports.

INDIAN AQUACULTURE MARKET

Indian aquaculture production witnessed a 6% compounded annual growth rate (CAGR) from 1995 to 2015. Up to early 2000s, the development of brackish water aquaculture was mostly confined to a single species, Penaeus Monodon, also known as white tiger shrimp, the scientific farming of which began only in the early 1990s. Majority of the shrimps produced were destined to exports, which fetched high realisations. However, due to the breakout of white spot syndrome virus (WSSV) the production of white tiger shrimp remained stagnant.

In 2003, pilot research and small scale production of L. vannamei, also known as Pacific white leg shrimp, was initiated. After six years of research, large scale production of L vannamei was permitted in 2009 and since then its skyrocketed and grew at a CAGR of 190% to reach 0.4 million tonne in 2015. The export of Pacific white leg shrimp has fetched hefty export realisations. Its production is comparatively easier, as they can be reared at high stocking densities up to 150/ square meters and are tolerant to a wide range of salinities.

With technological advancements and creation of better awareness, aquaculture farming can be a good source of income, as they fetch high export realisations.

Steady contribution of Seafood to India's agricultural GDP

India is endowed with a long coastline of about 7,517 kms and an abundance of inland water resources (rivers, lakes and canals), which makes fisheries an important occupation, employing a large proportion of the population. The seafood industry contributes to the national income, exports, food security and employment generation. It is a principal source of livelihood for a significant section of the country’s economically underprivileged population, especially in the coastal areas.

The share of the seafood industry in the overall agricultural gross domestic product (GDP) grew steadily to reach 5.3% in 2015-16 from 4.4% in 2010-11. Of the total seafood consumption, capture fisheries (marine and inland) comprised close to 80-85%. Pomfret, rohu, mackerel, hilsa, katla and seer fish are some of the seafood varieties consumed in the country. However, with increasing population, rising income, growing awareness among health conscious consumers, and diversification in product offering such as ready to eat, consumption of aquaculture products is also gaining traction.

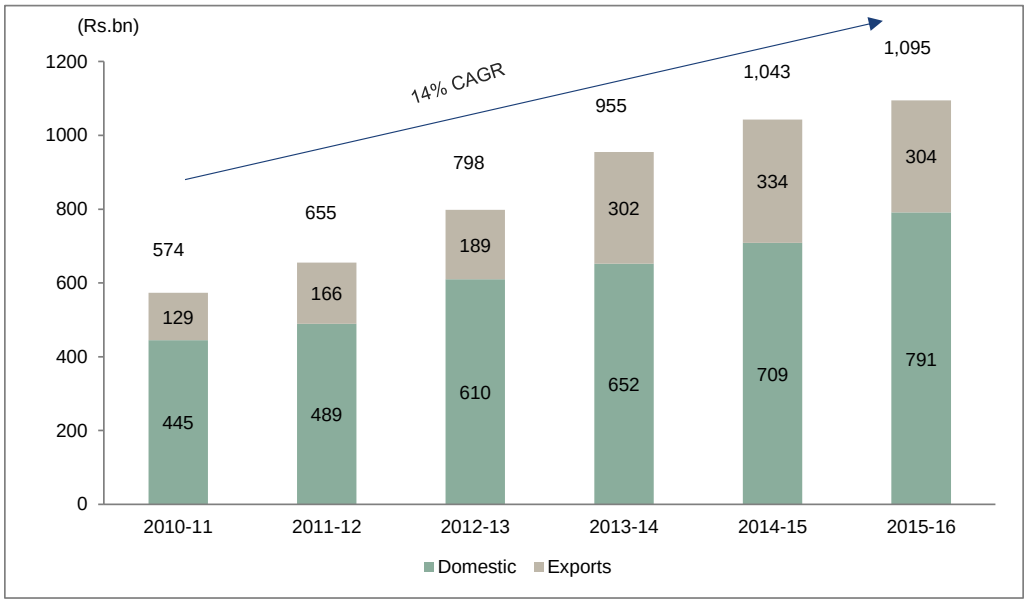
Domestic market size

India's seafood industry turnover close to Rs 1,100 billion in FY16

The domestic seafood market in India is highly unorganised and is predominantly a wet market (fresh fish is sold directly in the market). The export market, on the other hand, is largely organised due to stringent quality and hygiene requirements. Processing is carried out by exporters according to buyer requirements.

The size of the overall seafood industry in India stood at about ₹1,095 billion in 2015-16, with domestic market accounting for 72% share, while exports contributed the rest. Steady demand from the domestic market and rising exports resulted in the overall industry growing by 14% CAGR (in value terms) between 2010-11 and 2015-16. The domestic segment registered 12% while exports grew at a relatively faster pace of 19%. While increase in realisations and per capita consumption (in the domestic market) propelled growth, exports were especially aided by an outbreak of early mortality syndrome in South East Asian countries such as Thailand and Vietnam, which impacted global supply and provided Indian players an opportunity to increase exports and benefit from high realisations.

Size of seafood market in India

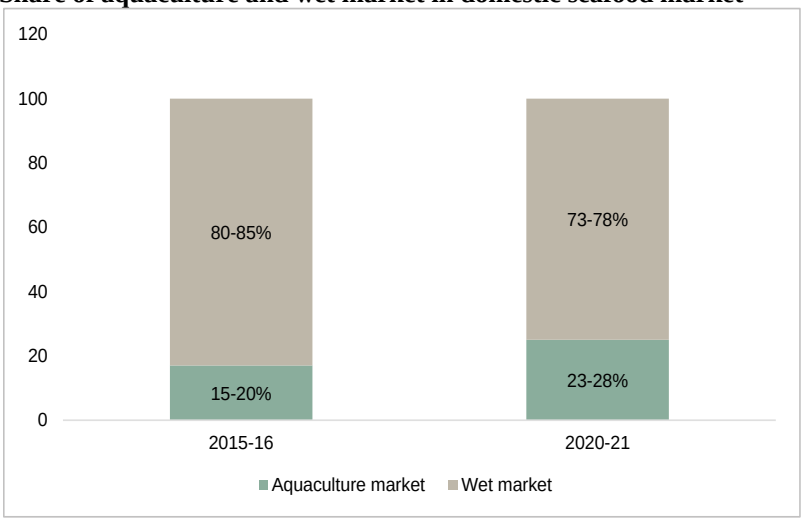


Source: MPEDA, CRISIL Research

Domestic seafood market is highly unorganised and dependent on capture fisheries

Capture fisheries (marine and inland) comprises major share of the domestic seafood market, with the share of aquaculture accounting for only 15-20% of total sales. The lower share of aquaculture is because of traditional preference of India's populace for on marine fishes such as pomfret, mackerel, hilsa, rohu, seer fish, and katla. As capture fisheries comprises over three-fourth share, realisations are impacted by the availability of fish, which are seasonal in nature.

Share of aquaculture and wet market in domestic seafood market

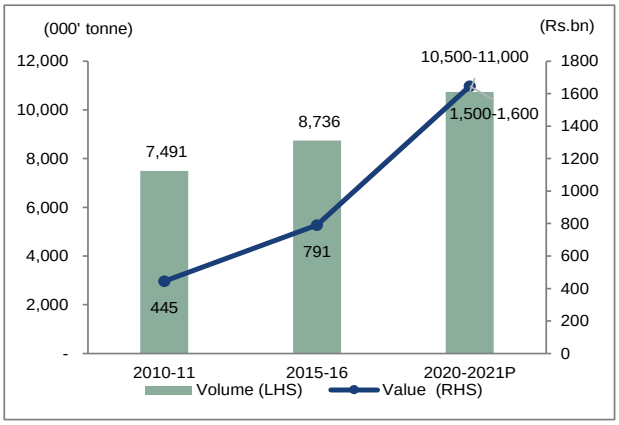


Source: FAO, CRISIL Research

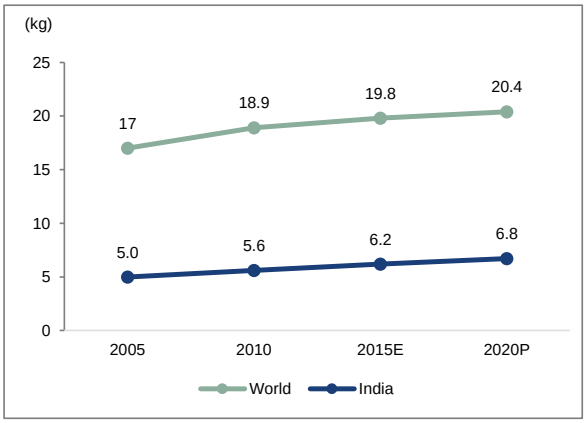
A growing population, rising incomes, and availability of diversified seafood products have resulted in a rise in per capita consumption, thereby driving growth for this market. The size of the domestic seafood market in 2015-16 was about Rs 791 billion. Between 2010-11 and 2015-16, the domestic seafood market grew at 12% CAGR in value terms and 3% CAGR in volume terms. Although, close to 80-85% of consumption in domestic market is from capture fisheries, demand for aquaculture products is also on the rise. Increasing incomes, health conscious consumers (preference over red meat), and more variety of brands available in super and hyper markets is driving growth for the aquaculture products.

Over the next 5 years, CRISIL Research projects the domestic seafood market to grow at a CAGR of 14-15% to reach ₹1,500-1,600 billion by 2020-21. Realisations are expected to rise by 9-11% year-on-year. Seasonal availability of marine and inland catch and higher demand for these products compared to supply, will drive realisations growth. Increase in share of high value aquaculture products will also boost average realisations. Volumes are projected to increase by 3-3.5%, with steady growth in population and per capita seafood consumption. Per capita seafood consumption is expected to reach 6.8 kg from 6.2 kg over the same period.

Domestic seafood market size



Per-capita seafood consumption (India vs World)



Note: P: Projected;
Source: FAO, CRISIL Research

Industry structure

Highly fragmented industry with low level of integration across value chain

The seafood industry in India, which was valued at ₹ 1,095 billion in 2015-16, can be segmented into marine capture, inland capture, aquaculture and ornamental fishing. The industry is highly fragmented with large number of players engaged in both domestic as well as international markets. Few players are completely integrated (forward and backward integration) across the value chain, while most are dependent on farmers and agents for carrying out business activities.

A few prominent players in the industry who are majorly into shrimp exports include Gadre Marine Exports, Castle Rock Fisheries Pvt Ltd, Star Agro Marine Exports Pvt Ltd, Devi Fisheries Ltd and Abad Fisheries Pvt Ltd. These players account for 4-5% of the overall seafood market in India. Majority of these players are engaged in exports and are well integrated with their own aquaculture farms as well export processing units.

Operating margin of players depend on various factors such as –

- Exposure to export markets
- Raw material price volatility
- Backward/forward integration of the player

As companies involved in exports require to comply with quality standards and process products better, revenue recognition and margins are higher. This is due to higher value addition by export companies, compared with companies involved only in the domestic market.

Since players are engaged in the export market, they are exposed to forex volatility. Some players practice hedging to minimise their forex losses. However, since most players do not possess the technical and financial knowledge to hedge their forex risk, they stand exposed to currency volatility.

Certain companies have incurred a significant amount of capital expenditure to undertake backward integration and set up aquaculture farms, purchase boats/trawlers, etc. However, since most firms cannot bear the high capital expenditure to install and maintain farms, only a select few processors and exporters venture into the farming business as well. Forward integration by farmers to become exporters is not common, as there are stringent regulations that exist to export to developed countries like USA, Europe and the UK.

SWOT Analysis of Aquaculture in India

- Favourable demography in the domestic market: The per capita seafood consumption in India has increased to 6.4 kg in 2015 from 4.2 kg in 1995. Further, with rising income levels and diversification into processed and RTE/RTC products, demand for seafood remains strong
- Strong international demand for Indian sea food: Exporting to economically developed countries like EU and USA fetches better realisations as Indian export products are known for their better quality
- Government subsidies and incentives:
  - Several subsidies by state governments for construction and development of ponds
  - India's FTA with Japan to favour India's exports over other exporting countries

- High barriers to entry:
  - Acquisition of land and development of ponds requires high amount of capital expenditure and numerous legal procedures. The establishment cost has increased due to stringent quality standards set by international trade
- Lack of adequate and hygienic storage facilities which leads to post harvest wastage
- Lack of adequate research and professional education in aquaculture and sea food

- Building ISO/EU/BAP/BRC certified factories and processing centres:
  This would enable better quality of production and processing with lesser wastage leading to higher operational efficiency
- Increase in share of value added products in export portfolio to obtain better realizations and margins as compared to non-processed products:
  With better packing technology, species can be processed in ready to cook and ready to eat format
- Market expansion opportunities in UAE, East Asian countries and untapped markets like Russia:
  Potential to export food items is high as India already has a strong processed food market in UAE.
- India's FTA with Japan, a key importing country, to put Indian exporters in a favourable position

Threats

- Spread of diseases due to unhygienic environment
- Competition from other exporting countries
- Significant competition from Vietnam in the export market
- FTAs between key importing countries and other exporting countries prove unfavorable for Indian exporters

Government Regulations

Strong institutional network helping growth of seafood industry in India

In order to provide support to the seafood industry, the government had set up the National Fisheries Development Board (NFDB) in 2006 with its headquarters in Hyderabad. This was done with an aim to study the potential of the seafood sector, processing and marketing of seafood, and application of modern tools of research and development for optimising production and productivity in seafood.

There also exists a statutory body called Coastal Aquaculture Authority, established by the Coastal Aquaculture Authority Act, 2005. It is assigned with the primary task of regulating coastal aquaculture activities in order to endure sustainable development without causing damage to the coastal environment. It is empowered to make regulations for the construction and operation of aquaculture farms in coastal areas, inspection of farms to ascertain their environmental impact, registration of aquaculture farms, fixing standards for inputs and effluents, and removal or demolition of coastal aquaculture farms which cause pollution.

At the central level, several key laws and regulations govern the aquaculture industry. They include:

- Indian Fisheries Act (1897) – Provisions are made for penalties applicable to activities such as killing of fish by poisoning water and by using explosives, and fishing in privately owned waters. Additionally, fish protection methods exist to regulate fishing devices (net, mesh sizes and traps)

- Environment (Protection) Act (1986) – Is a type of an umbrella Act, as it contains provisions for all environment related issues.

- Along with these, the Water (Prevention and Control of Pollution) Act (1974) and the Wild Life Protection Act (1972) also includes provisions made that are applicable to aquaculture.

In December 1996, the Supreme Court of India handed out a decision regarding the setting up of shrimp farms in coastal areas. It prohibited the construction/set up of shrimp culture ponds within the Coastal Regulation Zone and within 1000 meters of Chilka Lake and Pulika Lake, except traditional and improved traditional types of ponds.

It also ruled that an authority should be constituted to protect the ecologically fragile coastal areas, sea shore, water front and other coastal areas, and specially to deal with the situation created by the shrimp culture industry in the coastal states/union territories. To perform the functions indicated, the Aquaculture Authority was established in accordance with the Environment (Protection) Act under the administrative control of the Ministry of Agriculture. It issues guidelines for various environmental issues that include effluent discharge, sustainable development, and loss of bio-diversity.

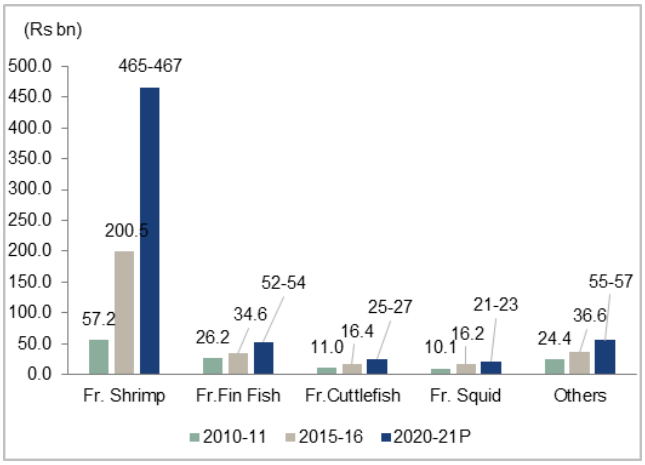
Apart from these national schemes, there exist schemes implemented at the state level.

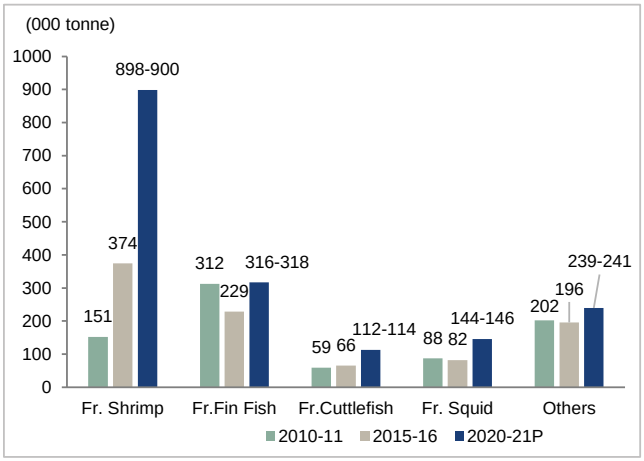
Export Market

Exports market dominated by shrimps (in value terms)

India's exports mainly comprise frozen shrimps, cuttlefish, frozen squids and dried fish with shrimps dominating the exports basket. In 2015-16, shrimps contributed 40% in volume and 64% in value terms to total exports. The top five products in India's export basket accounted for 80% in volume and 88% in value terms.

India's export basket in volume and value





Note 1: Fr. stands for frozen
2.Refer to Annexure- table 3, 4 and 5
Source: MPEDA, CRISIL Research

India's export market grew at a CAGR of 10% to $ 4.7 billion (~₹308 billion) between 2010-11 and 2015-16. The growth was supported by a sudden spurt in demand especially for shrimps during 2013-14 and 2014-15 following spread of early mortality syndrome (EMS) in the aquaculture farms of south-east Asia (the major exporters of shrimp). The disease, which was detected in aquaculture farms of China in 2009, soon started spreading to countries such as Vietnam and Malaysia in 2011, and Thailand in 2012, impacting aquaculture farms in those countries.

EMS is caused by a virus that affects bacteria naturally present in the gut of the shrimp. The bacteria then create a toxin that kills the shrimp. Outbreaks typically occur within the first 30 days after stocking a newly prepared shrimp pond, and mortality can exceed up to 70%. However, the Indian aquaculture farms were saved from this disease, and they also had the required production capability to meet the sudden spurt in demand, thereby enabling them to fetch better realisations.

In the first half of 2016-17, India's exports increased 18% on-year in value terms to reach $ 2.6 billion (~₹175 billion), driven primarily by shrimp exports. The growth in rupee terms was higher compared to dollar terms owing to 4% depreciation of INR. Shrimp exports (a major contributor to the country's export basket) grew 17.5% on-year to USD 2 billion (₹134 billion). Going forward, shrimp will continue to dominate India's export basket growing at a healthy pace of 17-19% CAGR to reach ~$7 billion (₹ 465 - 467 billion) by 2020-21 assuming an exchange rate of INR

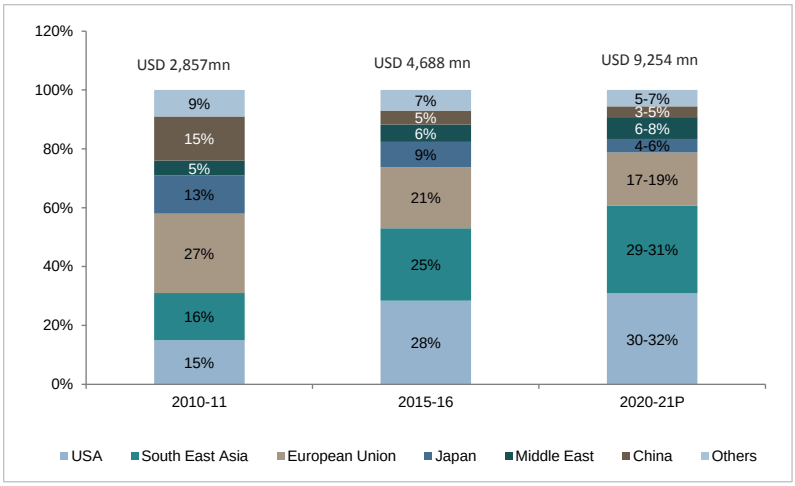
67/USD. Further, diversification in product offerings (introduction of new species such as seabass, cobia, tilapias and grouper) and rising share of value added products coupled with quality control will also aid overall exports from India.

USA major export market, south east Asia follows

Of the total exports from India, USA was the top-most destination (28%) followed by south-east Asia, European Union (EU) and Japan. Over the last five years, exports to USA and EU are continuously witnessing a rising trend. Various factors such as increasing aquaculture production, and rise in varieties of seafood products offered are responsible for this growth. Exports to south-east Asia also peaked by 2014 owing to the spread of EMS disease. As the aquaculture farms in that region were impacted, they imported from India to fulfill their export obligations, as well as to satisfy the local demand. However, demand from south-east Asia has declined, as their domestic production has also started recovering. Further, Chinese demand has slowed down especially over the past one year, owing to deceleration in its economy. Demand from Japan has remained stable while exports to Middle East is on the rise owing to growing demand and gaining popularity of fish over meat (due to health benefits).

Going forward, we expect demand from USA to continue to rise with its share expected to reach 30-32% by 2020-21. Further, imports by South East Asia from India would continue to rise not only for value addition and re-export but also on account of rising demand for seafood products in the region. Going forward, its share in India's total export is expected to reach 29-31%. Demand from Middle East would also increase with its share expected to reach 6-8% by 2020-21.

Trend and outlook in country-wise exports from India (value terms)

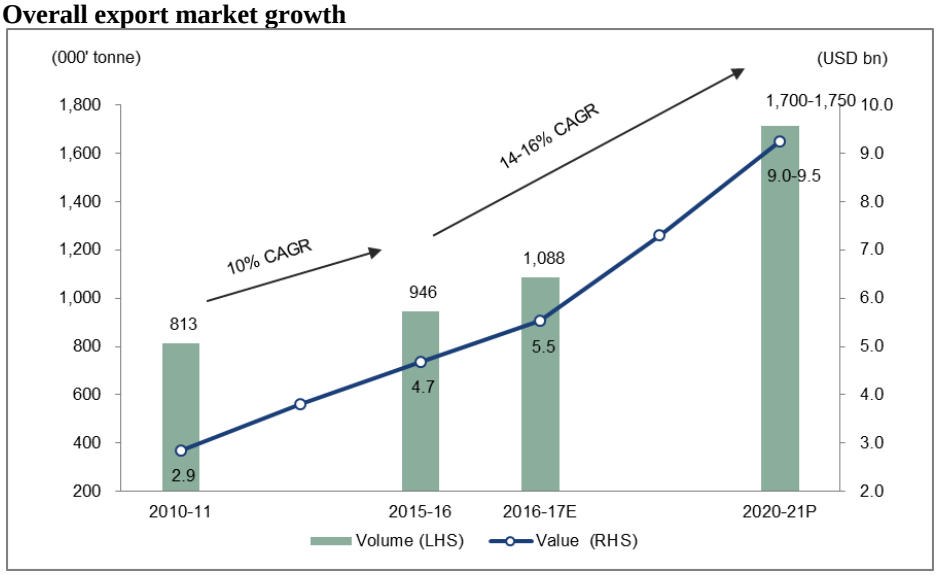


Note: Refer to Annexure-table 6
Source: MPEDA, CRISIL Research

After the government's decision to allow cultivation of vannamei shrimp in 2009, aquaculture production in India has grown rapidly. Further, rising demand for aquaculture products globally especially from USA, rising popularity among local population, and outsourcing of seafood processing activities by south-east Asian countries to India have also aided growth.

Over the next five years, we expect India's overall exports to grow at 14-16% CAGR driven by strong volume growth. Rise in aquaculture production in India, which is expected to grow at 11-13% CAGR, should drive volumes. However, south-east Asian markets recovery from white spot disease will put some pressure on realisations, especially shrimps, as the global supply situation improves.

Overall export market growth



High potential for growth with several opportunities

India's exports can grow further by tapping on the strengths and opportunities. A detailed SWOT analysis of the Indian aquaculture industry indicates that despite stringent regulations implemented at each stage of aquaculture, the full potential of the sector has not been tapped to enable high performance, growth and income from the sector. The opportunities listed can be realised only with sufficient capital investments in the industry. The threats can be overcome by maintaining hygienic environment and producing high quality products.

Fixed capital dominates industry's funding requirement

Aquaculture in India comprises both fresh water and brackish water farming. Over 95% of production in brackish water is that of L.vannamei, as it is easy to cultivate and commands high demand in the international market. Hence, farmers are investing heavily on expansion and development of new farms for domestication of white legged shrimps. Over the past three years, a total investment of Rs 33 billion is estimated to have taken place in the industry, in both fixed and working capital.

Over the next 3 years, capital investments worth Rs 64 billion are expected to be made in the aquaculture industry. These investments are expected to cater to both growing domestic and international demand.

	Rs. Bn
Aggregate investments made from 2013-14 to 2015-16	33
Aggregate investment required from 2016-17 to 2018-19	64
Fixed capital investment required	62

Source: CRISIL Research

PACIFIC WHITE LEG SHRIMP INDUSTRY

Key characteristics and growth drivers

India's aquaculture production and export palate favor shrimps

Shrimps are the undisputed favourites of the aquaculture market in India. Of the total aquaculture production, close to 80% is exported while the rest is sold in the domestic market. There are many varieties of shrimps such as Pacific white leg shrimps (L.vannamei), tiger shrimps, and scampi cultivated in India. Shrimps which can be cultivated in

fresh or brackish water contribute to over 90% of India's total exports. Apart from shrimps, some other products that are cultivated through aquaculture are tilapia, grouper, Asian sea bass, mud crab, cobia and mullet.

Key characteristics of the shrimp industry

- **High export realisations**
  White shrimps cultivated in India command high international demand owing to their quality. They fetch hefty realisations from developed markets such as USA, EU and Japan.

- **Easy to breed and domesticate**
  L. vannamei is highly resistant to diseases, and tolerant to high temperatures and a wide variety of salinities. Farmers usually stock in large numbers to gain maximum volume.

- **Skew towards white leg shrimp**
  The shrimp industry is progressively moving towards white leg shrimp, as large scale production of the species was allowed by the Indian government in 2009. This variety also has a high yield rate of 60-65%.

- **Capital intensive**
  Farming of L. vannamei shrimps requires high amount of capital investment for acquisition of land, construction of pond with inlet, and outlet pipes for water purification. The maintenance of the farm too requires considerable amount of working capital.

White leg shrimp cropping not weather dependent

Most of the states in India that produce white leg shrimp follow a year-round cropping pattern, as these shrimps are not highly dependent on weather conditions.

Conversely, for tiger shrimp, two crops are practiced in scientific farms viz., the dominant summer crop followed by a monsoon crop. In traditional farms, stocking (a practice of collecting and raising seafood) is done when salinity picks up after the end of monsoon.State-wise cropping pattern of white leg shrimp

State(s)	Stocking period	Harvesting period
Kerala, Karnataka, Maharashtra, Gujarat, Andhra Pradesh, Tamil Nadu	January - December	January - December
West Bengal, Odisha	April - July	July - October

Note:
1. Stocking period refers to the time during which shrimps are reared prior to harvesting
2. Harvesting period refers to the time when mature shrimps are harvested (captured) to be sent for processing

Source: MPEDA, CRISIL Research

Ease of cultivation and better realisations to drive growth

The popularity and demand for the white leg shrimp is expected to rise in the coming few years, owing to their unique taste and ease of availability. On the supply side too, farmers are upscaling the produce of white shrimps, as they are easy to cultivate and command high export realisations. Some of these factors are elaborated upon here:

Supply growth drivers

- **Fast growth and easy to cultivate**
  Due to their less aggressive nature, white leg shrimps can be cultivated in high densities like 150 per square metre. They are tolerant to wide range of salinities of 0.5 to 45 ppt (parts per thousand) while black tiger shrimps can tolerate salinity levels of 15-20 ppt, and are stocked at 25-40 per square metre.

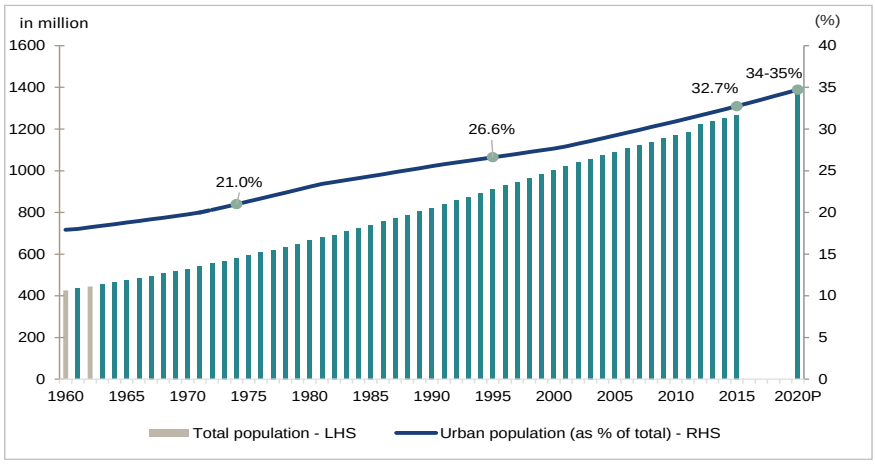
- **High survival rate**
  White leg shrimps show 50-60% survival rates in hatchery, and they are tolerant to low temperatures up to 15 degree centigrade, while tiger shrimps have little over 50% survival rates.

- **Economical to rear**
  White leg shrimps have higher yields and require feed with 20-35% protein content as compared with tiger shrimps that require 38-40% protein content.

Demand growth drivers

- **Increase in high-end restaurants with increasing urbanisation in domestic market**
  With rising urbanisation, there has been a growth in high end restaurants in tier 1 and tier 2 cities, expanding their sea food menus. These restaurants are increasingly diversifying their offering into exotic preparations with products like shrimp and oyster as they fetch better realisations.

Rapidly growing urbanisation in India



Source: Reserve Bank of India Statistics, World Bank Data Indicators

- **Strong consumption demand globally**
  Per capita consumption of shrimps is increasing globally due to their unique taste, ease of availability and rising preference for protein rich food. Apart from the wet market, demand for value added products is also high for white leg shrimps.

- **Diversification of product lines**
  With better packaging and processing facilities available, seafood players have diversified into packaged seafood, ready to cook and ready to eat products which are expected to drive demand growth in future, as more consumers seek convenience.

- **Better realisations**
  As shrimps fetch better realisations compared to other seafood products, majority of players have undertaken shrimp cultivation to cater to rising demand. In 2015-16, the shrimp export relisations stood at about USD.8.3 per kg vis-à-vis cutlle fish, squid and fin fish which provided a realisation of USD.3.8 per kg, USD 3.0 per kg and USD2.3 per kg, respectively.

- **Increasing health awareness:**
  A healthy diet has to include sufficient proteins containing all essential fats, amino acids, vitamins and minerals. Being a rich source of these nutrients, the demand for shrimps is rising.

Disease and international competition continue to pose challenges

Although cultivation of white legged shrimps is easier than other species, it has its own shortcomings. Some of the key challenges faced during their cultivation are:

- **Susceptibility to disease and carrier of deadly viruses**
  White leg shrimps are susceptible to baculovirus and parvovirus. These diseases are difficult to treat. Though SPF (specific pathogen free) medicines are available for these viruses, their performance in the virus laden environment is doubtful. White spot syndrome virus (WSSV) is prevalent in India and difficult to treat with already available medications and drugs.

- **Highly vulnerable to oxygen deprivation**
  Continuous aeration is required to maintain a conducive environment for growth.

- **High competition in the international market**
  Due to ease of cultivation and maintenance, white leg shrimps are produced in most of the exporting countries, leading to fierce competition.

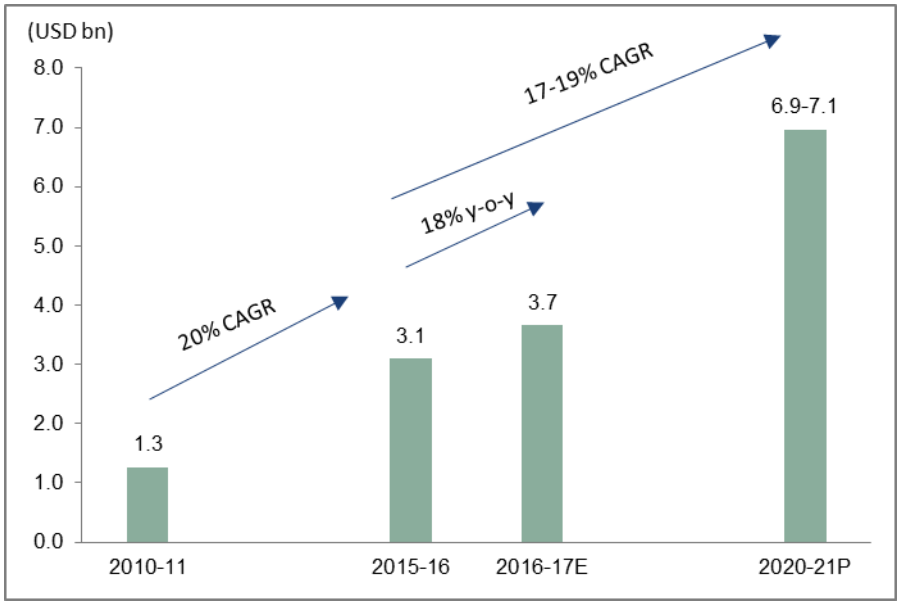
Trend in exports

Shrimp exports expected to touch $ 7 billion by FY21

The size of export market for shrimps stood at $ 3.1 billion in 2015-16, with white leg shrimps contributing about 75-85% share. The overall shrimp exports grew at a robust CAGR of 33% between 2009-10 and 2014-15. Volumes grew by 22% while realisations by 11%. One of the major factors that aided growth for India was the spread of the EMS disease in south-east Asian aquaculture farms. Countries such as Vietnam and Thailand which were the major shrimp exporters were impacted by this disease, thereby benefitting India. A sudden spurt in demand helped Indian exporters, who had the necessary capability and capacity, to export the given quantity and thereby gain better realisations. In 2015-16, gradual recovery of south-east Asian markets slowed down both volume and realisations for Indian exporters.

In first half of 2016-17, shrimp exports recorded a growth of 18% on-year in value terms, and 14% on-year in volume terms. Over the next 5 years, we expect shrimp exports to grow at a CAGR of 17-19% in value terms, primarily driven by volumes. Volumes are expected to grow at a CAGR of 11-13%. Realisations are expected to record a growth of about 6%. The realisation growth will be contracted compared to what the shrimp segment has witnessed in the past owing to improvement in shrimp supply in global seafood market following recovery of south-east Asian countries from the EMS disease.

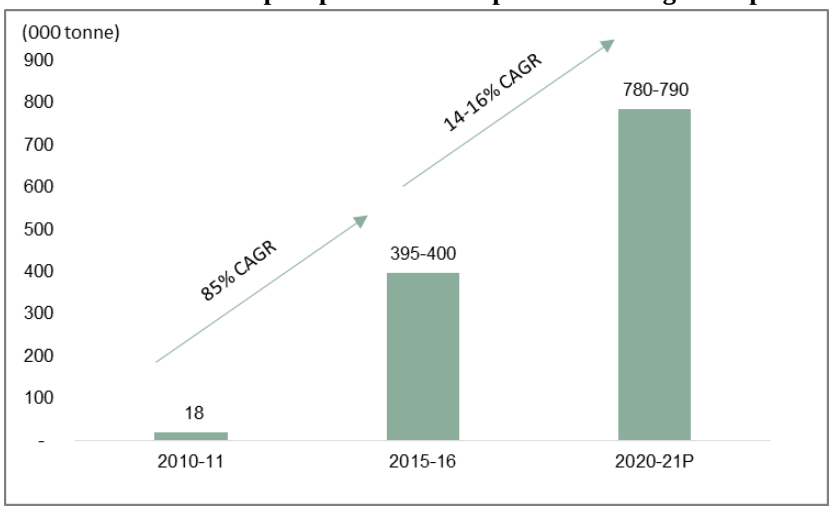
Industry size (value terms) of shrimp exports



Note: P: Projected; E: Estimated
Source: MPEDA, CRISIL Research

The pacific white leg shrimps account for around 75-80% of total exports in volume terms. Over the last five years, the export production volumes for this species grew at a robust pace of 85% CAGR owing to lower base. Also, spread of EMS and rising number of aquaculture farms in India especially in the state of Andhra Pradesh aided the growth. Over, the next five years with the rising demand for pacific white leg shrimps, we expect the volumes to grow by 14-16% CAGR to reach 780-790 (000 tonne) by 2020-21.

Trend in volumes of export production for pacific white leg shrimps



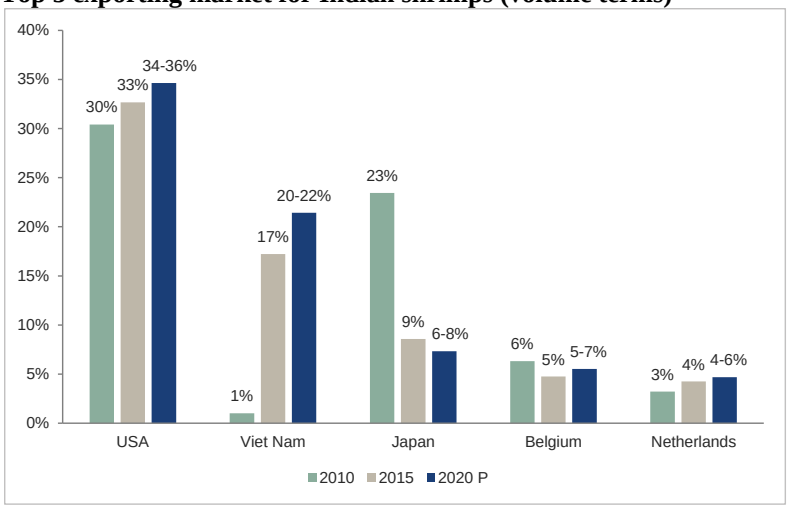
Note: P: Projected;
Source: MPEDA, CRISIL Research

USA, Vietnam, Japan, Belgium and Netherlands are the top five importers of Indian shrimps. Together, these countries accounted for 67% of total shrimp exports in 2015. USA occupied the top position with its shrimp eating population on the rise. Exports to Vietnam rose tremendously in 2015 compared with 2010, owing to spread of the EMS disease in south-east Asia, resulting in the destruction of aquaculture farms in the country. In order to fulfill its export obligation and satiate local demand, Vietnam upped imports from countries such as India.

Following the rising trend, Netherland joined the bandwagon, recording a higher share of 4% in 2015 from 3% in 2010. However, exports to Japan have climbed down due to declining demand especially from the Japanese youth.

Going forward, we expect demand from USA and Vietnam to continue to rise. Although the south-east Asian countries are recovering from EMS, it will take some time for them to reach pre-EMS levels. Further, these countries also import seafood products from India and re-export them post value addition.

Top 5 exporting market for Indian shrimps (volume terms)

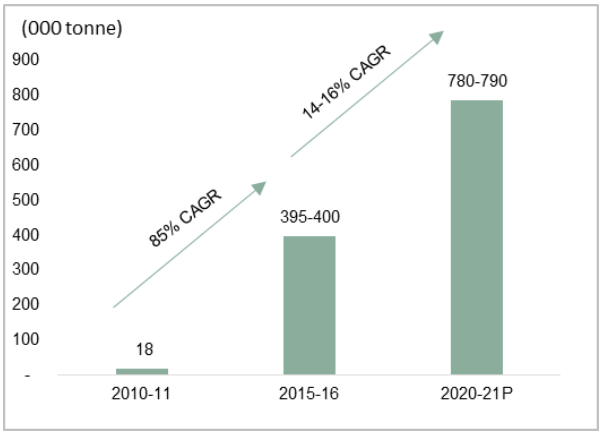


Source: UN Comtrade, CRISIL Research

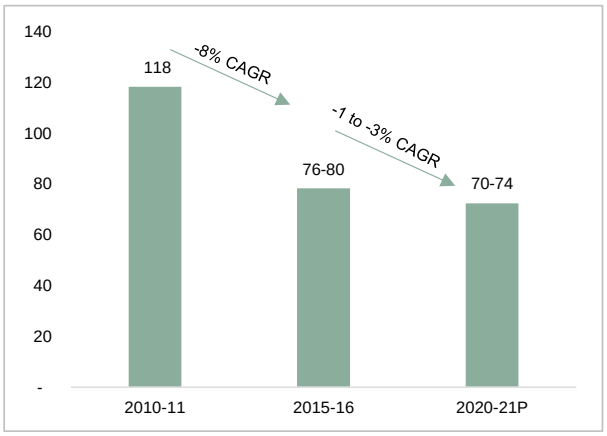
Pacific white leg shrimp production eats into tiger's share

Domestic aquaculture production has grown rapidly since the government gave a green signal in 2009 for cultivation of the L.vannamei or Pacific white leg shrimp in the country. Further, the production of L.vannamei shrimp is increasing at a faster pace compared with tiger shrimp, owing to higher yield and lower susceptibility to diseases. Between 2010-11 and 2015-16, the production of Pacific white leg shrimp shot up at a CAGR of 85% to reach 395,724 tonne, while that of tiger shrimp plunged, de-growing at a CAGR of -8% to 78,260 tonne. By 2020-12, pacific white leg shrimp is expected to account for over 90% of total shrimp production for exports from 83% in 2015-16.

Pacific white leg shrimp production for exports



Tiger shrimp production for exports



Source: MPEDA, CRISIL Research

Andhra Pradesh is highest producer of shrimps

Andhra Pradesh (AP) is the most favourable state as far as policies are concerned, with the government offering subsidies/incentives for setting up farms, purchasing feeds, and setting up processing units and tax exemptions. AP is followed by Tamil Nadu. On the other hand, no high impact incentives are offered in states like West Bengal, Gujarat and Kerala for aquaculture.

The array of subsidies offered in AP to develop the aquaculture industry across the value chain include –

Subsidies for mechanisation of aquaculture farms (50% subsidy)

- For shrimp processing (including cold chain maintenance):
  -Capital subsidy of 50% (including land cost - less than 15% of project cost) - upper ceiling of ₹ 50 million per project.

- NFDB (National Fisheries Development Board) subsidy for fish feed, nets and other equipment

- The Government of AP has abolished the NALA (Non-Agricultural Land Assessment) Tax for the benefit of aquaculture

- Interest subvention (of 6% per annum) on loans for setting up feed manufacturing units, aerator manufacturing and fish processing equipment.

- Financial assistance to set up soil/water testing labs and quality control labs.

Like AP, Tamil Nadu also has various subsidies and tax exemption which has helped in the development of its aquaculture industry. The details of each state are provided in the Annexure-table 2.

Regulations differ from state-to-state

	AP	Kerala	Tamil Nadu	Telangana	Gujarat	Maharashtra	West Bengal
Setting up aquaculture units							
Setting up processing units							
Subsidies on Feeds/nets/equipment							
Reservoir							
Tax holidays							
Subsidies (others)							
Aquaculture labs							

Note:

Govt. incentives highly favorable

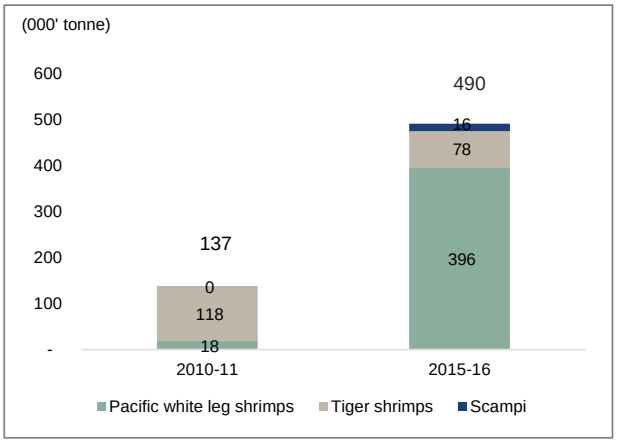
Govt. incentives marginally favorable

Absence of any specific govt. incentives

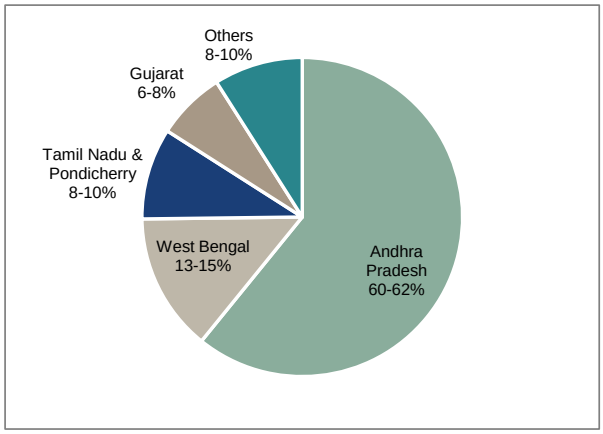
Source: CRISIL Research

Of the total seafood exports from India, shrimps accounted a share of 66% in (value terms) and 40% in (volume terms) in 2015-16. Pacific white leg shrimps (L.vannamei), tiger shrimps and scampi are three types of species cultivated in Indian aquaculture farms. Better yield, less susceptibility to diseases, good taste and realisations have resulted in rise in demand and well as production of white leg shrimps. Expensive cultivation, high susceptibilty to diseases and lower yield have resulted in decling share of tiger shrimps. Scampi production is rising moderately. In 2015-16, the scampi production stood at 17,000 tonne.

Product-wise export production of shrimps in India



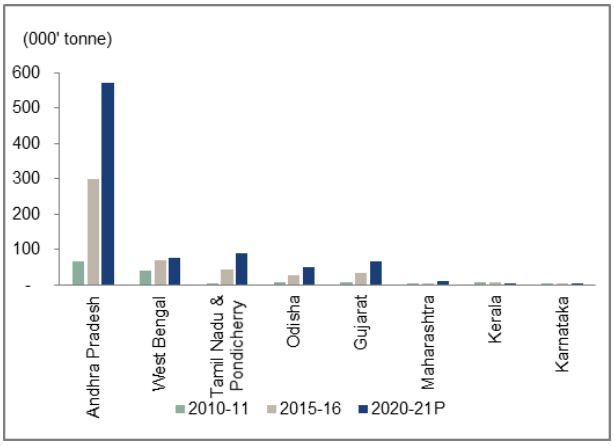
State-wise share in shrimp export production (2015-16)



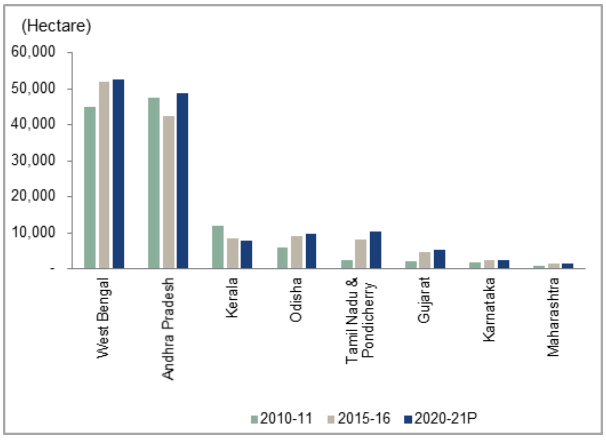
Source: MPEDA, CRISIL Research

The state of West Bengal has the largest area under cultivation (AUC), followed by Andhra Pradesh and Kerala. Although West Bengal has higher AUC, export production from this state is low, as farmers here depend on traditional aquaculture farming which relies on natural brackish water areas and does not involve construction of aquaculture farms. Over a period of five years, shrimp export production from this state grew at a CAGR of 11%, compared with 35% for Andhra Pradesh. While Andhra Pradesh's AUC is lower than West Bengal's, production is high as players construct proper aquaculture farms. Further, the 974 kms long coastline, which provides access to 1.24 million ha of brackish water, has helped Andhra Pradesh in setting up a large number of aquaculture farms and providing a boost to the shrimp industry since 2009.

State-wise shrimp export production



State-wise area under aquaculture cultivation (Hectare)



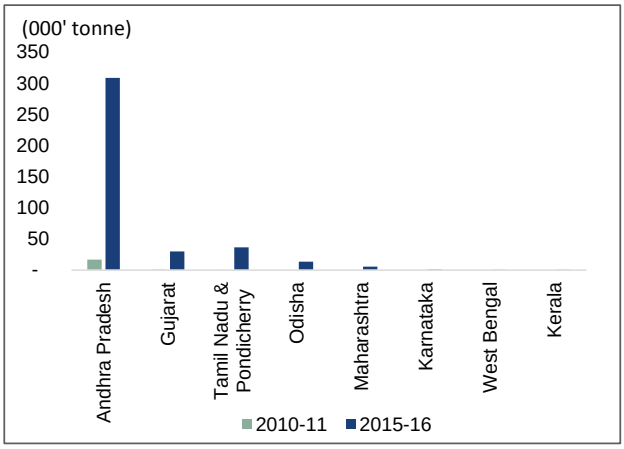
Note: P: Projected;
Source: MPEDA, CRISIL Research

State-wise area under cultivation

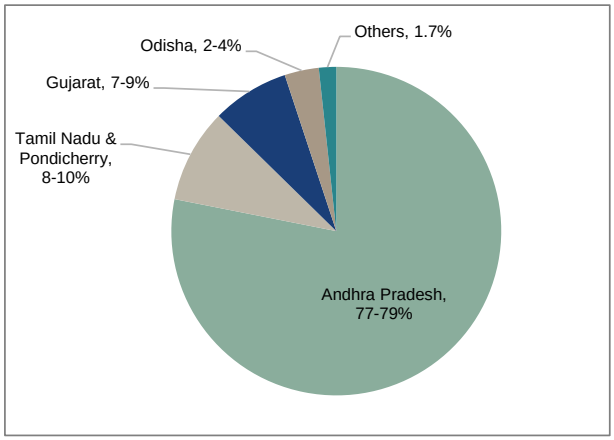
Area under cultivation for pacific white leg shrimp is highest in Andhra Pradesh

The export production of pacific white leg shrimp is highest from state of Andhra Pradesh who has the largest AUC followed by Gujarat and Tamil Nadu. Over a period of five years, pacific white leg shrimp export production from this state grew at a CAGR of 8%. Further, the 974 kms long coastline, which provides access to 1.24 million ha of brackish water, has helped Andhra Pradesh in setting up a large number of aquaculture farms and providing a boost to the shrimp industry since 2009.

State-wise pacific white leg shrimp export production

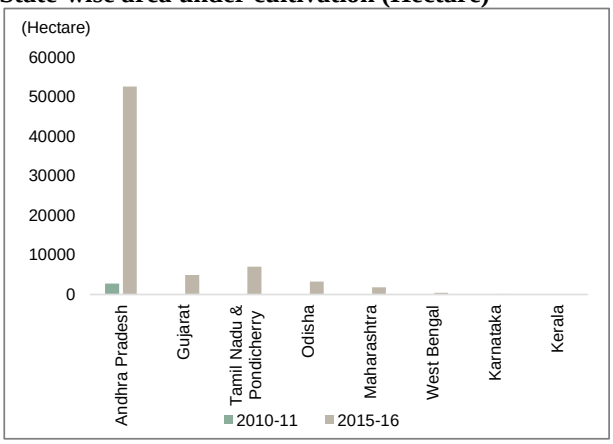


State-wise share in total pacific white leg shrimp in export production (2015-16)

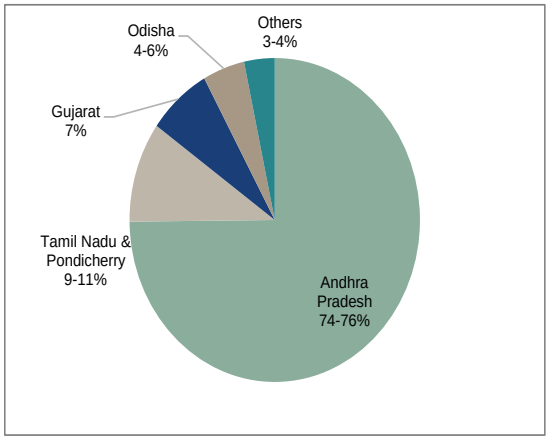


Source: MPEDA, CRISIL Research

State-wise area under cultivation (Hectare)



State-wise share of AUC (Hectare) (2015-16)



Source: MPEDA, CRISIL Research

The development of the white leg shrimp industry in Andhra Pradesh began in early 2003 when the Government of India, with a view to aid recovery from the disease outburst of P. monodon in the late 1990s, permitted a pilot-scale culture of L. vannamei. Sharat Sea Foods and BMR Exports were permitted to carry out these trials. Simultaneously, Central Institute of Brackish water Aquaculture (CIBA) and National Bureau of Fish Genetics and Resources (NBFGR) were entrusted with the responsibility to assess the risks of introducing these species to the local waters with an aim to carry out aquaculture. After the completion of the experimental studies and due to pressure from growers and traders (because of its high demand in the export market), the Coastal Aquaculture Authority (CAA) approved vannamei

culture through import of SPF brood stock and strict regulatory guidelines in 2009. Since then, the production of white leg shrimp of Andhra Pradesh has been growing at an exponential rate, with a decline in the production of tiger shrimp.

Andhra Pradesh holds excellent potential for shrimp culture and has a competitive advantage over others as a result of:

- **Favourable government regulations**
  The State of Andhra Pradesh has favourable Government policies aiding growth and development of the aquaculture industry and giving it a competitive edge over other states. Subsidies are made available for setting up processing units and aquaculture farms.

  Additionally, interest subventions are provided for loans taken to set up feed/equipment manufacturing units. There also exist provisions for tax holidays and setting up of aquaculture labs. A capital subsidy of 50% with an upper limit of ₹ 50 million per project is given for setting-up of shrimp processing units.

- **Abundance of brackish water availability**
  Andhra Pradesh is endowed with long coast line of 974 km. The Rivers like Nagavali, Vamsadhara, Godavari, Krishna, Penna join the Bay of Bengal providing vast extensive estuarine (coastal body of brackish water with one or more rivers or streams flowing into it and with a free connection to the open sea) and brackish water resources. As brackishwater is imperative for setting up a good and productive aquaculture unit, Andhra Pradesh is benefited due to its abundance in brackish water resources.

- **Pioneering position in white leg shrimp production in India**
  Andhra Pradesh, along with Maharashtra & Gujarat, began producing and exporting white leg shrimp in 2009-10 (Andhra Pradesh contributed to about 96% of the overall production of white leg shrimp in India). In 2015-16, the State contributed to about 78% of overall production and still remains the leading state in terms of white leg shrimp production. Since the state was one among the pioneers in the production of white leg shrimp, the efficiency of the units in the State is higher and so is the production.

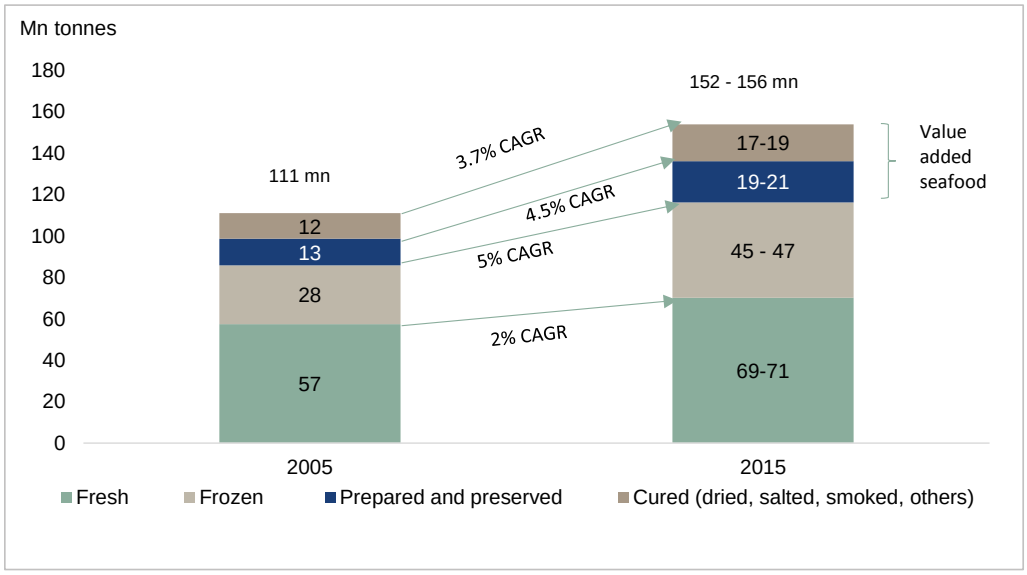
  These factors provide a good base to foster growth of the white leg shrimp industry in the state. Currently, the production is concentrated in East Godavari, West Godavari, Krishna, Prakasam and Nellore districts. As of 2015, the CAA had given permission to 192 L. vannamei hatcheries and the Government of India, for 17 hatcheries for nauplii (shrimp larvae) rearing in facilities outside the jurisdiction of the CAA.

VALUE ADDED PRODUCTS

Value added seafood products see robust demand in past 5 years

Seafood is a significant source of low-calorie protein, healthy oils and fats. Around the globe, seafood is consumed both raw and cooked, with stringent conditions to ensure freshness. For these reasons, the value added seafood products segment is gaining prominence in the past decade. ‘Value added’ refers to employing processing methods, specialised ingredients, or novel packaging to enhance the nutrition, sensory characteristics, shelf life, and convenience of food products.

Global demand for value added seafood on the rise



Source: FAO, CRISIL Research

Over the past decade, the share of processed food in overall seafood consumption has increased to 54% in 2015, or 84 million tonnes, from 48% in 2005. Freezing is the main form of processing accounting for over half of the total processed seafood. Other types of processed food, wherein value addition takes place in the form of curing, preparing and preserving, form the remaining 44-46%.

Technological developments leading to wastage reduction, product diversification, increasing consumer focus on quality and safety are some of the key factors which have resulted in higher demand for processed seafood, While the frozen form has been growing at the fastest pace in the past decade, demand for value added products have also witnessed a healthy rise.

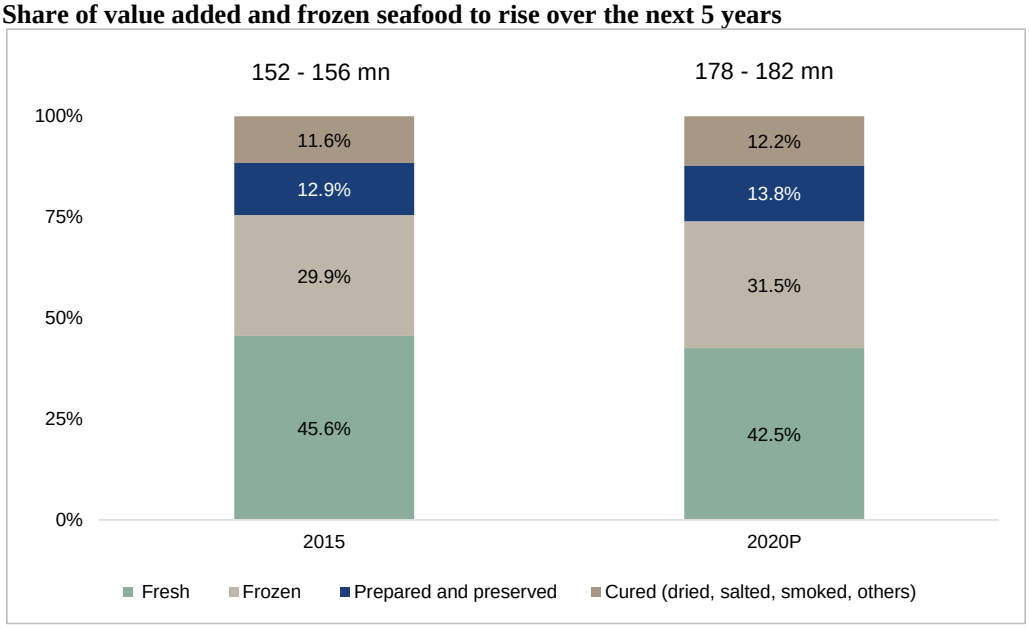
Going forward, demand for value added products (VAP) will continue to grow at a relatively faster pace than the overall market. We expect the VAP market to grow by 3.2% CAGR to reach Rs.178-182 million by 2020. Factors such as shifting consumer preference towards healthier, longer shelf life and protein rich seafood products, rising disposable incomes, and higher demand for new types of products will drive this growth. Consumers are also taking to ready to eat products that save time and energy.

Regionwise VAP potential

Asia to lead VAP demand growth in 5 years; developed economies remain voracious consumers

Developed economies in Europe, USA, Canada, Australia and Japan are key drivers of value added seafood products, consuming close to three-fourths of total production. While Asia ranks highest in overall seafood consumption followed by Europe, the scenario is different in the case of VAP, where Europe commands the highest share. Even in case of VAP imports, Europe had highest share at 44% in 2015, followed by Asia at 21%. VAP demand growth for developed economies such as North America, Europe and Oceania was 5-6% CAGR in the past five years, marginally lower than the global imports growth of 6.4% CAGR.

Share of value added and frozen seafood to rise over the next 5 years



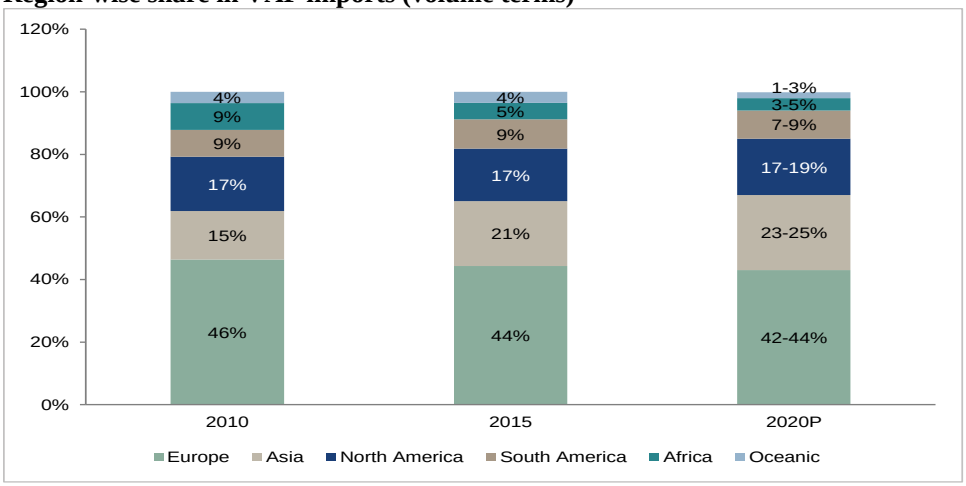
Note: P: Projected;

Source: FAO, CRISIL Research

While Asian countries tradionally consume fresh products, share of VAP imports in Asia has seen an upward trajectory, owing to rising disposable incomes, higher number of working women leading to preference for ready to eat foods, and diversification of products offered.

In case of African countries, import demand for VAP has actually fallen marginally over the past five years while demand in the Middle East has grown at a relatively slower pace of ~4%CAGR.

Region-wise share in VAP imports (volume terms)



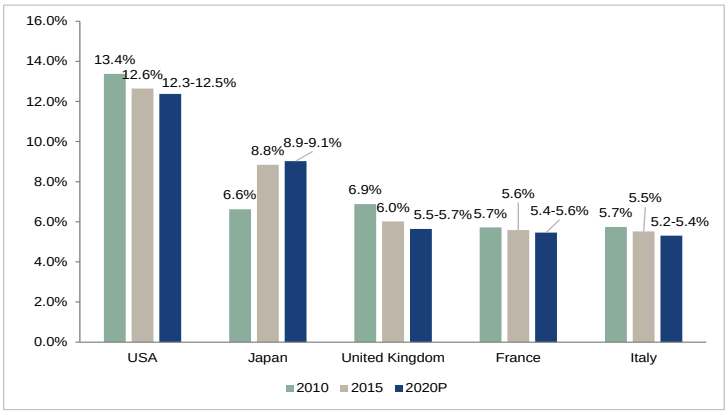
Source: UN Comtrade, CRISIL Research

Going forward, demand from traditional markets like Europe, North America, Oceania is expected to continue growing at a robust pace, as the share of VAP in overall seafood consumption increases further. However, growth will be highest for Asia, with changing preferences a key driver. The share of Asia is expected to grow by 300 bps to reach 23-25% by 2020. African countries are likely to witness slowest growth in consumption, as demand for low cost fresh species continues to be high.

Country-wise, USA continues to dominate the VAP imports. Japan comes a distant second, followed by UK, France and Italy. Together these countries account for 39% of total VAP imports. Factors such as changing food habits, variety in product offerings and preference for protein rich seafood products are factors driving growth.

By 2020, we expect USA to continue to dominate the global VAP imports with its share reaching 12.3-12.5%. Share of Japan is expected to marginally improve by 20 bps to reach 8.9-9.1% during the same period. Although, the demand for VAP products from developing countries is rising, developed countries will continue to hold the major share in global VAP imports.

Country-wise share in VAP imports (volume terms)

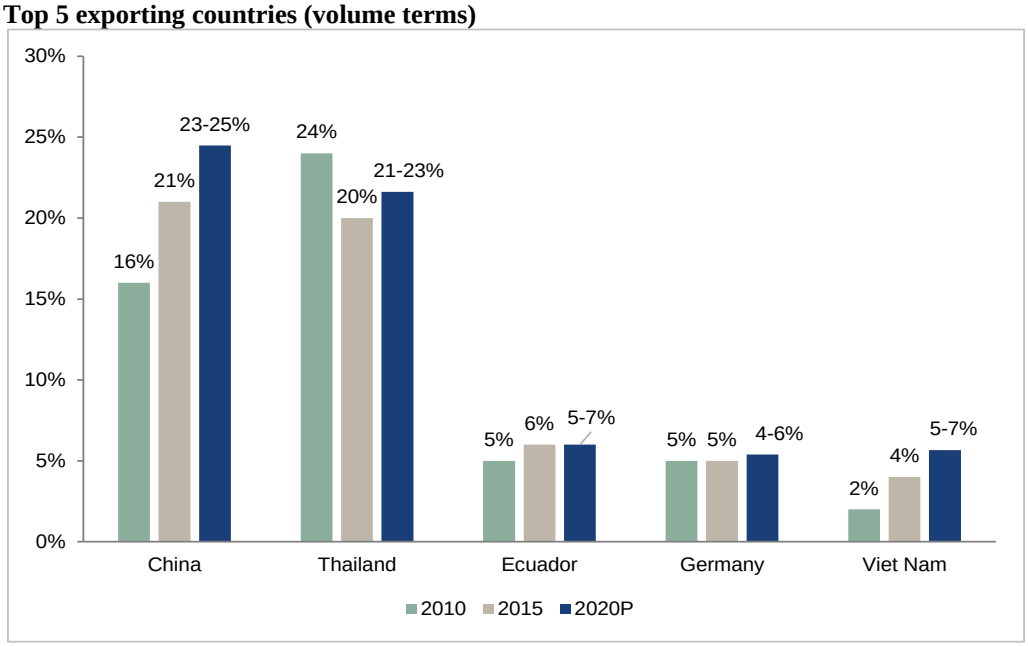


Source: UN Comtrade, CRISIL Research

China, Thailand major exporters of VAP globally

Over the past few years, there have been significant developments in food processing technology that have opened up various new possibilities for more value-added seafood products, longer shelf-life and more secure distribution. Further, many developing countries especially from Asia (China, Thailand and Vietnam) have achieved remarkable results in supplying seafood products to the international market. Despite stringent technical and hygiene demands by major importers, they now account for 45% of total VAP exports.

Top 5 exporting countries (volume terms)



Source: UN Comtrade, CRISIL Research

China is the largest exporter of value added seafood products, with a share of 21% in 2015. The country has a large number of processing units which source products locally as well as import from countries such as India, engage in value addition and re-export. Thailand and Vietnam are the other noteworthy Asian countries engaged in VAP exports. However, the spread of EMS disease impacted the aquaculture farms especially in Thailand, thereby affecting its exports. Thus, its share declined to 20% in 2015 from 24% in 2010, as it was unable to fulfill export orders.

India is a small player in VAP export market and accounts for less than 1% of the global trade. However, due to its high potential, Indian companies have started focussing on this segment as well. India's VAP exports grew at 10% CAGR to ~31,000 tonnes in the past five years. Going forward, CRISIL Research expects India's exports of VAP seafood products to continue to grow at a healthy pace of ~10-12% resultiing in some improvement in the global market share.

By 2020, China's share in VAP exports is expected to reach 23-25%. Also, recovery of South East Asian markets such as Thailand and Vietnam from EMS will result an improvement in its share in global VAP exports. Both countries share is expected to improve by 200 bps each to reach 21-23% (Thailand) and 5-7% (Vietnam), respectively.

OUR BUSINESS

The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company" and "Financial Statements" on pages 18, 226 and 172 of this DRHP, respectively.

OVERVIEW

Our Company is one of the integrated producer and exporter of shelf stable quality aquaculture products. We supply our ready-to-cook products to a diversified customer base consisting of food companies, retail chains, restaurants, club stores and distributors spread across the developed markets of USA, UK and various European countries. Our output majorly comprises of variants of processed Vannamei shrimp (White shrimp) and are sold under the brands owned by our customers and also through our brands namely Bay fresh, Bay Harvest and BayPremium. We strategically focus on the market of USA, which is the largest importer of aquaculture products in the world (Source-Crisil Report). Our integrated operations comprise of hatchery, farming, pre-processing, processing and exporting of aquaculture products. Our products and processes comply with stringent quality standards set by the developed markets we serve.

Our Company operates out of Andhra Pradesh, which is the most favourable state in India for aquaculture business. Our integrated operations span across our hatchery and farming on 1,032 acres of land and currently processing of approximately over 9,240 MTPA of finished products at our facility located at Kakinada. Our facility is approved by the Export Inspection Council for export to all countries excluding Australia and Custom Union. Our facility is also certified with BRC Food Grade, Best Aqua Culture Practices, HACCP and ASC.

For over two decades, our promoters have been associated with aquaculture business in Andhra Pradesh. Our Company leased a shrimp processing facility and commenced operations in the year 1995 after which we set-up our own shrimp processing facility in the year 2004.

We commenced our export business since our inception as a partnership firm in the year 1995. We have grown at a CAGR of 33.53% over the last four years aided by rising demand for aquaculture products globally especially from USA and European Union, favourable state policies, and shifting of seafood processing activities by south-east Asian countries to India.

Our processing facility is located at Kakinada, Andhra Pradesh with a capacity to process approximately over 9,240 MTPA of finished products and an additional pre-processing and processing arrangement at a facility owned by Royale Marine Impex Private Limited located at Bapatla, Andhra Pradesh, for a capacity to process around 3,000 MTPA of finished products. The processing facilities are supplemented by cold storage facilities located at Kakinada and Bapatla. Along with this, to further assuage our operations, we have our own fleet of vehicles with freezing capabilities.

Our Company has a leased hatchery facility with Satyadev Marine Foods for three years starting from October 10, 2016 to October 10, 2019 for lease of the shrimp hatchery owned by Satyadev Marine Foods in Annayyapeta.

Our Company also owns a hatchery located at Kancheru Revenue area, Chepalakancheru Gram Panchayat, Bhogapuram Mandal Vijayanagaram District.

Our Company's total cultivable shrimp farming land as on the date of this DRHP is 1,032 acres with 105.78 acres of owned land and 926.22 acres of leased land. Our farms are located at different parts of Andhra Pradesh. Our farming operations are carried out through numerous cultivation ponds located at our farming lands. Further, we work with various associate farmers with whom we have a cordial relation. Such associate farmers harvests and cultivates the shrimp and supply us shrimp on a continuous basis. We co ordinate with the farmers to ensure that they are connected to the right supplier of shrimp feed and also due to our corporate connect we ensure that the farmers are able to procure the shrimp feed in a much competitive rate.

We also provide our regular advise to the associate farmers regarding the modern technology, know how and innovative methods for them to adapt and inculcate. We believe that the stringent bio-security measures and on-site labs staffed with qualified personnel, at our hatchery and farms have yielded better quality shrimp output.

As on February 28, 2017 we have a total workforce of 1008 employees in our Company.

As per the Restated standalone financial statements, our total revenues grew from ₹ 2,554.83 million in FY13 to ₹6,082.66 millions in FY16, at a CAGR of 33.53%%, and the PAT grew from ₹ 94.15 million in FY13 to ₹ 192.80 million in FY16, at a CAGR of 26.99%. Further, as per the Restated standalone financial statements, the revenue for the nine months period ended December 31, 2016 was Rs 5,411.73 million and PAT was ₹ 163.70 million.

Our Competitive Strengths

Economies of scale on account of integrated operations

We are able to achieve economies of scale due to our synergised business operations. We source approximately 15%-20% of our raw material requirements through our own farming efforts. Our in-house farming and our association with our associate farmers enable reliable and uninterrupted supply of raw shrimp. Our raw shrimp sourcing happens at all our ponds and from the various farmers where the cultivation happens. Once harvested, the shrimp is brought to the facilities at Kakinada and Bapatla for processing purpose, based on the quantity and requirement. Our Company has an aggregate capacity to process of 9,240 MTPA at our Kakinada unit. Our reefer / insulated vehicles with refrigeration capabilities enable us to carry out our local logistical requirements i.e., from farms to the processing facilities. Our flatbed trailers assist us in transporting the reefer containers from the facilities to the ports, for the purpose of exporting the final product to our respective customers.

Strategically located processing plant

Our operational facilities are strategically located along the costal belt of Andhra Pradesh. All our operational facilities are located in proximity to one another, thereby enabling smooth transition of products to each stage of the product life cycle. Our processing facility in Kakinada is located within a proximity of 10 to 200 kilometers from our various farms situated on our owned as well as leased land which in turn catalyses our just-in-time sourcing model of raw materials from our farms. Our facility is approximately 20Kms from Kakinada port and approximately 150Kms from Vishakapatnam port, thereby providing a substantial logistical advantage for the transport of our finished product. Owing to our strategic location and close proximity of our operational locations to one another, travel time is curtailed to a large extent, thereby allowing us to conduct our business operations without any hindrances and mitigating our transport costs. The strategically located facility also gives an edge to us in hiring the services of the local fishermen for the purpose of processing activities, who are traditionally well versed with the handling of shrimp.

Established Customer Relationships

We have long-standing relationships with numerous global customers. Our entire produce is being exported to countries such as USA, UK and various European countries. Some of our major customers are Chicken of the Sea Frozen Foods (USA), Ocean World Ventures LLC (USA) and Pacific Sea Food Group (USA). For the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, our top three customers contributed ₹3292.8 million, ₹3357.7 million, ₹2978 million and ₹2336.9 million, comprising of 61.53%, 55.63%, 49.68% and 45.44% of our total revenues from operations, respectively. Further, majority of our finished products are sold under the brands owned by our customers. We believe that our product quality and regulatory compliant processing facilities have fostered long-standing relationships with customers, which provide us with revenue stability.

Focus on quality control measures and research &development initiatives

We export 100% of our products to countries across the world, such as USA, UK and European countries. Abiding by international standards and maintaining customer satisfaction is of utmost importance to us, hence we have deployed quality assurance checks at each stage of the product life cycle. Our well-trained teams of quality controllers inspects the products and processes, thereby maintaining strict quality standards. Our facility is approved by the Export Inspection Council for export to all countries excluding Australia and Custom Union. Our facility is also certified with BRC Food Grade, Best Aqua Culture Practices, HACCP and ASC. We also do periodical inspection from our end and obtain reports to ensure that a proper quality and health check is maintained at a regular level.

Further, we have quality assurance teams to monitor the processes at the hatchery, farms and the processing facilities. The teams ensure that the hatchery processes are as per planned parameters. The teams also closely monitor the water & feeding parameters at each ponds and farming locations, thus ensuring that the harvested shrimp are of the best possible quality in terms of structure and nutritional value. Our team is committed to continuously involved in innovative feeding strategies, to cater to different nutritional needs across the shrimp cultivation process.

Proven and experienced management

We have a dedicated management team with vast experience in the industry. Our senior management has been associated with us for many years to ensure that the progress and the growth of the Company are achieved in the right manner. Our senior management has diverse experience across our operations. We believe that our management is one of the prominent factors responsible for the increase in our growth, sales, improvement of our business operations and integration of all our operational parameters, thereby transforming us into one of the integrated producer and exporter in the aquaculture industry.

Procurement of raw materials from our farms

Our Company has numerous ponds situated in a total extent of 1,032 acres with 105.78 acres of owned land and 926.22 acres of leased land. This farming at our ponds allows us to procure raw materials and ensures that our business of shrimp processing is cost effective. Our business is mainly based on procuring of raw shrimp and processing them to the finished product, as per customers' requirements. Our own farming activity ensures that atleast 15%-20% of the raw shrimp, forming part of our shrimp processing business, is cultivated in-house, thus ensuring a stability and consistency in our business.

Robust Financial Performance

The size of export market for shrimp stood at $ 3.1 billion in 2015-16. The overall shrimp exports grew at a robust CAGR of 33% between 2009-10 and 2014-15. Volumes grew by 22% while realisations by 11%. In first half of 2016-17, shrimp exports recorded a growth of 18% on-year in value terms, and 14% on-year in volume terms (Source- Crisil Report).

Following the export trends, our business growth since incorporation, contributed significantly to our financial strength. As per the Restated Standalone Financial Statements, the Company's total revenues have grown from ₹ 2,554.83 million in Fiscal 2013 to 6,082.66 million in Fiscal 2016, at a CAGR of 33.53 %, and the Company's profit after tax, as restated, has increased from ₹ 94.15 million in Fiscal 2013 to ₹ 192.80 million in Fiscal 2016, at a CAGR of 26.99 %. Further, as per the Restated Standalone Financial Statements, the Company's total revenues for the nine months ended December 31, 2016, was ₹5,411.73 million, and the Company's profit after tax, as restated, was ₹163.70 million.

Particulars	*Nine months ended December 31, 2016*	*Year ended March 31, 2016*	*Year ended March 31, 2015*	*Year ended March 31, 2014*	*Year ended March 31, 2013*
Revenue from operations (net) (₹ in million)	5,351.05	6,035.27	5,993.58	5,142.60	2,552.71
EBITDA (₹ in million)	380.96	455.33	381.78	328.5	224.16
Profit after tax, as restated (₹ in million)	163.70	192.8	183.57	134.24	94.15
Return on net worth	17.86%*	25.62%	32.79%	35.48%	38.56%

**Not Annualised*

For a detailed discussion in relation to our financial condition and results of operations, see "*Management Discussion and Analysis of Financial Condition and Result of Operations*" on page 226 of this DRHP.

We believe that we have been able to maintain our financial performance due to our experienced management team, efficient working capital management, our operations strategy and our large base of repeat international customers.

Our Business and Growth Strategies

Setting up a new processing facility

Over the next 5 years, shrimp exports are expected to grow at a CAGR of 17-19% in value terms, primarily driven by volumes. Volumes are expected to grow at a CAGR of 11-13%. Realisations are expected to record a growth of about 6%. (Source: Crisil Report). For more details about the growth trends in the industry please refer to the section titled "Industry Overview" on page 89 of this DRHP.

Keeping the overall industry growth trend in view, our Company intends to invest in increasing our processing capabilities. We intend to set up new processing facility to continue to improve our operational efficiencies and expand our operations and sales. We also propose to set-up a facility for processing value-added products, which we intend to sell to our existing customers as well as pursue new international customers. We intend to set-up a frozen shrimp processing facility with an intended fully utilized approximate capacity of 20,000 MTPA including an intended fully utilized approximate capacity of 5000 MTPA for valued added product (cooked shrimp, dusted and breaded shrimp).

Increase in processing capabilities will further supplement our current operational capacity, which in turn will catalyse our services to customers. We will continue to leverage our in-house research & development capabilities to effectively manage our operations, maintain strict operational controls and enhance customer satisfaction levels at every stage. We intend to incur a capital expenditure to the tune of ₹ 857.04 million, which will be utilized from the Issue proceeds. For further details please refer to the section titled "*Objects of the Issue*" on page 71 of this DRHP.

Increase our value-added products portfolio

We constantly focus on research & development by introducing new products, based on consumer preferences as well as market demand. We constantly endeavour to direct our efforts and resources to cater to the needs of our customers and also to foster in newer dimension of innovating the existing product. We thrive to venture into newer dimension of ready to eat shrimp that will ensure a better yield of revenue margin and a robust financial boost.

We intend to increase the share of our value-added product portfolio by focusing on different aspect of ready to eat shrimp, cooked shrimp, dusted shrimp and breaded shrimp, to cater to the evolving customer trends, taste, demand and requirements.

Further expand our global footprints

Our current clientele consists of 100% international customers from numerous places around the world such as USA, UK and various European countries. Currently sales to the USA for the financial year ending 2016 account for 85.64% of our total revenue, whereas sales to UK and various European countries account for 13.86% of our revenues respectively. We intend to increase our global footprint and further grow our business in the USA and the emerging markets of Europe by expanding our sales and distribution networks. We plan to grow our business in other regulated markets through license and supply arrangements with companies that have an established presence in the relevant markets. We also plan to increase our presence in emerging markets such as Middle East, Africa and Russian markets. We believe that demand for our products in these markets will continue to grow in line with changes in the regulatory requirements. Increased sales in such countries would allow us to achieve further economies of scale. We plan to expand our presence in these markets by increasing our product offerings and by increasing our customer and distributor base through marketing arrangements with local retail or wholesale establishments.

Continue to focus on strengthening the goodwill of our name

Our Company name "Apex Frozen Foods Limited" is a well renowned name within our customer base. We believe that our name is one of our key strengths and that our customers and partner companies associate our name with trusted quality products. We intend to increase and enhance our goodwill attached to our name through various strategic branding initiatives. Our marketing team develops strategies to promote our goodwill across our business geographical locations. The goodwill of our name is associated with ready to cook products and we intend to enhance the goodwill in other possible market avenue.

Augment our area under cultivation

Our Company's total cultivable shrimp farming land as on the date of this DRHP is 1,032 acres with 105.78 acres of owned land and 926.22 acres of leased land. Our farms comprising of numerous ponds are located in the state of Andhra Pradesh. Going ahead, our strategy will be to increase the cultivation acreage as well as increase the yield from our existing farms by adopting advanced, state of art and innovative method. We also intend to augment our relationships and network of associate farmer base by fostering new relationships. Our farming initiatives will enable us to boost our sourcing of raw material, thereby enabling control of pricing of raw shrimp, shield us from any supply fluctuations, thwart risk of diseases at our farms or at the farms of our associate farmers and retain our profit margins. Further, with control on sourcing of shrimp it will also enable us to improve our product mix by adding value added products, which have better profit margins and demand in international markets.

Improve our technology and research & development platform

We are in a continuous pursuit to improve our current technology and R&D facilities in order to better our quality assurance procedures along with improving our processing capabilities. Quality assurance teams are deployed to inspect the products and processes, there by maintaining strict quality standards. Our processing and cold storage facilities are routinely audited by numerous global food accreditation agencies and inspected by our customers, thereby ensuring quality and superiority of products. We also do periodical inspection from our end and obtain reports to ensure that a proper quality and health check is maintained at a regular level. Our labs are equipped with modern quality control equipments to provide strict quality assurance at each stage of product life cycle i.e., right from hatching of shrimp seed to exporting the finished product to the customers. We have implemented cGMP (common good manufacturing practices), SSOP (sanitation standard operating procedures), SOP (standard operating procedure), HACCP (hazard analysis and critical control point) standards as a part of quality control, hygiene and sanitation across the product life cycle, right from washing the raw material to storage and its subsequent transportation.

OUR PRODUCTS

Our Company produces two kinds of shrimps namely the Whiteleg shrimp (Litopenaeus vannamei) and the Black Tiger Shrimp (Penaeus monodon).

WHITE SHRIMP (L. VANNAMEI)

Whiteleg shrimp (Litopenaeus vannamei), also known as Pacific white shrimp, is a variety of prawn commonly caught or farmed for food. Litopenaeus vannamei grows to a maximum length of 230 millimeters (9.1 in), with a carapace length of 90 mm (3.5 in). It is restricted to areas where the water temperature remains above 20 °C (68 °F) throughout the year. It is one of the most well know breed of shrimp across the world.

In Litopenaeus vannamei we process the following different types of raw shrimp

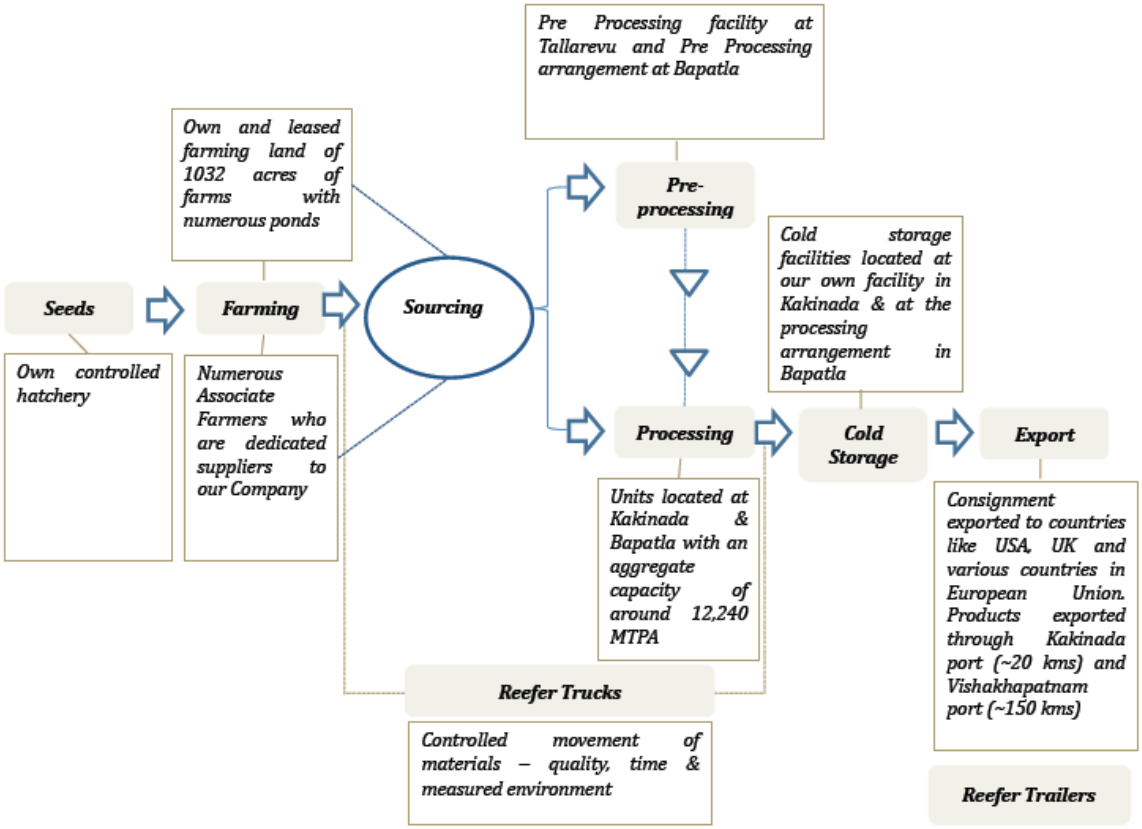
(a) Head On, Whole Shrimp
(b) Headless, Shell-on, Shrimp
(c) Easy Peel Shrimp
(d) Peeled, Deveined, Tail-on Shrimp
(e) Peeled Un-deveined, Tail-on Shrimp
(f) Peeled, Deveined, Tail-off Shrimp
(g) Peeled, Un-deveined Shrimp
(h) Peeled Vein Peeled and Deveined Shrimp
(i) Butterfly Shrimp
(j) Skewered Shrimp

BLACK TIGER SHRIMP (PENAEUS MONODON)

Black Tiger Shrimp (Penaeus monodon), also known as giant tiger prawn or Asian tiger prawn, is a variety of prawn commonly caught or farmed for food. Penaeus monodon females can reach about 33 cm (13 in) long, but are typically 25–30 cm (10–12 in) long and weight 200–320 grams; males are slightly smaller at 20–25 cm (8–10 in) long and weighing 100–170 grams. The carapace and abdomen are transversely banded with alternative red and white. The antennae are grayish brown. Brown pereiopods and pleopods are present with fringing setae in red.

Its natural distribution is the Indo- Pacific ranging from the eastern coast of Africa and the Arabian Peninsula, as far as South East Asia, the Pacific Ocean, and northern Australia.

BUSINESS PROCESS FLOW CHART



Hatchery

Our Company has a leased hatchery facility with Satyadev Marine Foods for three years starting from October 10, 2016 to October 10, 2019 for lease of the shrimp hatchery owned by Satyadev Marine Foods in Annayyapeta.

Our Company has also purchased a hatchery at Bhogapuram, Vijayanagaram District. Our Company has purchased the land along with a built in hatchery in a R.C.C building and A.C.C. Shed vide a sale deed dated December 15, 2016 from M/s. Sreevatsa Aquabase for a total consideration of ₹ 32.40 million. The property is situated at Kancheru Revenue area, Chepalakancheru Gram Panchayat, Bhogapuram Mandal Vijayanagaram District. The total extent of the land is 2.87 acres.

Shrimp hatchery is one of the locations where the shrimp seed is produced involving the maturation process of an adult male and female shrimp, imported live from approved brood stock suppliers from North America. The Company has its leased and owned hatchery facility for seed production to meet shrimp farming requirements and also to a small extent for commercialization. The leased hatchery has been registered with coastal aquaculture authority for production of seed in the name of Satyadev Marine Foods.

Water collected from the sea is stored in a small tank and treated using slow sand filter before being pumped into reservoirs for storage after conducting various tests. The adult shrimp is separated as male and female and then grown in a well-equipped atmosphere. After growing for about 15 to 20 days they are brought together for mating in a separate tank. From there they spawn (unhatched eggs) that is released by the female shrimp is collected and treats the egg to convert to Nauplii and place the Nauplii in larval tanks. Then Nauplii turn to Zoea, Mysis, larvae and Post larvae (PL) stages. After the egg turns to Larvae it is kept in larval tanks that contains different combinations of salinity and from there the selling of seed takes place. In every stage of producing the seed, tests for PCR, WSSV, VIBRIO, MBV, HPV are conducted to monitor the quality.

Farming

Our Company has Shrimp farming in the surrounding areas of Kakinada processing plant. Farms are located in the state of Andhra Pradesh coast within a distance of 10 kilometers to 200 kilometers from the Kakinada processing plant. Our Company's total cultivable shrimp farming land as of today is 1,032 acres with 105.78 acres of own land and 926.22 acres of leased land. The aforesaid extent of farms contains numerous ponds wherein we procure and cultivate our raw shrimp. We believe that the stringent bio-security measures and on-site labs staffed with qualified personnel, at our hatchery and farms have yielded better quality shrimp output.

Our own farming nearly meets 15%-20% of our Company's current raw material requirements, which has the cost advantage over outside purchases of shrimp. Generally the size of the pond is 1.5-2 acres. Soil and salinity testing along with water parameter checks are conducted before the selection of a land for farming. The pond will be selected only if the required parameters are met.

The Shrimp farming process is divided into following:

- Pond preparation
- Bio-security measures
- Water filling
- Shrimp stocking and feeding
- Maintenance of oxygen levels in the ponds with the help of sufficient aerators
- Managing the levels of water parameters along with mineral content
- Harvesting

Shrimp in the pond are fed quality formulated feed. At different levels of growth of Shrimp, different size of feed is used. Daily feed quantities are calculated based on estimates of density, mean individual animal weight, survival and body weight percentage to feed. To prevent mortality or diseases, pro-biotics are used. Feeding would be done 4-5 times a day and aerators would be stopped during those times. We also manage the levels of water parameters along with mineral content at all times.

Facilities and location of the existing unit:

Kakinada processing unit

The processing unit situated in Kakinada is strategically located in the coastal belt of Andhra Pradesh. It is easily accessible by every means of transport. It is 10 kilometers away from Kakinada at Panasapadu village, which is well connected by road, rail, air and sea. The processing plant is spread across 4.21 acres of land with spacious buildings made of RCC and PEB structures (for processing plant and storage of products). The buildings are designed in the most suitable way for processing and for maintenance of good hygiene and sanitation.

The location of the existing processing plant has the advantages of transportation of its finished products to ports in a very short time for export purpose and is also situated in a convenient distance from raw material procurement areas. Our reefer / insulated vehicles with refrigeration capabilities enable us to carry out our local logistical requirements i.e., from farms to the processing facilities. Our flatbed trailers assist us in transporting the reefer containers from the facilities to the ports, for the purpose of exporting the final product to our respective customers.

The processing plant owned by us currently processes approximately over 9,240 MTPA of finished product.

Our facility is approved by the Export Inspection Council for export to all countries excluding Australia and Custom Union. The Company's quality control lab strictly adheres to the guidelines, protocols of the EU Health Authorities and US FDA.

The lab is supported by qualified personnel and quality controllers along with modern quality control equipments to improvise the process at various stages. Using these equipments, various tests are performed such as presence of antibiotics, total plate count, coliforms, chlorination, testing of sulphites, moisture testing, water-ice-product test and many more.

The Company has installed effluent treatment plant for treatment of wastewater generated in the entire production process. The wastewater is treated in the effluent treatment plant and discharged into our farms located on own and leased lands for farming purpose. The solid waste generated in the plant is being disposed as scrap, the end usage of which is done in poultry feed, pharmaceuticals and fertilizers. The Company has obtained the consent for operation from Andhra Pradesh Pollution Control Board.

Bapatla processing unit

We have a business arrangement for processing of shrimp in Bapatla with M/s. Royale Marine Impex Private Limited (Royale Marine). Royale Marine owns the processing plant. The arrangement agreed between the Company and Royale Marine is wherein the Company will provide raw materials to Royale Marine and Royale Marine shall process such raw materials to finished products. The Company shall pay Royale Marine for such processed products. The agreement is valid till March 31, 2018. The Company has paid a refundable security deposit of ₹ 20 million to Royale Marine.

Currently, our processing arrangement with Royale Marine allows us to pre-process and process shrimp upto a capacity 3000 MTPA.

Capacity and Capacity Utilization for the last 3 years

Segment	Fiscal 2016		Fiscal 2015		Fiscal 2014	
	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)
Owned Capacity (Kakinada)	9,240	87.93%	9,240	91.52%	7,821	90.17%

In addition to the above, our Company has arrangement with Royale Marine for pre-processing and processing of shrimp at Bapatla. For the fiscal year 2015 and 2016, the capacity utilization at Bapatla was 40.93% and 87.43% respectively against processing arrangement for upto a capacity of 1500 MTPA and 3000 MTPA respectively.

Tallarevu pre-processing unit

The pre-processing unit is the stage prior to the processing of the shrimp. The pre-processing involves chilled storage with the following stages of raw material receiving, washing, weighing, de-heading, filth washing and grading. The product so pre-processed will be shifted to main processing plant located at Kakinada for further processing, packaging and storage.

The pre-processing unit is located at Korangi village, Tallarevu (Mandal), which is 25 kilometers away from our existing facility at Kakinada. The pre-processing plant is spread over approximately 2 acres of land owned by the Company with RCC and PEB Buildings. The buildings are designed in a most suitable way for pre-processing and for maintenance of good hygiene and sanitation.

The Company's main intention to have a separate pre-processing facility was to ensure that the higher demand of customers for peeled products can be adhered to, by reducing the complexity of the process and to ensure that the Company has enough space to meet its growing supply requirements.

Plant and Machinery

Our Company has considered the most suitable technology for processing the shrimps. Our Company is equipped with modern processing machinery to produce internationally accepted quality standard products. Our Company has the most efficient Individual Quick Freezing (IQF) machinery and plate freezers for block freezing. The facility also provides for suitable equipment to regularly clean and maintain to comply with CGMP standards. Periodical maintenance and upgradation of equipment at regular intervals is ensured to maintain maximum efficiency.

Our Company's plant and machinery includes machines such as individual quick freezers, plate freezers, ice making machines, water chillers, grading machines, water treatment plant, cold storage plant, effluent treatment plant, generators, RO plant, ice plant for raw material and etc.

Cold Storage

Our Company has a cold storage facility which is maintained at a temperature of -18°C or below within its processing facility to ensure that the finished product is duly kept and well maintained in the freezer before exporting. Such cold storage freezer is well equipped to store a 1000MT of the process-finished product before the same is duly exported to the respective customers. Our reefer / insulated vehicles with refrigeration capabilities enable us to carry out our local logistical requirements i.e., from farms to the processing facilities.

Packing

Packing of the finished product is the last stage of our process flow. Once the product is frozen, it is duly packed in the packaging material, as per the customer specification under the brand that we operate or otherwise. Such packed product is duly kept in the cold storage to ensure that the same is maintained in the best quality and is ready to be exported to the customers.

RAW MATERIAL PROCUREMENT

The main raw material required for manufacture of processed shrimps is raw shrimps. The same is available in the coastal districts of Andhra Pradesh viz. East Godavari, West Godavari, Krishna, Guntur, Nellore ranging from 50 kilometers to 200 kilometers and neighboring state of Orissa. Our Company has detailed knowledge on shrimp farming, counts, quality, availability of volumes and market rates. Our Company has a fleet of full-fledged insulated procurement vehicles which carries ice in tubs /crates to source of raw material procurement. The Company's purchasing staff supervise the harvest of the shrimp, check for size, weight and quality of the shrimp. They ensure the packing of harvested shrimp utlising the ice and tubs/crates provided through the Company's fleet of vehicles and reaches the destination on the same day of procurement.

Our Company generally acquires Black tiger and Vannamei White shrimp.

Our Company's total cultivable shrimp farming land as of today is 1,032 acres with 105.78 acres of own land and 926.22 acres of leased land. Our farms are located in the state of Andhra Pradesh. Our Company has numerous ponds and does cultivation and farming of shrimp through these ponds. Our Company cultivates 15-20% from its farming activities and the balance is procured from other farmers. Our Company has cost advantage in own production compared to outside purchases.

Our Company has regular associate shrimp farmers who are involved in the activity of farming of shrimp and provides us with the raw material. They are located within proximity of 10 to 200 kilometers from our processing facility in and around the various farms that the Company posses as owned lands and leased lands. Our Company deploys and advises on specific quality control measures and the associate farmers adhere to the Company's standards in terms of counts and quality. The flexible model of shrimp farming helps the Company to develop dedicated suppliers and thus efficiently managing the growing requirements of shrimp.

Our expenses towards procurement of raw materials for the period April 01, 2016 to December 31, 2016, for the financial year 2016, for the financial year 2015, for the financial year 2014 and for the financial year 2013 is ₹ 4215.60 million, ₹ 4603.24 million, ₹ 4749.84 million, ₹4172.33 million and ₹1952.66 million comprising 77.90%, 75.68%, 78.59 and 81.08% of our total revenue respectively.

TECHNOLOGY

The Company has latest technologies in processing the shrimp and in meeting with the global standards. The Company is fully equipped with the freezers and equipment for processing and storing the products. The Company has the latest machines, which include individual quick freezer, water chillers, water treatment plant, effluent treatment plant, ice plant, grading machines, plate freezers, ice making machines, palletised cold storage and etc.

Shrimp Farming

Our Company is using PE lined ponds and earthen ponds for cultivation of shrimps. Our Company has required number of aerators, which help in maintaining the oxygen levels in water. Water is checked for PH levels and chlorination levels. Our Company has undertaken all bio-security measures at sites. Our Company's farming methods do not have any impact upon the environment, as it does not release any effluents from shrimp ponds.

(Hatcheries)

Our Company's hatchery is medium-sized hatchery using large tanks with low animal densities. To feed the shrimp larvae, an algal bloom is induced in the tanks.

Our Company's hatchery is using a closed and tightly controlled environment. They breed the shrimp at high densities in large (15–30) tanks. In hatcheries, the developing shrimp are fed with a diet of algae and brine shrimp nauplii later. Sometimes especially industrial hatcheries are augmented by artificial diets. The diet of later stages also includes fresh or freeze-dried animal protein, for example krill. Nutrition and medication (such as antibiotics) fed to the brine shrimp nauplii are passed on to the shrimp that eat them.

(Processing Plants)

Our Company is abreast in adopting latest technology and has implemented CGMP (Common Good Manufacturing Practices), SSOP (Sanitation Standard Operating Procedures), SOP (Standard Operating Procedure), HACCP (Hazard Analysis and Critical Control Point) standards as a part of quality control, hygiene and sanitation in the production process right from raw material washing to end product manufacturing and also in freezing the end products. The Company maintains utmost quality standards to keep pace with international competition.

QUALITY ASSURANCE

Quality is one of the most important requirement and essence of our business. The raw shrimp to the processed shrimp and to the final packaged products needs to be maintained in the best of the hygiene level and should be of the best quality to adhere to the international market requirements. Our products and processes comply with stringent quality standards set by the developed markets that we cater to. Our facility is approved by the Export Inspection Council for export to all countries excluding Australia and Custom Union. Our facility is also certified with BRC Food Grade, Best Aqua Culture Practices, HACCP and ASC. Our customers for the purpose of quality check and business conducts inspection of our facilities. Further, we also do inspection from our end. Our facilities are routinely audited by numerous global food accreditation agencies as well as by our customers, thereby ensuring quality and superiority of products at every level.

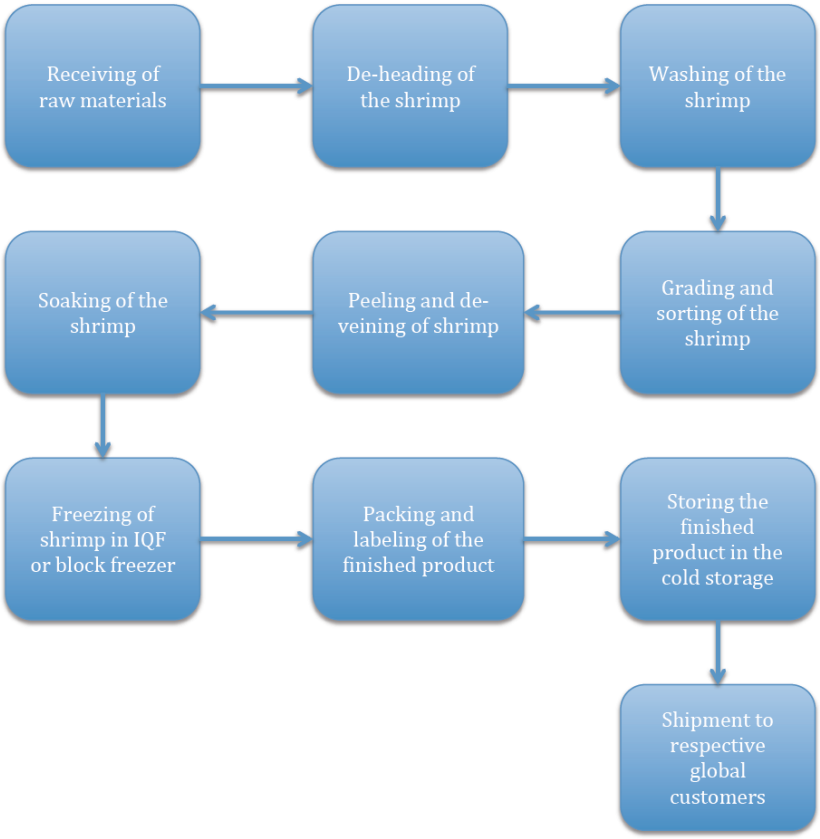
We believe that the stringent bio-security measures and on-site labs staffed with qualified personnel, at our hatchery and farms have yielded better quality shrimp output. We believe that our product quality and regulatory compliant processing facilities have fostered long-standing relationships with customers, which provide us with revenue stability.

Abiding by international standards and maintaining customer satisfaction is of utmost importance to us, hence we have deployed quality assurance checks at each stage of the product life cycle. Our well-trained team of quality controllers inspects the products and processes, there by maintaining strict quality standards.

Collaborations, any Performance guarantee or assistance in marketing by the Collaborators

Our Company has not entered into any collaboration agreement or performance guarantee agreements.

OUR BUSINESS PROCESS FLOWCHART



SALES AND MARKETING

Our Company markets its products internationally by establishing and maintaining contacts with many retail, foodservice and distributing companies around the globe. Our Company has the facility to produce, process and pack as per the specifications of the customers. Our Company exhibits/ attends various seafood shows around the world such as Seafood Expo - North America, Seafood Expo - Global, London Seafood Expo, etc. to showcase and explain the products as well as processing capabilities owned by our Company. We have been exhibiting our products at the Seafood Expo – Global held in Brussels, since last four years. Our Company also sponsors conferences / events pertaining to sustainable aquaculture such as the GOAL conference organised by the Global Aquaculture Alliance.

Karuturi Subrahmanya Chowdary, Executive Director, looks into international marketing, exports and logistics functions. He travels extensively to Belgium, Canada, France, Germany, Netherlands, USA, UK, UAE, etc. for engaging and fostering new client relationships; meet up with food companies, retail chains, restaurants, club stores and distributors; draw export and market distribution strategies along with these customers; understand trends in these markets and offer product solutions to meet client requirements.

HUMAN RESOURCES

Human resource is an asset to any industry, sourcing and managing. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the industry. We view this process as a necessary tool to maximize the performance of our employees.

Our key employees have years of varied experience and expertise in the field of shrimp farming and is influential and important for the growth of the business of our Company.

As on February 28, 2017 we have a total workforce of 1008 employees. Our manpower is prudent mix of the experience and youth in the field of aquaculture, which gives us dual advantage of stability and growth in this industry and also ensures that we have a better edge in managing the business of aquaculture in a competitive manner.

We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we have cordial relationship with our employees.

COMPETITION

Our Company operates in a highly competitive market, where there are a large number of players in the organized and unorganized sectors. We face competition from various domestic and international players. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.

Our global outreach means that there are several manufacturers of varying sizes across the world whom we compete with directly in relation to our products.

INTELLECTUAL PROPERTY RIGHTS

Our Company has filed various trademark and copyright application. The details for the same are provided herein below.

Trademarks in India

Sl. No.	Application Number	Date of Application	Description of the Trademark	Class	Status
1.	2419852	October 30, 2012	APEX (logo)	29	Pending registration
2.	3008547	February 24, 2017	Bay fresh (logo)	29	Registered

3.	3008548	July 15, 2015	(logo)	29	Pending registration
4.	3008549	July 15, 2015	(logo)	29	Pending registration

Trademarks for European Union and United Kingdom

Sl. No.	Application Number	Date of Application	Description of the Trademark	Class	Status
1.	3008547	July 15, 2015	(logo)	29	Pending registration
2.	3008548	July 15, 2015	(logo)	29	Pending registration
3.	3008549	July 15, 2015	(logo)	29	Pending registration

Copyright in India

Sl. No.	Date of the certificate	Registration Number	Class and Description of the work	Title of the work	Status
1.	September 11, 2013	A-104869/2013	Artistic Work	Apex Frozen Foods	Registered

The Company had filed application for and in USA in the past and the same has currently ended. The Company is yet to make any further application for the aforesaid marks in USA.

PROPERTY

The following table sets forth information concerning certain of our principal properties in India:

S.No	Type of Property/Location	Owned/Leased	Primary Activity/Use
Buildings			
1.	Door. No. 3-160, Panasapadu, Samalkota Mandal, Kakinada, Andhra Pradesh, India.	Owned	Registered Office and Processing plant.
2.	Survey no.389-1, Zerayati, Korangi Village, Korangi Gram Panchayat village, Tallarevu Mandal, East Godavari District.	Owned	Pre-processing plant
3.	Survey No. 246-2, 246-6, 246-9/10/11/12/13/14/15/16/17/18/19, 247-1, situated at Kancheru Revenue area, Chepalakancheru Gram Panchayat, Bhogapuram Mandal Vijayanagaram District	Owned	Hatchery
4.	Leased property from Satyadev Marine Foods Annayyapeta, Thondangi Mandal, East Godavari District, Andhra Pradesh.	Leased	Hatchery
Land			
1.	Survey No. 209/1A1, 209/1A2, 209/2, 210/4, 210/4A, 210/4B, 210/4C, 211/4, 212/1 and 209/1B, situated at G. Ragampeta village, Peddapuram Mandal, East Godavari District, Andhra Pradesh admeasuring 21.3 acres.	Owned	Proposed pre processing and processing facility
2.	Survey No. 126/1,126/2,153,133, 134/2, 137/3, 159/2, 159/3, 158/1, 162, situated at Rajavaram Village, Payakaraopeta Mandal, Visakhapatnam District total land admeasuring 100.14 acres.	Owned	Farming
3.	Survey No. 7-1, 7-4, 12-2 and 12-4 situated at Vunduru Village, Draksharama, Ramachandrapuram Mandal, East Godavari District total land admeasuring 5.64 acres.	Owned	Farming

In addition to the above, our company has entered into lease agreements for 926.22 acres of land as on the date of this Draft Red Herring Prospectus with various parties with an object of doing farming on its own.

For details of land acquired for the proposed processing unit at Ragampeta, East Godavari District please refer to section titled "*Objects of the Issue*" on page no 71 of this DRHP.

INSURANCE

We maintain insurance policies with independent insurers in respect of our products, plant & machineries, furnitures, buildings, office equipments, vehicles, inventories, directors and officers liability insurance, covering losses due to fire, burglary and a range of natural disasters.

The various insurances have been taken after analyzing the risk attached to every sector and dimension.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We believe that corporate social responsibility is an integral part of our operations. We are committed to offering ethically sourced and responsibly produced components of the highest quality. Our CSR initiatives are aligned with the requirements under the Companies Act, 2013 and strive to contribute to our commitment towards the community by committing our resources and energies to social development.

Our Company have been involved in many activities towards the betterment of the community as a whole. Our Company in the current year was involved in sponsoring mid day meal for 1000 school children under the initiative by the Akshayapatra Foundation.

Our Company, in the year 2014-2015 had sponsored Hrudaya Cure – A Little Heart Foundation for the purpose of heart treatment for infants. We have also been involved with various other organisations and for various purposes over the last few years.

REGULATIONS AND POLICIES

The following description is a summary of certain relevant laws and regulations as prescribed by the Government of India or State governments which are applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For information regarding regulatory approvals obtained by our Company, see the section entitled "Government and Other Approvals" on page 255 of this DRHP.

Regulations applicable to Aquaculture Industry

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 an authority for the development of the marine products industry under the control of the Union and for matters connected therewith. Accordingly, the MPEDAA has inter-alia provided for the establishment of an authority called the Marine Products Export Development Authority ("**the Authority**") with such constitution and to perform such functions as are specified there under. Further, under the MPEDA Act, every owner of a fishing vessel, processing plant or storage premises for marine products or conveyance used for the transport of marine products shall, before the expiration of one month from the date on which he first became owner of such fishing vessel, processing plant, storage premises or conveyance, whichever is later, apply to the Authority for registration under this Act of every such fishing vessel, processing plant, storage premises, or conveyance owned by him. The Authority may, for sufficient reason, extend the time limit for registration by such period as it thinks fit. Such registration once made shall continue to be in force until it is cancelled by the Authority. The MPEDA Act also requires every such owner to submit to the Authority returns in the form and manner prescribed. For the purposes of the MPEDA Act, the term marine products has been defined there under to include all varieties of fishery products known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants or parts thereof and any other products which the Authority may, by notification in the Gazette of India.

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 shall carry on, or cause to be carried on, coastal aquaculture in a coastal area which lies within such Coastal Regulation Zone as is specified there under and is not used for coastal aquaculture purposes on the establishment of the CAA unless the farm is registered with the CAA. Violation of any of the provision shall 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, this 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.

The following are the rules applicable us:

(i) Coastal Aquaculture Authority Rules, 2005, Notification No. S.O. 19(E), dated January 6, 2011 (CRZ Notification, 2011) issued by the Ministry of Environment and Forests (Department of Environment, Forests and Wildlife), Government of India.

(ii) The Government of India in the Ministry of Environment and Forests (Department of Environment, Forests and Wildlife) has issued the notification No. S.O. 19(E), dated the January 6, 2011 (CRZ Notification 2011) in supersession of the notification of the Government of India in the Ministry of Environment and Forests, number S.O.114(E), dated February 19, 1991 (CRZ Notification, 1991), allowing the things done or omitted to be done before such superssion. Vide the CRZ Notification, 2011 the Central Government, with a view inter-alia to ensure livelihood security to fisher communities and other local communities, living in the coastal areas, to converse and protect coastal stretches, its uniques environment and its marine area, has declared that the coastal stretches of the country and the water area upto its territorial water limit, excluding the islands of Andaman and

Nicobar and Nicobar and Lakshadweep and the marine areas surrounding these islands upto its territorial limit, as Coastal Regulation Zone (CRZ) and restricted the setting up and expansion of any industry, operations or processes and manufacture or handling or storage or disposal of hazardous substances as specified in the Hazardous Substances (Handling, Management and Transboundary Movement) Rules, 2009 in the CRZ. The CRZ notification, 2011 also inter-alia prohibits certain activities within the CRZ and regulates other activities therein. For the purposes of conserving and protecting coastal areas and marine waters, the CRZ Notification, 2011 provides for detailed classification of the CRZ area into CRZ-1, CRZ-II, CRZ-III, CRZ-IV and areas requiring special consideration for the purpose of protecting the critical coastal environment and difficulties faced by local communities. In particular, with respect CRZ-IV, activities impugning on the sea and tidal influenced water bodies shall be regulated except for traditional fishing and related activities undertaken by local communities, including inter-alia, that no untreated sewage, effluents, ballast water, ship washes, fly ash or solid waste from all activities including from aquaculture operations shall be let off or dumped.

Guidelines for culture of Litopenaeus vannamei in fresh water / inland Farms- Andhra Pradesh

The Guidelines for Culture of Litopenaeus vannamei in fresh water/inland farms (the Guidelines) 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, shall be required to register their farms with the 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 Guidelines. Farmers are also prohibited from using banned drugs and antibiotics as per the list appended under the Guidelines. The Guidelines also inter-alia stipulate certain security related measures to be undertaken in respect of the farms.

Fisheries Policy 2015-2020- Government of Andhra Pradesh, Fisheries Department ("Fisheries Policy")

The Government of Andhra Pradesh has identified the Fisheries sector as one of the Growth Engines for socio-economic development of the new State of Andhra Pradesh. The Government has considered it necessary to specifically 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 interventions and incentives needed make the sector more responsive to the current demands on it. This policy outlines the developmental objectives, management measures and strategies to be implemented for the next five year period.

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 following are the objectives as contemplated under the Fisheries Policy:

- ensure sustainable socio economic development of people involved in fisheries;
- safeguard the rights of small fishermen, encourage increased participation of women in this sector and implement schemes for welfare of fishermen;
- creating an excellent environment to attract private sector investments in the fisheries sector through legislative and policy support;
- put in place appropriate mechanisms to ensure sustainable fisheries and aquaculture to ensure ecological integrity and biodiversity;
- promote high value fishery resources and their processing for value addition;
- modernize the fisheries sector by importing new technologies;
- promote innovation and encourage technology up-gradation through research and development;
- assist in domestic market development through incentivization of local bodies and private sector players to create modern cold chain and hygienic fish markets;
- promote export market through quality management, packaging, labeling, marketing and brand development;

- enhance human resource development to make the fisheries sector an efficient and professionally managed sector;
- ensure sanitary and phyto-sanitary standards in all the stages of fisheries and aquaculture;
- encourage public private partnerships in all segments of the fisheries value chain.

Land Acquisition Act (Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act) 2013

Land Acquisition Act (Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act) 2013 was established to ensure, in consultation with institutions of local self-government and gram sabhas established under the Constitution, a humane, participative, informed and transparent process for land acquisition for industrialisation, development of essential infrastructure facilities and urbanisation with least disturbance to the owners of the land and other affected families and provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition and make adequate provisions for such affected persons for their rehabilitation and resettlement and for ensuring that the cumulative outcome of compulsory acquisition should be that affected persons become partners in development leading to an improvement in their post acquisition social and economic status and for matters connected therewith.

Every company wanting to purchase land, equal to or more that such limits in rural areas or urban areas through private negotiations shall file an application with the District Collector notifying him of the intent to purchase, purpose for which such purchase is being made, particulars of land to be purchased. Only upon the satisfaction of the Collector of all relevant provisions under this act, he shall allow for the land purchase to be executed.

Employee State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers The existing wage limit for coverage under the act is ₹ 21,000 per month.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. Under the EPFA, the central government has framed the "Employees' Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees' Family Pension Scheme". A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (the "**CLRA**") was enacted to regulate the employment of contract labour in certain establishments and provide for its abolition in certain circumstances. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. It is the responsibility of the principal employer of an establishment to make an application to the registered officer in the prescribed manner for registration of the establishment.

Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

Child Labour (Prohibition & Regulation) Act, 1986

The Child Labour Prohibition & Regulation Act, 1986 prohibits employment of children below 14 years of age in certain occupations and processes. Employment of child labour is prohibited in building and construction industry.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 aims to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and other related matters.

Likewise, every public establishment or private entity to whom the act applies, shall constitute an Internal Complaints Committee, in accordance to Section 4 of the Act, for dealing with any complaints of sexual harassment in the workplace. The Internal Complaints Committee has to initiate an inquiry in accordance to the Act, and recommend the Company to take action accordingly, with respect to their findings.

Food Safety and Standards Act, 2006

This act lays down the science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import in India and to ensure availability of safe and wholesome food for human consumption and for matters connected therewith.

Every person or manufacturer who is carrying out any of the activities related to any stage of manufacture, processing, packaging, storage, transportation, distribution of food, import and includes food services, catering services, sale of food or food ingredients shall obtain license under this act and shall comply with all the provisions under this act.

Environmental Laws

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes listed below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

The Environment (Protection) Act, 1986 ("EPA")

The EPA is an umbrella legislation designed to provide a framework for the GoI to protect and improve the environment. The EPA vests with the GoI 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 the quality of environment, standards for emission of discharge of environment pollutants from various sources as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

Under the Environmental Protection Act, the Central Government executes various functions including coordination of the activities performed by the State Governments, planning and execution of nation-wide programmes for the prevention and control of environmental pollution, laying down standards for the emission or discharge or environmental pollutants, providing safeguards against accidents causing environmental pollutions.

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution by factories and manufacturing units and 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, use of any new or altered outlet for the discharge of sewage or 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 Water (Prevention and Control of Pollution) Cess Act, 1977 ("Water Cess Act")

The Water Cess Act provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities. Under this statute, every person carrying on certain industries and local authorities are required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act, at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA.

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

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 PCB 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 PCB.

The Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 ("Hazardous Wastes Rules")

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant pollution control board. The occupier, the transporter, the operator and the importer are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state PCB.

The Noise Pollution (Regulation & Control) Rules, 2000 ("Noise Regulation Rules")

The Noise Regulation Rules regulate noise levels in industrial, commercial, residential and silence zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near educational institutions, courts, hospitals, etc.

The Public Liability Insurance Act, 1991 ("PLI Act")

PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Labour Related Regulations

The Factories Act, 1948 ("**Factories Act**") defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, with a fine of up to ₹ 1,000 per day of contravention. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

(i) Contract Labour (Regulation and Abolition) Act, 1970;
(ii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
(iii) Employees' State Insurance Act, 1948;
(iv) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(v) Minimum Wages Act, 1948;
(vi) Payment of Bonus Act, 1965;
(vii) Payment of Gratuity Act, 1972;
(viii) Payment of Wages Act, 1936;
(ix) Maternity Benefit Act, 1961;
(x) Industrial Disputes Act, 1947;
(xi) Shops and Establishments Legislations;
(xii) Contract Labour (Regulation and Abolition) Act, 1970; and
(xiii) Employees' Compensation Act, 1923.
(xiv) Andhra Pradesh Labour Welfare Fund Act, 1987

Fiscal Regulations

The Bureau of Indian Standards Act, 1986

This act provides for the establishment of a Bureau towards harmonious development of the activities of standardisation, marking and quality certification of goods and for matters connected therewith or incidental thereto. The Bureau provides license and make such inspection and take 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 or whether the Standard Mark has been improperly used in relation to any article or process with or without a licence.

The Legal Metrology (Packaged Commodities) Rules, 2011

This rules seeks to establish and enforce standards of weights and measures, regulates trade and commerce in weights, measure and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Unless any package in which the commodity is pre-packed bears thereon, or on a label in accordance to this rules is securely affixed thereto, no person can pack or cause or permit to be pre-packed any commodity for sale and distribution.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that a person or company can make no exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the Office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Trade Policy 2015-20 ("EXIM Policy")

Under the Foreign Trade Policy, the GoI 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.

Customs Regulations

All imports in the country are subject to duties under the Customs Act, 1962 at rates specified under the Customs Tariff Act, 1975. However, the GoI has the power to exempt certain specified goods from excise duty, by notification.

Export Promotion Capital Goods Scheme (the "EPCG Scheme")

The EPCG Scheme under the Foreign Trade Policy 2015-20 allows import of capital goods for pre production, production and post production at zero customs duty. Import under EPCG Scheme shall be subject to an export obligation equivalent to 6 times of duty saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorisation. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Merchandise Exports from India Scheme ("MEIS")

The objective of Merchandise Exports from India Scheme (MEIS) is to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India's export competitiveness. Exports of notified goods/products with ITC[HS] code, to notified markets as listed in the Scheme, shall be rewarded under MEIS.

Duty Drawback Scheme

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback.

Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 ("the Drawback Rules") have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme. The all industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all industry rate or duty drawback rate, or where the all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

Other Regulations

Foreign Exchange Management Act, 1999 ("the FEMA")

Foreign investment in aquaculture is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry has issued the Consolidated Foreign Direct Investment Policy, which is effective from June 7, 2016 (the FDI Circular). The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till June 7, 2016. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

The FDI Circular permits investment up to 100% Foreign Direct Investment under the automatic route for aquaculture, under controlled conditions. It has been clarified that in relation to aquaculture, the term "under controlled conditions' covers:

(a) Aquariums;
(b) Hatcheries where eggs are artificially fertilized and fry are hatched and incubated in an enclosed environment with artificial climate control.

In terms of the provisions of the FDI Circular, an Indian company may issue fresh shares to person resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. As mentioned above, the Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Laws relating to Taxation and Intellectual Property

The tax related laws that are relevant include the Value Added Tax, 2005, the Income Tax Act, 1961, the Customs Act, 1961, the Central Sales Tax Act, 1956, Central Excise Act, 1944, and various service tax notifications. The laws relating to intellectual property that are relevant include the Trade Marks, 1999, The Patents Act, 1970 and the Indian Copyright Act, 1957.

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") is an act to provide for facilitating the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish micro, small or medium enterprise shall file industrial entrepreneur memorandum (IEM) with the authority under section 8 of MSMED Act. After filing IEM to Government of India, it gives acknowledgment receipt in part I to the applicant and informs the Directorate of Industries. The acknowledgement receipt in part I is valid for 2 years and thereafter, immediately after commencement of commercial production, part B has to be filed.

Electricity Act, 2003 and Electricity Rules, 2005

Electricity Act is an act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity. The Electricity Rules, 2005 were formulated in exercise of the powers under 176 of the Electricity Act. The Electricity Act states that, no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts which is a factory within the meaning of Factories Act, 1948 without giving before the transmission or use of electricity not less than 7 days' notice in writing of his intention to the electrical inspector and to the district magistrate or the commissioner of police, as the case may be, containing the particulars of electrical installation or plant and the nature and purpose of supply of such electricity.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally formed as partnership firm constituted under the Partnership Act, 1932 on October 24, 1995 under the name "Apex Exports" pursant to a deed of partnership, having Karuturi Satyanarayana Murthy and Karuturi Padmavathi as partners. Subsequently, the partnership firm was reconstituted by the induction of new partners, Karuturi Subrahmanya Chowdary, Karuturi Neelima Devi, Sankuratri Ravi Kanth, Sankuratri Anitha Devi and Vallepalli Hanumantha Rao on January 1, 2012.

Apex Exports was thereafter converted from a partnership firm into a private limited company under Part IX of the Companies Act, 1956, with the name "Apex Frozen Foods Private Limited" and received a certificate of incorporation from Registrar of Companies, Andhra Pradesh on March 30, 2012. Subsequently, our Company was converted into a public limited company with the name "Apex Frozen Foods limited" and a fresh certificate of incorporation was granted by the Registrar of Companies, Hyderabad on November 29, 2016.

Our registered office is situated at No. 3-160, Panasapadu, Kakinada, East Godavari, Andhra Pradesh - 533005. There has been no change in the registered office of our Company since incorporation.

As on the date of this Draft Red Herring Prospectus, our Company has seven shareholders.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. To carry on the business as manufacturers, processors, buyers, sellers, exporters, importers, carrying and forwarding agents, traders, agents, suppliers, dealers, distributors, and otherwise deal in all kinds of marine products, fish, prawns, frogs, crabs, shrimps including, all other sea foods, water foods, river water foods, allied products, oils, aqua feed, additives, supplements, minerals, aqua medicine, pro-biotics, raw materials for aqua feed 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.

2. To act as, at its own or in association with any Indian or foreign agency, individuals, firm, company or Government undertaking either in India or elsewhere, consultants, franchise agents, representatives, indenters, distributors, contractors turnkey or otherwise for plants, facilities, products and services related to the research, design, establishment, operation and maintenance of hatcheries/ponds, farms for aqua culture, particularly shrimp of all pieces, poultry and any other animal, multiplication centres, breeding centres, aqua culture farms, poultry farms, animal farms, animal husbandry centres, research centres, laboratories, manufacturing and processing units for all types of aqua products, animal products, poultry products and allied goods including but not limited to brood stock of shrimp, larvae, shrimp, fish, eggs, meat of chicken or other animals whether fresh, chilled, frozen, salted, dried, smoked, aqua and animal feed, aqua and animal healthcare products, tools and equipment required for hatcheries, breeding centres, multiplication centres, aqua farms, poultry farms, animal husbandries, processing plants and ice plants.

3. To establish and carry on the business of manufacturers, processors, buyers, sellers, dealers, distributors, importers, exporters, Carrying and Forwarding Agents, traders, franchisees and otherwise deal all kinds of agricultural products and produce, rice, sugar, tea, coffee, nuts, fruits, proteins and enzymes, coconuts, garlic, spices and pickles, cashew nuts, vegetables, aromatic, herbal & medicinal tooth paste, cosmetics, extracts from flower products & medicinal plants, agro-herbals, horticultural, sericulture, apiculture and floriculture products, mushrooms, poultry, meat and dairy products, processed food products, all kinds of vegetarian and non-vegetarian food products.

4. To construct or to take on lease marine food, any other food processing plants, aquaculture ponds for culturing all types of marine and consumer foods, keepers of cold storages, ice-plants, godowns, warehouses, refrigerators, freezing houses and room coolers with or without collaboration of any Indian or Foreign agencies and to sell such products in India and Abroad.

5. To acquire, own, take on lease Fishing Trawlers of any length, foreign or indigenous or from any other source or any other types of fishing boats foreign or indigenous to catch all kinds of prawn, fish and other sea foods by operation of mechanized trawlers, boats country boats or any other craft suitable for catching any variety of fish, prawn or sea foods.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
September 8, 2012	Clause V of the Memorandum of Association was amended to increase the authorised share capital from ₹100,000,000 divided into 10,000,000 Equity Shares of ₹10 each to ₹150,000,000 divided into 15,000,000 Equity Shares of ₹10 each.
September 25, 2013	Clause V of the Memorandum of Association was amended to increase the authorised share capital from ₹150,000,000 divided into 15,000,000 Equity Shares of ₹10 each to ₹200,000,000 divided into 20,000,000 equity shares of ₹10 each.
September 20, 2014	Clause V of the Memorandum of Association was amended to increase the authorised share capital from ₹200,000,000 divided into 20,000,000 Equity Shares of ₹10 each to ₹241,500,000 divided into 24,150,000 Equity Shares of ₹10 each.
November 11, 2016	▪ Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from Apex Frozen Foods Private Limited to Apex Frozen Foods Limited consequent to the conversion of our Company from a private limited company to a public limited company. ▪ Clause III (A)(1) has been realigned which is as follows: *To carry on the business as manufacturers, processors, buyers, sellers, exporters, importers, carrying and forwarding agents, traders, agents, suppliers, dealers, distributors and otherwise deal in all kinds of marine products, fish, prawns, frogs, crabs, shrimps including, all other sea foods , water foods , river water foods, allied products, oils, aqua feed, additives, supplements, minerals, aqua medicines, Pro-biotics , Raw Material for aqua feed 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.* ▪ Clause III (A)(2) has been inserted which is as follows: *To act as, at its own or in association with any Indian or foreign agency, individuals, firm, company or Government undertaking either in India or elsewhere, consultants, franchise agents, representatives, indenters, distributors, contractors turnkey or otherwise for plants, facilities, products and services related to the research, design, establishment, operation and maintenance of hatcheries / ponds, farms for aqua culture, particularly Shrimp of all pieces, poultry and any other animal, multiplication centres, breeding centres, aqua culture farms, poultry farms, animal farms, animals husbandry centres, research centres, laboratories, manufacturing and processing units for all types of aqua products, animal products, poultry products and allied goods including but not limited to brood stock of shrimp, larvae, shrimp, fish, eggs,*

Date of Shareholders' Resolution	Particulars
	meat of chicken or other animals whether fresh, chilled, frozen, salted, dried, smoked, aqua and animal feed, aqua and animal healthcare products, tools and equipment required for hatcheries, breeding centres, multiplication centres, aqua farms, poultry farms, animal husbandries, processing plants and ice plants. ▪ Clauses III (B)(19) and III (B)(20) of the Memorandum of Association are replaced by substituting following: *19. To invest in any real or personal property rights or interest accrued by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company, subject to the provisions of Section 187 of the Companies Act, 2013.* *20. Subject to the provisions of Section 52 of the Act, 2013 to place, to reserve or otherwise apply as the Company may from time to time think fit, any monies received by way of premium on shares or debentures issued at a premium by the Company and any money received in respect of dividends accrued or forfeited shares and monies arising from the sale by the Company for forfeited shares or from unclaimed dividends.* ▪ The follow*ing clauses are inserted after the existing object clause III (B) (44):* *45. To carry on the business of shippers, ship owners, shipping agents, ship operators, ship repairers, freight forwarding services, bunkers, marine surveyors, marine consultants, stevedores, container line agents, steamer agents, cold storage operators, collaborators, fleet owners, freight contractors terminal port operations including development thereof, clearing and forwarding agents of all kinds of properties and goods by rail, road, sea and air and to undertake all range of ocean services, the packing, storage, warehousing of goods and articles of every description, transloading and transshipment operations.* *46. To purchase, construct, take on lease ships, boats, all types of vessels used in marine business, barges of all descriptions, docks, jetties, workshops, container terminals and to fabricate, remodel and otherwise deal with all kinds of vessels, barges, tankers, bay liners, dredgers and trawlers and also establishing and operations of container freight station and empty container yard.* *47. To carry on and undertake the business as logistics solution providers, charterers, buyers, agents and related jobs, handling of all kinds of merchandise, Industrial, chemical and commercial goods, including oils, gases, equipments, containerized cargo on door delivery basis, transportation of cargo on road, by air and all kinds of related logistic services and tailor made solution for individual customers.* *48. To purchase, take on lease land for providing bunker facilities in collaboration with Government organizations, public sector companies and private companies for supply of bunkers to the vessels at various Indian ports and to purchase tank trucks, body lorries, other motor vehicles, pumps, machinery for supply off bunkers.* *49. To construct, own, run or take on hire or lease, plants for processing, breeding, pasteurization, preparation and packing of milk and other milk products and to run freezing complexes, chilling plants for storage of the milk and milk products.*

Date of Shareholders' Resolution	Particulars
	50. To carry on the business as quarry owners, excavators of all kinds of quarries and mines, processors, manufacturers, dealers, distributors, merchants, exporters, importers, agents and stockists of all kinds of natural stones, granite stones, whether in raw blocks, semi-finished or finished form including polished slabs for construction, industry and monumental stones with art work, ornamental stones and all kinds of stones and any other products of these and all kinds of exploration business whether in India or abroad. *51. To establish undertake and carryon the business of contractors, promoters, developers, builders, suppliers, contractors, transport contractors, shipping contractors and earthworks and all kinds of constructions or otherwise deal in all kinds of civil works and projects, electrical, mechanical, lands and buildings, roads and bridges, highways, and suppliers of other materials of any kind and other equipments material and articles used by builders and contractors in Government, quasi-government and local bodies and any juristic body.* *52. To acquire land by purchase, lease or otherwise and to cultivate on its own and on contract basis both commercial and non-commercial crops, extraction of herbal remedies and medicinal botanicals, spice oils, non-oil seeds, various spices and medicinal herbs and shrubs, edible and non-edible fruits, all types of plants and protection chemicals and related products either in raw or processed, refined or manufactured state, whether in India or abroad.* ▪ Clause III(C) (*the other objects of the Company*) and its sub clauses from (1) to (10) is deleted. ▪ Clause V of the Memorandum of Association was amended to increase the authorised share capital from ₹ 241,500,000 divided into 24,150,000 Equity Shares of ₹ 10 each to ₹ 360,000,000 divided into 36,000,000 Equity Shares of ₹ 10 each.

Major events, milestones, achievement and awards:

Calendar Year	Details
1995	Commenced business operations by formation of a partnership firm under the name "Apex Exports"
2004	Setting up of processing facility at Kakinada
	Commencement of exports to US markets
2006	Commencement of exports to European Market
	Received approval from Export Inspection Counsel of India for export to all countries including EU
2007	Received Hazard Analysis and Critical Control Point for shrimp processing by SGS India Private Limited.
	Received Certification for Global Standard for Food Safety for Shrimp processing by SGS United Kingdom
2008	Received "Best Acquaculture Practices" certificate from Accreditation Committee of Acquaculture Certification Counsel Inc.,
2012	Conversion of partnership firm into private limited under the name "Apex Frozen Foods Private Limited"
2013	Exhibiting our products in Seafood Expo Global held in Bruseels
2014	Commenced work for setting up of additional pre processing facilities at Tallarevu
	Commenced In-house farming operations for shrimp cultivation.

Calendar Year	Details
2015	Our Company has received a certificate of recognition- three star export house from Directorate General of Foreign Trade, Visakhapatnam, Ministry of Commerce & Industry, Government of India.
2016	Our Company was converted from private limited company to public company
	Setting up of a pre-processing unit at Tallarevu for meeting additional demands
2017	Farming of shrimp in over 1000 acres of land comprising of owned and leased basis.

Details regarding mergers, amalgamation and revaluation of assets, if any

Our Company has not undertaken any merger or amalgamation. Further, our Company has not revalued its assets, since incorporation.

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 the sections entitled "*Industry Overview*", "*Our Business*", "*Our Management*", "*Financial Statements*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 89,119,150,172 and 226 of this DRHP respectively.

Capital raising activities through equity and debt

For details regarding our capital raising activities through equity and debt, see the sections entitled "*Capital Structure*" and "*Financial Indebtedness"* on pages 59 and 243 of this DRHP, respectively.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as on the date of filing this Draft Red Herring Prospectus.

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 the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

We have not defaulted or rescheduled any of our borrowings from financial institutions/banks in respect of our current borrowings from lenders. For details of our financing arrangements, see section entitled "*Financial Indebtedness*" on page 243 of this DRHP. Further, none of our outstanding loans have been converted into equity shares.

Lock-outs and strikes

There have been no lock-outs or strikes at any of the processing units of our Company.

Time and cost overruns

Our Company has not experienced any time and cost overruns while carrying out the activities of our Company.

Summary of key agreements

Our Company has entered into an agreement dated November 24, 2014 with Royale Marine Impex Private Limited ("**Royale Marine**") for pre-processing and processing the raw materials supplied by our Company to its processing plant situated at Bapatla. Some of the key terms of the agreement as stated herein below:

(a) Royale Marine shall process 3000 MT per annum of the export quality marine shrimp, prawns, marine / acquatic products (hereinafter referred to as "Raw Materials") supplied by our Company.
(b) Royale Marine shall be paid a processed finished product based on the prevailing rate from time to time as may be mutually ageed upon.
(c) Our Company has paid ₹ 20 million as deposit to Royale Marine, which will be refunded after expiry of lease.
(d) The expenses incurred for the pre-processing which includes de-heading to peeling activities will be borne by our Company at actuals.
(e) The agreement shall be in force from December 1, 2014 to March 31, 2018.

Guarantees

Except as mentioned in this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Red Herring Prospectus.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our subsidiaries, joint venture or associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, joint venture or associates.

Common Pursuits

Our Group Entity, pursuant to its Memorandum of Association is authorised to carry out common business objects with our Company, however it has no operations.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on date of this Draft Red Herring Prospectus, our Board comprises of 6 directors, which includes 3 executive directors (including one woman director) and 3 non-executive Independent Directors.

The following table sets forth details regarding our Board of Directors:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Name: Karuturi Satyanarayana Murthy **Designation:** Chairman and Managing Director **Address:** 2-23-14/1, Sarada Street, Srinagar, Kakinada, East Godavari - 533003 Andhra Pradesh, India **Occupation:** Business **Nationality:** Indian **Term:** liable to retire by rotation for a period of 3 years with effect from December 1, 2016. **DIN*:*** 05107525	61 years	Karutturi Global Exports Private Limited.
Name: Karuturi Subrahmanya Chowdary **Designation:** Executive Director **Address:** 2-23-14/1, Sarada Street, Sri Nagar Kakinada, East Godavari - 533003 Andhra Pradesh, India. **Occupation:** Business **Nationality:** Indian **Term:** liable to retire by rotation for a period of 3 years with effect from December 1, 2016. **DIN:** 03619259	37 years	Karutturi Global Exports Private Limited.
Name: Karuturi Neelima Devi **Designation:** Whole-Time Director **Address:** 2-23-14/1, Sarada Street, Srinagar Kakinada, East Godavari - 533003 Andhra Pradesh, India **Occupation:** Business **Nationality:** Indian **Term:** liable to retire by rotation for a period of 3 years with effect from December 1, 2016.	32 years	NIL

DIN: 06765515		
Name: Datla Chandra Sekhar Raju **Designation:** Non-Executive Independent Director **Address:** Plot No. 26, R V Brundavan, Opp M N R School, Chandanagar, Tirumalagiri, Hyderabad, Telengana – 500050 **Occupation:** Service **Nationality:** Indian **Term:** 5 years with effect from January 25, 2017 **DIN:** 07714265	45 years	NIL
Name: Datla Venkata Subba Raju **Designation:** Non-Executive Independent Director **Address:** 70-3-36/6B, C T Colony, Ramanayya Peta, Kakinada (Urban), APSP Camp, East Godavari, Andhra Pradesh – 533005 **Occupation**: Retired from service **Nationality**: Indian **Term**: 5 years with effect from January 25, 2017 **DIN:** 07717952.	65 years	NIL
Name: Mantena Lakshmipathi Raju **Designation:** Non-Executive Independent Director **Address:** 53-16-84/27, Sivalayam Street, near V.S Krishna College, Maddilapalem, Vishakapatnam (Urban), Vishakapatnam, H B Colony, Andhra Pradesh - 530022 **Occupation**: Retired Professor **Nationality**: Indian **Term**: 5 years with effect from January 25, 2017 **DIN:** 07717931	63 years	NIL

Relationship between our Directors

None of our directors are related to each other except as stated below:

Sl. No.	Name	Related to	Relationship
1.	Karuturi Satyanarayana Murthy	Karuturi Subrahmanya Chowdary	Father
		Karuturi Neelima Devi	Father-in-law
2.	Karuturi Subrahmanya Chowdary	Karuturi Satyanarayana Murthy	Son
		Karuturi Neelima Devi	Husband
3.	Karuturi Neelima Devi	Karuturi Satyanarayana Murthy	Daughter-in-law
		Karuturi Subrahmanya Chowdary	Wife

Brief Biographies of Directors

Karuturi Satyanarayana Murthy, aged 61 years, is the Chairman and Managing Director of our Company. He has an experience of 20 years in aquaculture industry. He has setup partnership firm "Apex Exports" in 1997 to export shrimps which was later converted into Apex Frozen Foods Private Limited. He has been heading our company since then. He is responsible for making strategic decisions and decisions relating to business development and overall administration of the operations of our Company. He received a gross remuneration of ₹ 20.00 million during fiscal 2016.

Karuturi Subrahmanya Chowdary, aged 37 years, is the Executive Director of our Company. He has been a director since the inception of our Company. He has an experience of 12 years in aquaculture industry. He has played a significant role in the development of our business. He is involved in the business operations and marketing activities of our Company. He received a gross remuneration of ₹ 20.00 million during fiscal 2016.

Karuturi Neelima Devi, aged 32 years is the Whole Time Director of our Company. She holds a Bachelor Degree in Science from Andhra University and has over 5 years of experience in the aqua industry. She has experience in administration. She participates in the corporate social activities of our Company and is the Chairman of CSR Committe. Se received a gross remuneration of ₹ 5.00 million during fiscal 2016.

Datla Chandra Sekhar Raju aged 45 years is a Non-Executive Independent Director of our Company. He holds a Bachelor degree in Technology from Jawaharlal Nehru Technology University. He has 19 years experience in the field of information technology and worked for several reputed public sector & private sector undertakings. He was appointed as an additional director of our company on January 25, 2017 and was regularized on January 27, 2017.

Venkata Subba Raju Datla, aged 65 years is a Non-Executive Independent Director of our Company. He holds a Bachelors degree in law. He has a 36 years experience in the banking sector. He has held various positions during his association with Andhra Bank. He was appointed as an additional director of our company on January 25, 2017 and was regularized on January 27, 2017.

Mantena Lakshmipathi Raju, aged 63 years is a Non-Executive Independent Director of our Company. He holds a degree of Doctor of Philosophy. He has 37 years of teaching experience and has held prestigious positions in the Andhra University. He was appointed as an additional director of our company on January 25, 2017 and was regularized on January 27, 2017.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company:

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed to the Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Bonus or Profit-Sharing Plan with our Directors

None of the Directors is party to any bonus or profit sharing plan of our Company.

Loans to Directors

There are no loans that have been availed by our Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus.

Terms of appointment of Executive Directors

Karuturi Satyanarayana Murthy

Karuturi Satyanarayana Murthy was appointed as a Managing Director pursuant to a shareholders resolution dated January 27, 2017 for a period of three years with effect from December 1, 2016. His remuneration was last revised pursuant to a resolution of the Shareholders dated March 10, 2017. He is entitled to a remuneration of ₹ 16.8 million per annum with effect from February 01, 2017.

Karuturi Subrahmanya Chowdary

Karuturi Subrahmanya Chowdary was appointed as a Director at the time of incorporation of our Company. Subrahmanya Chowdary was re-appointed as Executive Director pursuant to a shareholders resolution dated January 27, 2017 for a period of three years with effect from December 1, 2016. His remuneration was last revised to ` 16.8 million per annum pursuant to a shareholders resolution dated March 10, 2017 with effect from February 01, 2017.

Karuturi Neelima Devi

Karuturi Neelima Devi was appointed as the Director pursuant to the shareholders resolution dated September 30, 2014. She was re-appointed as the Whole-time Director vide shareholders resolution dated January 27, 2017. Her remuneration was last revised to ` 12.5 million per annum pursuant to a shareholders resolution dated March 10, 2017 with effect from February 01, 2017.

Payment or benefit to Directors 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 executive Directors except the normal remuneration for services rendered as a Director of our Company.

Remuneration to Non-Executive Directors:

No sitting fees has been paid to the Non-Executive Directors of our Company in the fiscal 2016.

Shareholding of Directors in our Company

Except as disclosed below, none of the Directors hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus:

Names of Director	Number of Equity Shares held	% of Pre-Issue Share Capital
Karuturi Satyanarayana Murthy	9,600,000	40.00
Karuturi Subrahmanya Chowdary	9,600,000	40.00
Karuturi Neelima Devi	24,000	0.10
Total	**19,224,000**	**80.10**

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

Our Independent Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid to them by our Company.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares held by them or Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Other than Karuturi Satyanarayana Murthy and Karuturi Subrahmanya Chowdary, who are our Promoters, no other Directors have any interest in the promotion of our Company.

Except as disclosed in "Related Party Transactions" on page 170 of this DRHP, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Board in the last three years

Name	Date of Change	Reasons of change
Karuturi Neelima Devi	September 30, 2014	Regularized as the director
Karuturi Satyanarayana Murthy	December 01, 2016	Appointed as the Managing Director and regularized on January 27, 2017
Karuturi Subrahmanya Chowdary	December 01, 2016	Appointed as the Executive Director and regularized on January 27, 2017
Karuturi Neelima Devi	December 01, 2016	Appointed as the Whole-Time Director and regularized on January 27, 2017
Karuturi Padmavati	December 01, 2016	Appointed as a Whole-time director
Datla Chandra Sekhar Raju	January 25, 2017	Appointed as an Additional Director and regularized on January 27, 2017
Datla Venkata Subba Raju	January 25, 2017	Appointed as an Additional Director and regularized on January 27, 2017
Mantena Lakshmipathi Raju	January 25, 2017	Appointed as an Additional Director and regularized on January 27, 2017
Karuturi Padmavati	January 27, 2017	Resignation

Borrowing Powers of our Board

Pursuant to the shareholders' resolution dated January 27, 2017, our Board has been authorized to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by our Company, may exceed aggregate of its paid-up capital and free reservces, apart from temporary loans obtained from our Company's bankers in the ordinary course of business, provided however, the total amount so borrowed shall not exceed, in the aggregate, ₹ 2,500 million.

Corporate Governance

The corporate governance provisions of the Listing Regulations to be entered into with the Stock Exchanges will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. 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, as required under law. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies.

As on the date of this Draft Red Herring Prospectus, our Board has six Directors, of which Karuturi Satyanarayana Murthy, Karuturi Subrahmanya Chowdary and Karuturi Neelima Devi are executive Directors. In compliance with the requirements of the Listing Regulations, the Board has three executive Directors (including a woman director) and three non-executive independent Directors.

Committees of the Board

In addition to the committees of the Board detailed below, our Board may from time to time, constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

Sl. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Datla Venkata Subba Raju	Chairman	Non-executive Independent Director
2.	Datla Chandra Sekhar Raju	Member	Non-executive Independent Director
3.	Karuturi Subrahmanya Chowdary	Member	Executive Director

The Audit Committee was constituted pursuant to the Board meeting held on January 27, 2017. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and under various regulations under SEBI Listing Regulations and its terms of reference include the following:

i) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
ii) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
iii) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
iv) Approving payments to statutory auditors for any other services rendered by the statutory auditor;
v) 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, as amended;
    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;
    g) Qualifications in the draft audit report.
vi) Reviewing and examination, with the management, the quarterly, half-yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
vii) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/applciation of the funds raised through the proposed Issue by our Company;
viii) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
ix) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
x) Scrutinising of inter-corporate loans and investments;
xi) Valuation of undertakings or assets of our Company, wherever it is necessary;
xii) Evaluation of internal financial controls and risk management systems;
xiii) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
xiv) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

xv) 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;
xvi) Discussion with internal auditors any significant findings and follow up thereon;
xvii) 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;
xviii) 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;
xix) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
xx) Reviewing the functioning of the whistle blower mechanism;
xxi) Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate; and
xxii) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee include the following:

i) To investigate activity within its terms of reference;
ii) To seek information from any employees;
iii) To obtain outside legal or other professional advice; and
iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

i) Management's discussion and analysis of financial condition and result 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.
vi) Statement of deviations:
    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
    b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sl. No.	Name of the Member	Designation in the Commitee	Nature of Directorship
1.	Datla Chandra Sekhar Raju	Chairman	Non-executive independent Director
2.	Mantena Lakshmipathi Raju	Member	Non-executive independent Director
3.	Datla Venkata Subba Raju	Member	Non-executive independent Director

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on January 27, 2017. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and under various regulations of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

a) Formulate 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;

- The level and composition of remuneration is responsible is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance bench marks; and
- 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 our Company and its goals.

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluations of every director's performance.

e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

f) Analysing, monitoring and reviewing various human resource and compensation matters;

g) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

h) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

j) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

k) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and

l) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

m) Carrying out any other function as may be decided by the Board or specified / provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sl. No.	Name of Member	Designation in the Committee	Nature of Directorship
1.	Mantena Lakshmipathi Raju	Chairman	Non-executive Independent Director
2.	Karuturi Neelima Devi	Member	Whole time Director
3.	Karuturi Subrahmanya Chowdary	Member	Executive Director

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on March 08, 2017. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Stakeholders' Relationship Committee include the following:

(a) Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, annual reports of the Company or any other documents or information to be sent by the Company to its shareholders etc.
(b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
(c) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
(d) Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and other related matters as may be assigned by the Board of Directors; and
(e) Carrying out any other function as prescribed under the equity listing agreement and as may be delegated by the Board of Directors.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sl. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Karuturi Neelima Devi	Chairman	Whole-Time Director
2.	Karuturi Satyanarayana Murthy	Member	Chairman and Managing Director
3.	Datla Venkata Subba Raju	Member	Non-Executive Independent Director

The Corporate Social Responsibility Committee was constituted by our Board of Directors at its meeting held on August 1, 2014 and reconstituted on January 27, 2017. The terms of reference of the Corporate Social Responsibility Committee of our Company shall include the following:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;
b) Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
c) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
d) 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.

IPO Committee

The members of the IPO Committee are:

Sl. No.	Name of the Member	Designation in the Committee	Designation
1.	Datla Venkata Subba Raju	Chairman	Independent Director
2.	Karuturi Neelima Devi	Member	Whole-Time Director
3.	Karuturi Subrahmanya Chowdary	Member	Executive Director

The IPO Committee was constituted by a meeting of the Board held on March 08, 2017. The terms of reference of the IPO Committee of our Company includes the following:

(a) Approving the draft red herring prospectus (the "**DRHP**"), the red herring prospectus (the "**RHP**"), the prospectus (the "**Prospectus**"), the preliminary and final international wrap, and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto;
(b) Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
(c) Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under applicable laws for the Board, officers of the Company and other employees of the Company;
(d) Approving a suitable policy on insider trading as required under applicable laws;
(e) Issuing advertisements as it may deem fit and proper in accordance with applicable laws;
(f) Approving any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws in connection with the Issue;
(g) Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be offered or issued and allotted in the Issue, including any discount, any reservation for employees of the Company, employees or shareholders of promoting companies/ group entitiesand/or any other reservations or firm allotments as may be permitted and any rounding off in the event of any oversubscription as permitted under applicable laws and to accept any amendments, modifications, variations or alterations thereto;
(h) Appointing and instructing book running lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, refund bankers to the Issue, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue, including any successors or replacements thereof;
(i) Opening and operating bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with applicable laws and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
(j) Appointing, entering into agreements with, and remunerating all such book running lead managers, syndicate members, brokers to the Issue, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, refund bankers to the Issue, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, by way of commission, brokerage, fees or the like;
(k) Seeking the listing of the Equity Shares on the National Stock Exchange of India Limited and the BSE Limited (collectively, the "Stock Exchanges"), submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing;
(l) Seeking, if required, the consent of the Company's lenders and lenders of its parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
(m) Determining the price at which the Equity Shares are offered or issued/allotted to investors in the Issue;
(n) Determining the price band for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
(o) Determining and finalizing the bid opening and closing dates(including bid opening and closing dates for Anchor Investors and QIBs);
(p) To finalise and approve the basis of allocation and confirm allotment/transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers/ anchor investors and any other investor in consultation with the book running lead managers, the relevant stock Exchanges and/or any other entity;
(q) Allotment/transfer of the Equity Shares;
(r) Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
(s) Authorizing and empoweringKaruturi Subrahmanya Chowdary, Executive Director, Ch.Vijaya Kumar, Chief Financial Officer and S. Sarojini, Company Secretary and Compliance Officer (each, an "**Authorized Officer**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or

advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the registrar's agreement, the depositories agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any agreement or document in connection with the Issue, with, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the book running lead managers, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers to the Company, refund bankers to the Issue, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue, if any; 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;

(t) Authorizing any Authorized Officer to severally take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, but not limited to, applications to, and clarifications or approvals from the FIPB, the Government of India, the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"),the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad ("**RoC**"), and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;

(u) Severally authorizing and empowering each Authorized Officer, for and on behalf of the Company, to execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all acts or things as any such Authorized Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Issue; and any such documents so executed and delivered or acts and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be;

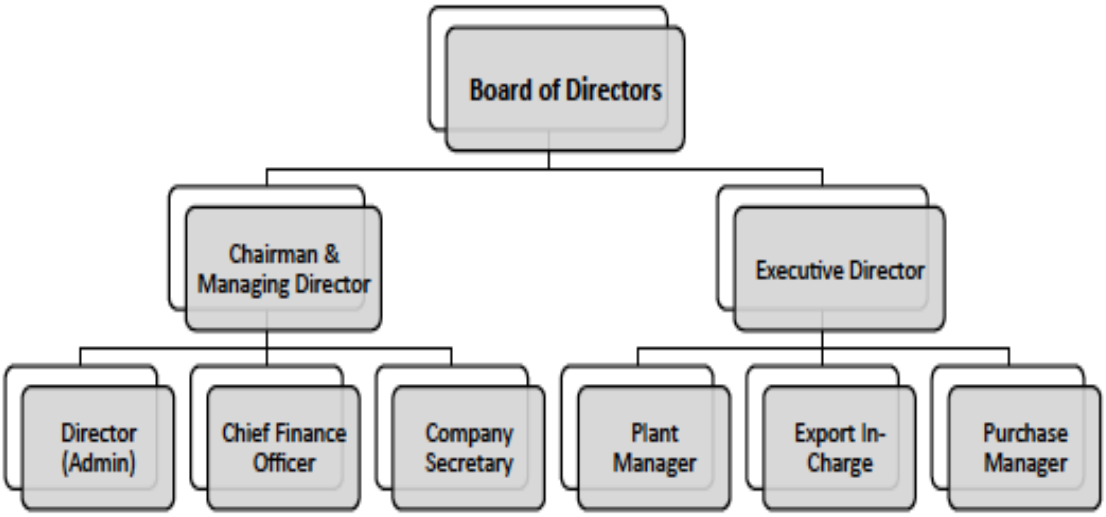
(v) Executing and delivering any and all other documents, papers or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or the Issue and any documents so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing."

(w) To give or authorize any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(x) To affix the common seal of the Company on such documents in this connection as may be required in accordance with the provisions of the Articles of Association of the Company;

(y) To make applications to or seek exemptions from the SEBI, RBI and such other authorities as may be required for purpose of the Issue;

Management Organisation Chart



Key Management Personnel

Set forth below are the details of the Key Management Personnel of our Company, in addition to our Executive Directors as of the date of this Draft Red Herring Prospectus:

Ch Vijaya Kumar, aged 41 years, is the Chief Financial Officer of our Company. He holds a Bachelors degree in Commerce from the Andhra University and is qualified Chartered Accountant from the Institute of Chartered Accountants of India. He was appointed on January 25, 2017. He is responsible for establishing policies for strengthening the performance of the Company, monitoring the performance of the management and protecting the Company's financial position etc. He has not received any remuneration during the fiscal 2016.

S. Sarojini, aged 24 years, is the Company Secretary of our Company. She holds a Bachelor degree in Commerce from Kakatiya University and is also a member of the Institute of Company Secretaries of India. She was appointed on August 1, 2016. She is currently responsible for handling secretarial matters of our Company. She has not received any remuneration during the fiscal 2016.

P. Durga Prasad, aged 30 years is the Manager-Accounts of our Company. He holds a B.Com degree from Andhra University, and Post-Graduate Diploma in Computer Application from Intelleigence for Generating Advanced Computer Education. He was appointed in our Company on April 09, 2012. He is currently responsible for handling accounts, taxation, banking transactions, preparation of financial statements, MIS, coordinating with statutory auditors of the Company. He received a gross remuneration of ₹ 0.25 million during fiscal 2016.

D. S. Madhavi, aged 41 years is the Quality Assurance Manager of our Company. She holds a degree in Master of Science (Marine Biology & Fisheries) from Andhra University, Vishakhapatnam. She has a work experience of 13 years in Seafood Industry. Prior to joining our Company, she worked in Jasper Aqua Exports Limited. She is currently responsible for quality control, inspection and monitoring of raw shrimp, processed finished products, qualitative & quantitative of raw material & finished products, handling customer complaints & implementationof corrective action and preventive action etc. She received a gross remuneration of ₹ 0.72 million during fiscal 2016.

H. Rajashekhar, aged 42 years, is the Operations Manager in our Company. He holds a degree in Bachelor of Fisheries Sciences from University of Agriculture Sciences, Bangalore and an MBA in International Business. He has over 20 years of work experience in sea-food processing industry. He was appointed as a Operational Manager in our Company since incorporation and is currently responsible for product strategies, production controls, production planning and improvement, implementation of HACCP, coordination with product inspection and quality control personnel, supervising the work force, motivation of staff. He received a gross remuneration of ₹ 1.36 million during fiscal 2016.

V. Thiyagarajan, aged 42 years is the Farm In-charge of our Company. He holds a diploma in Fisheries Technology and Navigation Engineering (Sandwich) from the State Board of Technical Education and Training, Department of Technical Education, Chennai. He has several years of experience in farm management and aquaculture. He was appointed in our Company as a Farm In-charge on September 29, 2015 and is currently responsible for aqua farm management. He received a gross remuneration of ₹ 0.25 million during fiscal 2016.

G V Raghava Raju, aged 46 years, is the Purchase Manager Accounts of our Company. He has completed secondary schooling. He is associated with the Company on April 09, 2012 and is currently responsible for procurement of qualitative raw material at competitive prices from various farms located within the state and nearby states. He has 25 years of experience as a purchase manager. He received a gross remuneration of ₹ 2.08 million during fiscal 2016.

Rayadu Sreenivasa Rao, aged 40 years is the admin-in-charge. He holds a degree of Masters in Social Work from Acharya Nagarjuna University, MBA (HRM) from Pondicherry University, Pondicherry and Bachelors of Commerce from Andhra University, Visakhapatnam. He has 14 years of experience in the field of Human Resource. He was appointed on April 20, 2015 and is currently responsible for administrative in charge, taking care of the employee payrolls, PF, ESI, professional tax and other statutory requirments etc. He received a gross remuneration of ₹ 0.14 million during fiscal 2016.

All our Key Management Personnel are permanent employees of our Company.

Shareholding of the Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, none of our Key Managerial Personnel hold any Equity shares of our Company.

Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other or to our Promoters or to any of our Directors.

Bonus or profit sharing plan of the Key Management Personnel

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company.

Interests of Key Management Personnel

None of the Key Management Personnel have been paid any consideration of any nature from our Company on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Ch. Vijaya Kumar	Chief Financial Officer	January 25, 2017	Appointment
S. Sarojini	Company Secretary	August 01, 2016	Appointment
Rayudu Sreenivasa Rao	Adminstrative in charge	April 20, 2015	Appointment
V. Thiyagarajan	Farm In-charge	September 29, 2015	Appointment

Payment or Benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and Key Management Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Draft Red Herring Prospectus, any statutory payments made by our Company and cars provided by the Company for use by certain Directors and Key Management Personnel, no non-salary amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Employee Stock Option Plan

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option or purchase plan.

OUR PROMOTERS AND PROMOTER GROUP

Karuturi Satyanarayana Murthy and Karuturi Subrahmanya Chowdary are the Promoters of our Company.

Karuturi Satyanarayana Murthy

Karuturi Satyanarayana Murthy, aged 61 years, is the Chairman and Managing Director of our Company. He is a resident Indian national. For further details, please see the section entitled "*Our Management*" on page 150 of this DRHP.

The driving license number of Karuturi Satyanarayana Murthy is 9871974 and his voter identification number is AP070480120092

Karuturi Subrahmanya Chowdary

Karuturi Subrahmanya Chowdary, aged 37 years, is the Executive Director of our Company. He is a resident Indian national. For further details, please see the section entitled "Our Management" on page 150 of this DRHP.

The driving license number of Karuturi Satyanarayana Chowdary is DLFAP005291672005 and his voter identification number is BVF2734184.

Our Company confirms that the permanent account number, bank account numbers and passport number of our Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Relationship between our Promoters

None of our Promoter is related to each other except as stated below:

Sl. No.	Name	Related to	Relationship
1.	Karuturi Satyanarayana Murthy	Karuturi Subrahmanya Chowdary	Father
2.	Karuturi Subrahmanya Chowdary	Karuturi Satyanarayana Murthy	Son

Interests of Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding and the remuneration received from our Company. For details of the shareholding of our Promoters in our Company, see "Capital Structure" and "Our Management" on pages 59 and 150 of this DRHP, respectively.

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus. For further details, see section titled "Our Management" and "Related Party Transactions" on pages 150 and 170 of this DRHP respectively

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the two years preceding the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them. For details of related party transactions entered into by our Company, as per Accounting Standard 18, see section titled "*Related Party Transactions*" on page 170 of this DRHP.

Except the activities carried on by our Group Entity Karutturi Global Exports Private Limited, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoters have no interest in acquisition of land, construction of building and supply of machinery undertaken by our Company.

Our Promoters are not related to any sundry debtors of our Company.

Payment or Benefits to Promoter and Promoter Group during the last 2 years

Except as stated in "Related Party Transactions" detailing the related party transactions entered into during the last five Fiscals as per Accounting Standard 18 on page 170 of this DRHP and in "Interests of Promoters" above there has been no payment or benefit to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and our Group Entity have not been declared as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Further, there have been no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as otherwise disclosed in this Draft Red Herring Prospectus, our promoters are not interested in any entity which holds any intellectual property rights that are used by our company.

Companies with which our Promoters have disassociated in the last three years

Except as provided below, our Promoters have not disassociated themselves from any of the companies during the preceding three years:

Name of the disassociated entity	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
Vandana Aqua Exports Private Limited	Our Promoter, Karuturi Subrahmanya Chowdary have sold shares to Manthena Venkata Satya Varaprasad Raju	December 24, 2016

Change in the management and control of Our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company since its incorporation.

Guarantees

In accordance with the provisions of the loan documentation entered into between our Company and Bank of India, our Promoters have issued guarantees in favour of one of our lenders namely, Bank of India. For details in relation to the guarantee issued by our Promoters, please see the sections entitled "*Financial Statements*" and "*Material Contracts and Documents for Inspection*" on pages 172 and 367 of this DRHP, respectively.

Group Entity

For details of our Group Entity, see "*Our Group Entity*" on page 169 of this DRHP.

Promoter Group

In addition to our Promoters named above, the following individuals and the Group Entity form a part of the Promoter Group:

1. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than our Promoters in terms of regulation 2(1)(zb) of SEBI ICDR Regulations

Individuals forming part of the Promoter Group:

1.	Karuturi Padmavathi
2.	Karuturi Neelima Devi
3.	Sankuratri Anitha Devi
4.	Nekkanti Ramarao
5.	Karuturi Sai Suhas
6.	Karuturi Sri Krishna
7.	Chilukuri Anantha Lakshmi
8.	Vallepalli Hanumantha Rao
9.	Vallepalli Ramalakshmi

Companies forming part of Promoter Group

Karutturi Global Exports Limited.

Corporate Entities forming part of Promoter Group

There are not other entities forming part of the Promoter Group

OUR GROUP ENTITIES

In terms of the SEBI ICDR Regulations, and in terms of the policy of materiality defined by our Board, pursuant to its resolution dated March 8, 2017, our Group Companies include (i) companies included in the list of related parties prepared in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India in our Restated Standalone Financial Statements; and (ii) other material companies, namely, the companies (a) in which our Company or our Promoters have a direct or indirect interest; and (b) with which our Company has entered into one or more transactions in Financial Year 2016, cumulatively exceeding 1% of our total revenue for Financial Year 2016 and other companies considered material by our Board.

Based on the above, there are no material group entities of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures during the last four Financial Years and nine months ended December 31, 2016, as per the requirements under *Accounting* Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, please see the section "Financial Statements" on page 172 of this DRHP

DIVIDEND POLICY

The Shareholders of our Company, 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 the Company's earnings, capital requirements, contractual obligations including restrictive covenants under the financing agreements our Company may enter into to finance the fund requirements for our business activities and overall financial position of our Company. The Board may also pay interim dividend. Our dividend history is not necessarily indicative of dividend amounts, if any, or our dividend policy, in the future. Our Company currently has no formal dividend policy.

Dividends Declared in the Last Four Fiscals

Our Company has not declared any dividends on its Equity Share since incorporation.

SECTION V – FINANCIAL INFORMATION

RESTATED STANDALONE FINANCIAL INFORMATION

Independent Auditor's Examination Report on the Restated Standalone Financial Information of Apex Frozen Foods Limited as at and for the nine months ended December 31, 2016 and as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 in connection with the Draft Red Herring Prospectus

To
The Board of Directors
Apex Frozen Foods Limited
3-160, Panasapadu,
Kakinada- 533 005

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Apex Frozen Foods Limited ("the company") which comprise of the Restated Summary Statement of Assets and Liabilities as at March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flow for each of the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 as set out in Annexures I to III (collectively, the "Restated Standalone Financial Information") and the Summary of significant accounting policies as approved by the Board of Directors of the Company at their meeting held on March 15, 2017 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 Rule 4 to 6 of The 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).

   The preparation of the Restated Standalone Summary 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 Summary Financial Information after taking into consideration:

   (a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 8, 2017 in connection with the proposed issue of equity shares of the Company ("Engagement Letter"); and

   (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"), to the extent applicable ("Guidance Note").

3. These Restated Standalone Financial Information have been compiled by the management from the audited financial statements as at and for the years ended March 31, 2016,March 31, 2015, March 31,2014 and March 31,2013 which have been approved by the Board of Directors at their meetings held on August 1, 2016, August 1, 2015, August 1,2014and July 31, 2013 respectively.

4. We have also examined the financial information of the Company for the period April 1, 2016 to December 31, 2016 prepared and approved by the Board of Directors in their meeting held on March 15, 2017 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 for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, March 31,2015, March 31,2014 and March 31,2013 examined by us, as set out in Annexure I 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 Summary Statement of Adjustments to Audited Financial Statements.

   (b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the nine months period ended December 31, 2016 and each of the years ended March 31, 2016, March 31,2015, March 31,2014 and March 31,2013 examined by us, as set out in Annexure II 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 Summary Statement of Adjustments to Audited Financial Statements.

   (c) The Restated Standalone Summary Statement of Cash Flows of the Company for the nine months period ended December 31, 2016 and each of the years ended March 31, 2016, March 31,2015, March 31,2014 and March 31,2013 examined by us, as set out in Annexure III 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 Summary Statement of Adjustments to Audited Financial Statements.

   (d) Based on the above and according to the information and explanations given to us, 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 extraordinary items that need to be disclosed separately in the Restated Standalone Summary Financial Information;

      (iv) have 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 years ended on March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013and for the period ended December 31, 2016 which do not require any corrective adjustment in the Restated Standalone Summary Financial Information are mentioned in Non-adjusting items under Annexure IV.

6. We have also examined the following restated standalone financial information of the Company set out in the annexures prepared by the management and approved by the Board of Directors on March 15, 2017 for the nine months period ended December 31, 2016 and for the financial years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013:

(i) Significant Accounting Policy to Restated Standalone Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows, enclosed as Annexure V
(ii) Restated Standalone Summary Statement of Share Capital, enclosed as Annexure VI
(iii) Restated Standalone Summary Statement of Reserves and Surplus, enclosed as Annexure VII
(iv) Restated Standalone Summary Statement of Long term borrowings, enclosed as Annexure VIII
(v) Restated Standalone Summary Statement of Deferred tax Liabilities, enclosed as Annexure IX
(vi) Restated Standalone Summary Statement of Long Term Provisions, enclosed as Annexure X
(vii) Restated Standalone Summary Statement of Short term borrowings, enclosed as Annexure XI
(viii) Restated Standalone Summary Statement of Trade Payables, enclosed as Annexure XII
(ix) Restated Standalone Summary Statement of Other Current Liabilities, enclosed as Annexure XIII
(x) Restated Standalone Summary Statement of Short Term Provisions, enclosed as Annexure XIV
(xi) Restated Standalone Summary Statement of Fixed Assets, enclosed as Annexure XV
(xii) Restated Standalone Summary Statement of Other Non-Current Assets, enclosed as Annexure XVI
(xiii) Restated Standalone Summary Statement of Inventory, enclosed as Annexure XVII
(xiv) Restated Standalone Summary Statement of Trade Receivables, enclosed as Annexure XVIII
(xv) Restated Standalone Summary Statement of Cash and Bank Balances, enclosed as Annexure XIX
(xvi) Restated Standalone Summary Statement of Short term Loans and Advances, enclosed as Annexure XX
(xvii) Restated Standalone Summary Statement of Revenue from Operations, enclosed as Annexure XXI
(xviii) Restated Standalone Summary Statement of Other Income, enclosed as Annexure XXII
(xix) Restated Standalone Summary Statement of Cost of Materials Consumed enclosed as Annexure XXIIIA and Statement of Stores and Spares Purchased enclosed as Annexure XXIIIB
(xx) Restated Standalone Summary Statement of Changes in Inventories of Finished Goods, Work In Progress and Stock In Trade, enclosed as Annexure XXIV
(xxi) Restated Standalone Summary Statement of Manufacturing Expenses, enclosed as Annexure XXV
(xxii) Restated Standalone Summary Statement of Employee Benefits and Expenses, enclosed as Annexure XXVI
(xxiii) Restated Standalone Summary Statement of Finance Cost enclosed as Annexure XXVII
(xxiv) Restated Standalone Summary Statement of Other Expenses, enclosed as Annexure XXVIII
(xxv) Restated Summary Statement of Dividend, enclosed as Annexure XXIX
(xxvi) Restated Standalone Summary Statement of Related Party Transaction, enclosed as Annexure XXXA, Annexure XXXB, Annexure XXXC
(xxvii) Restated Standalone Summary Statement of Other Notes, enclosed as Annexure XXXI
(xxviii) Restated Standalone Summary Statement of Accounting Ratios, enclosed as Annexure XXXII
(xxix) Restated Standalone Capitalisation Statement, enclosed as Annexure XXXIII
(xxx) Restated Standalone Summary Statement of Tax Shelter, enclosed as Annexure XXXIV

According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information and the above restated standalone financial information contained in Annexure VI to XXXIV 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 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 this report.

9. Our report is intended solely for use of the management and for inclusion in the Offer Document to be filed with Securities and Exchange Board of India, The BSE Limited , The National Stock Exchange of India Limited and Registrar of Companies, Andhra Pradesh and Telangana in connection with the proposed issue of equity shares of the Company. Our report should not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

For, BODA RAMAM& CO
Chartered Accountants
Firm Registration No.: 005383S

Boda Anand Kumar
Partner
Membership Number: 029123

Place: Kakinada
Date: March 15, 2017

Annexure I: Restated Standalone Summary Statement of Assets and Liabilities

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	240.00	240.00	240.00	200.00	150.00
(b) Reserves and surplus	676.33	512.63	319.83	178.39	94.15
	916.33	**752.63**	**559.83**	**378.39**	**244.15**
2. Non - Current Liabilities					
(a) Long term borrowings	220.42	118.91	93.73	147.15	66.79
(b) Deferred tax liability (Net)	6.70	10.34	8.10	(3.23)	(0.08)
(c)Long term provisions	2.51	1.65	1.19	0.68	0.24
	229.63	**130.90**	**103.02**	**144.60**	**66.95**
3. Current Liabilities					
(a) Short term Borrowings	803.74	641.84	777.08	625.50	548.10
(b) Trade Payables					
-Total Outstanding dues of micro enterprises and Small enterprises	-	-	-	-	-
-Total Outstanding dues of creditors other than micro enterprises and Small enterprises	185.25	161.35	114.83	162.62	54.79
(c) Other current liabilities	45.73	31.41	35.26	29.51	13.99
(d) Short term provisions	99.44	69.75	61.37	64.01	15.55
	1,134.16	**904.35**	**988.54**	**881.64**	**632.43**
TOTAL	**2,280.12**	**1,787.88**	**1,651.39**	**1,404.63**	**943.53**
II. ASSETS					
1. Non-Current Assets					
(a) Fixed assets					
(i) Tangible assets	742.37	551.82	522.64	402.58	206.30
(ii) Capital work - in – progress	-	79.97	-	-	57.74
(b) Other non-current assets	12.93	0.50	0.50	0.80	12.96
	755.30	**632.29**	**523.14**	**403.38**	**277.00**
2. Current Assets					
(a) Inventories	718.05	595.87	502.99	505.42	218.49
(b) Trade receivables	706.77	414.62	502.12	339.63	363.27
(c) Cash and bank balances	29.69	18.31	15.90	33.96	37.91
(d) Short term loans &advances	70.31	126.79	107.24	122.24	46.86
	1,524.82	**1,155.59**	**1,128.25**	**1,001.25**	**666.53**
TOTAL	**2,280.12**	**1,787.88**	**1,651.39**	**1,404.63**	**943.53**

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 XXXIV.

Annexure-II: Restated Standalone Summary Statement of Profit and Loss

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
I. Revenue					
1.Revenue from operations	5,351.05	6,035.27	5,993.58	5,142.60	2,552.71
2.Other income	60.68	47.39	50.11	3.10	2.12
Total Revenue	**5,411.73**	**6,082.66**	**6,043.69**	**5,145.70**	**2,554.83**
II. Expenses					
1.Cost of material consumed	4,215.60	4,603.24	4,749.84	4,172.33	1,952.66
2.Stores and Spares Purchased	132.16	164.18	137.37	127.33	86.01
2.Changes in inventories of finished goods & work-in-progress	(122.18)	(92.88)	2.43	(286.93)	(143.88)
3.Manufacturing expenses	386.83	405.54	269.95	225.19	151.38
4.Employee benefit expenses	203.53	232.80	258.07	226.46	104.38
5.Finance cost	88.05	104.12	96.14	79.50	56.01
6.Depreciation and amortization expense	45.64	49.27	4.02	45.10	25.36
7.Other expenses	214.83	314.45	244.25	352.81	180.12
Total Expenses	**5,164.46**	**5,780.72**	**5,762.07**	**4,941.79**	**2,412.04**
Restated Profit before Exceptional Item and Tax	247.27	301.94	281.62	203.90	142.79
Exceptional Items	-	-	-	-	-
Restated Profit Before Tax	**247.27**	**301.94**	**281.62**	**203.90**	**142.79**
Current Tax	83.32	102.72	84.63	72.82	48.72
Deferred Tax	(3.65)	2.24	11.32	(3.16)	(0.08)
Profit After Tax	**167.60**	**196.98**	**185.67**	**134.24**	**94.15**
Less: CSR Expenses	3.90	4.18	2.10	-	-
Restated Profit for the period / year	**163.70**	**192.80**	**183.57**	**134.24**	**94.15**
Earnings Per share -Basic & Diluted*	**6.82**	**8.03**	**7.65**	**5.59**	**4.40**

***** *For the Nine months ended December 31, 2016 – Not annualised*

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 XXXIV.

Annexure III: Restated Standalone Summary Statement of Cash Flow Statements

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
A. Cash flow from operating activities					
Restated Profit Before Tax	247.27	301.94	281.62	203.90	142.79
Adjustments for:					
Depreciation	45.64	49.27	4.02	45.10	25.36
Interest Expenses	88.05	104.12	96.14	79.50	56.01
CSR expenses	(3.90)	(4.18)	(2.10)	-	-
Interest income	(0.88)	(0.89)	(2.84)	(2.85)	(2.12)
Profit/loss on sale of asset	-	(0.16)	(0.55)	(0.25)	-
Operating cash flow before Working capital changes	376.18	450.10	376.29	325.40	222.04
Increase / (Decrease) in Trade payables	23.89	46.53	(47.79)	107.83	9.75
Increase / (Decrease) in Long term provisions	0.86	0.46	0.51	0.44	0.24
Increase / (Decrease) in Other current liabilities	14.32	(3.85)	5.75	15.52	(20.10)
Increase / (Decrease) in Short term provisions	29.71	8.37	(2.64)	48.47	(28.01)
Decrease / (Increase) in Inventories	(122.19)	(92.88)	2.42	(286.93)	(143.88)
Decrease / (Increase) in Trade receivables	(292.15)	87.50	(162.49)	23.64	(116.85)
Decrease / (Increase) in Short term loans &advances	56.49	(19.55)	15.00	(75.38)	20.19
Decrease / (Increase) in Margin Deposits	(12.52)	(0.48)	20.74	8.06	(21.10)
Cash generated from Operations	**74.59**	**476.07**	**207.78**	**172.75**	**(59.71)**
Income Tax paid	83.32	102.72	84.63	72.82	48.72
Net Cash flow Provided by/(used in) Operating activities(A)	**(8.73)**	**373.50**	**123.16**	**94.23**	**(108.44)**
B. Cash flow from investing activities					
Purchase of Fixed Assets	(156.21)	(160.83)	(124.08)	(184.57)	(84.76)
Advances for Capital Goods	(12.44)	0.00	0.31	12.16	(12.96)
Proceeds on Sale of Asset	-	0.16	0.55	1.18	2.41
Interest Income	0.88	0.89	2.84	2.85	2.12
Net Cash from/(used in) Investing activities(B)	(167.77)	(159.78)	(120.38)	(168.38)	(93.19)
C. Cash flow from financing activities					
Proceeds from issue of share capital	-	-	-	-	50.00

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Proceeds/(repayment) from Short Term Borrowings	161.91	(135.25)	151.59	77.40	270.04
Proceeds/(repayment) from Long Term Borrowings	101.50	25.18	(53.42)	80.37	(72.92)
Application of Reserves	-	2.40	(2.13)	-	-
Long term Loans and Advances	-	-	-	-	-
Finance Cost	(88.05)	(104.12)	(96.14)	(79.50)	(56.01)
Net Cash flow from/(used in) Financing Activities (C)	175.36	(211.78)	(1.00)	78.27	191.10
Net increase / (Decrease) in cash & Cash Equivalents(A+B+C)	(1.14)	1.93	2.68	4.12	(10.52)
Cash and Cash equivalents as at beginning of the period/year	11.13	9.20	6.52	2.40	12.92
Cash and Cash equivalents as at end of the Period/year	**9.99**	**11.13**	**9.20**	**6.52**	**2.40**

Note:

1. Cash and Cash equivalents include

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Cash in Hand	3.03	6.97	2.22	4.68	0.77
Balances with Banks:					
On Current Accounts	6.96	4.15	6.98	1.84	1.63
Cash and Cash Equivalents	**9.99**	**11.13**	**9.20**	**6.52**	**2.40**

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 Annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.

Annexure IV: Summary Statement of Adjustments to Audited Financial Statements

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	Nine Months Ended December 31, 2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Profit / (Loss) for the year (as per audited accounts) (A)		**163.70**	**189.49**	**179.33**	**140.04**	**77.54**
Restatement Adjustments Increase / (decrease) in profits for restatement adjustments:						
(i) Employee Benefits	1	-	1.04	(0.51)	(0.44)	(0.24)
(ii) Prior Period adjustment to the Respective year	2	-	2.11	5.62	-	17.94
(iii) ESI payment against notification	3	-	-	-	-	(0.32)
(iv)Income-tax expense/ (refund)	4	-	-	(1.04)	(5.32)	(0.74)
(v) Service tax	5	-	-	-	(0.19)	(0.11)
Total effect of adjustments before tax (B)		**-**	**3.15**	**4.07**	**(5.95)**	**16.53**
Effect of Deferred Tax on Adjustments (C)		-	0.16	0.17	0.15	0.08
Profit / (Loss) for the year as restated (D) = (A+B+C)		**163.70**	**192.80**	**183.57**	**134.24**	**94.15**

Note:

1. **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.

2. **Prior period items:**

Prior period items comprises of expenses/ (income) pertaining to years prior to which it has been accounted. The same has now been restated to the financial year to which the amount relates to.

3. ESI Payment:

ESI liability which pertains to the year ended March, 2013 has paid and accounted for in the year ended March, 2016. Adjustment has been made in restated standalone financial statements accordingly.

4. Income-tax expense/ (refund)

Consequent to completion of income-tax assessment for certain years, the Company paid additional taxes/ received additional refund which was recorded in the year of completion of such assessments. As these were relating to earlier years, the same has been accounted for in the financial year to which the amount relates to.

5. Service tax:

Service Tax liability of which pertains to the year ended March, 2014 and year ended March, 2013 has paid and accounted for in the year march, 2015. Adjustment has been made in restated standalone financial statements accordingly.

6. 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, 2016, March 31, 2015, March 31, 2014 and March 31, 2013in accordance with the requirements applicable for the Nine-months period ended December 31, 2016.

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 Nine-months period ended December 31, 2016, 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).

II. **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 presented.

<u>For the financial year ended March 31, 2016</u>

Clause (I) (c) of the CARO

The title deeds of immovable properties are held in the name of company, However it is observed that, the title deeds of the factory at Panasapadu, East Godavari, Andhra Pradesh are still in the name of the Partnership Firm M/s. Apex Exports which is an erstwhile firm converted as company under part IX of the Companies Act, 1956.

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 March 30th, 2012 under the provisions of Part IX - Conversion of Companies Act, 1956 by converting erstwhile partnership firm namely "Apex Exports" to a private limited company M/s Apex Frozen Foods Private Limited. However, there were no business operations on March 30, 2012 and March 31, 2012. The Company further converted itself into a public limited company on November 29, 2016 and the name of the Company was further changed to Apex Frozen Foods Limited. There are no business operations on March 30th, 2012 and March 31st, 2012.

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 nine-month period ended December 31, 2016 presented.

The Restated Standalone Summary Statement of Assets and Liabilities of the company as at December 31, 2016, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013and the related Restated Standalone Summary Statement of Profits and Losses and Cash Flows Statement as at and for the nine-months period ended December 31, 2016, as at and for the year ended 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 Audited Financial Statements of the Company as at and for the nine-months period ended December 31, 2016, 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 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 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 have been prepared to comply in all material respects with the requirements of Sub-clause(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 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 nine months period ended December 31, 2016 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 were approved by the Board of Directors of the Company in their meeting held on March 15, 2017.

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 straight line 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 for Nine months ended on 31stDecember, 2016.

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 profit and loss account as per AS 28. The impaired loss charged to profit and loss account 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 realisable 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 realisable value and Work-in-progress is valued at cost. Stores and packing materials are valued at cost.

Interest and Financial Charges:

Documentation, Commitment and Service Charges other than for term loans are spread over the tenure of the finance facility.

Interest on Hire Purchase finance is charged to Profit and Loss Account as per AS 19 'leases' issued by ICAI.

Revenue Recognition

Income from sale of 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.

Interest Income is recognized on accrual basis.

Turnover includes Sale proceeds from frozen shrimp, seed sale. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate of interest applicable.

Other Income:

Other Income in the nature of Export incentives namely Duty Draw Back is recognized on accrual basis.
To ensure prudency in accounting, MEIS is recognized on receipt basis.

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. Deferred tax asset over and above the liability accounted in earlier period is neither disclosed nor recognized in the books.

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized till the month 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.

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 profit and loss account.

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).

Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the Lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss.

Bad-Debts:

Bad-Debts are written off to profit and loss account 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: Restated Standalone Summary Statement of Share Capital

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Authorized Share Capital					
Equity Shares of ₹10/- Each	360.00	241.50	241.50	200.00	150.00
Issued Subscribed and fully Paid-up					
Equity Shares of ₹10/- Each	240.00	240.00	240.00	200.00	150.00
Total	**240.00**	**240.00**	**240.00**	**200.00**	**150.00**

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 Shareholders' holding more than 5% shares in the Company

Particulars	As at December 31, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Karuturi Satynarayana Murthy	9,600,000	40.00%	9,600,000	40.00%	9,600,000	40.00%	9,600,000	48.00%	7,300,000	48.67%
Karuturi Padmavathi	4,704,000	19.60%	4,704,000	19.60%	4,704,000	19.60%	10,020,000	50.10%	7,010,000	46.73%
Karuturi Subrahmanya Choudary	9,600,000	40.00%	9,600,000	40.00%	9,600,000	40.00%	300,000	1.50%	650,000	4.33%

Reconciliation of the numbers of shares

Particulars	As at December 31, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No of Shares	(₹ in Million)	No of Shares	(₹ in Million)	No of Shares	(₹ in Million)	No of Shares	(₹ in Million)	No of Shares	(₹ in Million)
Number of Shares at the beginning of the year	24,000,000	240	24,000,000	240	20,000,000	200	15,000,000	150	-	-
Add: Issued during the year	-	-	-	-	4,000,000	40	5,000,000	50	15,000,000	150
Number of Shares at the end of the year	24,000,000	240	24,000,000	240	24,000,000	240	20,000,000	200	15,000,000	150

Details of Shares allotted for consideration other than Cash:-

During the year 2012-13, the company has issued and allotted 10,000,000 equity shares of ₹10/- each on conversion of partnership firm to private limited company. During the years 2013-14, and 2014-15 the company issued and allotted 50,00,000 and 40,00,000 equity shares of ₹10/- each by way of fully paid bonus shares, in the ratio of one share for every three shares held and one share for every five shares held respectively.

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 XXXIV.

Annexure VII: Restated Standalone Summary Statement of Reserves and Surplus

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
General Reserve					
Opening Balance	100.00	100.00	100.00	-	-
Transferred during the year	-	-	-	100.00	-
Balance at the end of period / year	**100.00**	**100.00**	**100.00**	**100.00**	**-**
Surplus/(deficit) in the statement of Profit and Loss					
Opening Balance	412.63	219.83	78.39	94.15	-
Profit during the year	163.70	192.80	183.57	134.24	94.15
Less :Issue for Bonus Shares	-	-	(40.00)	(50.00)	-
Less: Transfer to General Reserve	-	-	-	(100.00)	-
Less : Depreciation charged against retained earnings pursuant to schedule II to the act (net of tax)	-	-	(2.13)	-	-
Balance at the end of period / year	**576.33**	**412.63**	**219.83**	**78.39**	
Total	**676.33**	**512.63**	**319.83**	**178.39**	**94.15**

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 XXXIV.

Annexure VIII: Restated Standalone Summary Statement of Long-Term Borrowings

(₹ in Million)

Particulars	As at December 31, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Current	Non – Current	Current	Non - Current	Current	Non - Current	Current	Non - Current	Current	Non - Current
Secured										
From Bank Of India - Term Loan-I	10.72	8.04	13.40	10.87	13.40	24.12	-	-	5.95	-
From Bank Of India - Term Loan-II	4.99	2.06	5.41	5.93	5.41	10.62	10.72	38.33	8.04	24.17
From Bank Of India - Term Loan-III	4.99	10.01	5.41	14.88	5.41	5.95	3.74	17.06	-	-
From HDFC Bank Ltd- Term Loan	17.54	49.12	-	-	-	-	-	-	-	-
From Kotak Mahindra Bank - Vehicle Loans	0.72	-	3.78	-	4.72	3.19	0.00	2.57	-	3.20
From HDFC Bank - Vehicle Loans	6.77	7.89	3.41	-	3.91	2.89	0.00	1.35	-	1.14
Loan from LIC	-	109.30	0.00	47.45	0.00	45.19	0.00	46.34	-	1.54
Un Secured										
Loan From Directors and Others	-	34.00	0.00	39.78	0.00	1.77	0.00	41.50	-	36.74
Total	**45.73**	**220.42**	**31.41**	**118.91**	**32.85**	**93.73**	**14.46**	**147.15**	**13.99**	**66.79**

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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.
2) For Details of Transactions with related parties, refer Annexure XXX

Terms of Repayment

S.No.	Name of Lender	Outstanding as on December 31, 2016		Nature of Loan	Repayment Schedule	Rate of Interest	Sanction Limit	Securities offered	Re-Schedulement / Pre-Payment / Defaults & Penalties
		Current	Non-Current						
1.	Bank of India	10.72	8.04	Term Loan-I	20 Qtly. Installments from October, 2013	Base rate + 2%	26.80	**Primary Security** Hypothecation of machinery purchased out of term loan. **Collateral Security:-** Note 3	Non payment of interest/installment on the due date will attract penal interest @ 2% p.a on the overdue interest/installment. Prepayment on the terms and conditions acceptable to Bank of India.
2.	Bank of India	4.99	2.06	Term Loan-II	60 Monthly Installments from January, 2014	Base rate + 2%	11.20	**Primary Security** Hypothecation of land and plant/machineries **Collateral Security:-** Note 3	
3.	Bank of India	4.99	10.01	Term Loan-III	60 Monthly Installments from 30/01/2015	**For Transport Vehicles-** Base rate + 0.5% **For Machineries-** Base rate + 2%	19.20	**Primary Security** Hypothecation of machinery/vehicles to be purchased. **Collateral Security:-** Note 3	
4.	HDFC Bank Ltd	17.54	49.12	Term Loan	48 Monthly Installments From 06/09/2016	Libor+ 1.25%	70.00	**Primary Security** Hypothecation by way of first and exclusive charges on Building, Plant & machinery	Non payment of interest/installment on the due date will attract penal

S.No.	Name of Lender	Outstanding as on December 31, 2016		Nature of Loan	Repayment Schedule	Rate of Interest	Sanction Limit	Securities offered	Re-Schedulement / Pre-Payment / Defaults & Penalties
		Current	Non-Current						
								worth for the proposed property. **Collateral Security:-** Note 4	interest @ 18% p.a on the overdue interest/installment. Prepayment on the terms and conditions acceptable to HDFC Bank Limited.
5.	Kotak Mahindra Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 04/03/2015	10.52%	1.36	Hypothecation Of Vehicles	--
6.	Kotak Mahindra Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 04/03/2015	10.52%	1.36	Hypothecation Of Vehicles	--
7.	Kotak Mahindra Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 04/03/2015	10.52%	1.36	Hypothecation Of Vehicles	--
8.	Kotak Mahindra Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 04/03/2015	10.52%	1.36	Hypothecation Of Vehicles	--
9.	Kotak Mahindra Bank Ltd	0.20	-	Vehicle Loan	23 Monthly Installments From 04/03/2015	10.05%	2.07	Hypothecation Of Vehicles	--

S.No.	Name of Lender	Outstanding as on December 31, 2016		Nature of Loan	Repayment Schedule	Rate of Interest	Sanction Limit	Securities offered	Re-Schedulement / Pre-Payment / Defaults & Penalties
		Current	Non-Current						
10.	HDFC Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 15/04/2015	10.05%	1.36	Hypothecation Of Vehicles	--
11.	HDFC Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 15/04/2015	10.05%	1.36	Hypothecation Of Vehicles	--
12.	HDFC Bank Ltd	0.68	0.87	Vehicle Loan	36 Monthly Installments From 05/08/2016	9.33%	1.76	Hypothecation Of Vehicles	--
13.	HDFC Bank Ltd	0.68	0.87	Vehicle Loan	36 Monthly Installments From 05/08/2016	9.33%	1.76	Hypothecation Of Vehicles	--
14.	HDFC Bank Ltd	0.68	0.86	Vehicle Loan	36 Monthly Installments From 05/08/2016	9.33%	1.76	Hypothecation Of Vehicles	--
15.	HDFC Bank Ltd	0.68	0.86	Vehicle Loan	36 Monthly Installments From 05/08/2016	9.33%	1.76	Hypothecation Of Vehicles	--
16.	HDFC Bank Ltd	0.85	1.10	Vehicle Loan	36 Monthly Installments From 20/08/2016	9.3%	2.23	Hypothecation Of Vehicles	--
17.	HDFC Bank Ltd	0.85	1.11	Vehicle Loan	36 Monthly Installments From 20/08/2016	9.3%	2.23	Hypothecation Of Vehicles	--
18.	HDFC Bank Ltd	0.85	1.11	Vehicle Loan	36 Monthly Installments	9.3%	2.23	Hypothecation Of Vehicles	--

S.No.	Name of Lender	Outstanding as on December 31, 2016		Nature of Loan	Repayment Schedule	Rate of Interest	Sanction Limit	Securities offered	Re-Schedulement / Pre-Payment / Defaults & Penalties
		Current	Non-Current						
					From 20/08/2016				
19.	HDFC Bank Ltd	0.85	1.11	Vehicle Loan	36 Monthly Installments From 20/08/2016	9.3%	2.23	Hypothecation Of Vehicles	--
20.	HDFC Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 15/04/2015	10%	1.36	Hypothecation Of Vehicles	--
21.	HDFC Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 15/04/2015	10%	1.36	Hypothecation Of Vehicles	--
22.	HDFC Bank Ltd	0.13	-	Vehicle Loan	23 Monthly Installments From 15/04/2015	10%	1.36	Hypothecation Of Vehicles	--
23.	Loan from LIC		109.29	Loan Against fully paid up policies	At the time of maturity of policy	10%	109.29	Secured against Policy.	NA.
24.	Karuturi Subrahmanya Choudary	-	14.00	Un-secured Loan	Not Applicable.	NIL	N.A	NIL	NA.
25.	Karuturi SatyanarayanaMurthy	-	19.00	Un-secured loan	Not applicable.	NIL	N.A.	NIL	NA.
26.	Karuturi Neelima Devi	-	1.00	Unsecured Loan	Not applicable	NIL	N.A.	NIL	N.A.

3. Collateral Security for Bank of India Loan as per Sanction letter

a. Equitable mortgage of residential house at Door No-2, Sarada Street, Srinagar, Kakinada in the name of Mr. Karuturi Satyanaryana Murthy, Managing Director of the company and one of the guarantors.
b. Equitable mortgage of 477.20 sq yards land & building thereon at D No: 7-30, Seetharampuram Sivaru, Tallarevu Mandel in the name of Mr. Karuturi Satyanaryana Murthy, Managing Director of the company and one of the guarantors.
c. Equitable mortgage of 12 acers of Agricultural Land at S No: 273,274&275, S.Yanam village, Uppalaguptham Mandal, East Godavari District, in the name of Smt K Padmavathi, Director of the company and one of the guarantors.
d. Factory land and building and plant and machinery shown as principal security for the term loan have been obtained as collateral security for the Working Capital limit.

4. **Collateral Security for HDFC Bank Term Loan as per the Sanction letter**

a. Equitable mortgage of the self occupied below mentioned property worth Rs 774 Lakhs, being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd.
   Property situated near D: N0- 2-56, R.S No: 389/1, Korangi Village& panchayat, tallarevu Mandal, East Godavari-533461

Annexure IX: Restated Standalone Summary Statement of Deferred Tax Liability

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liability					
Difference between Income tax depreciation and Company's act	7.56	10.90	8.50	(3.00)	-
Deferred Tax Asset					
On account of Provision for Gratuity	(0.86)	(0.56)	(0.40)	(0.23)	(0.08)
Total	**6.70**	**10.34**	**8.10**	**(3.23)**	**(0.08)**

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 XXXIV.

Annexure X: Restated Standalone Summary Statement of Long Term Provisions

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Gratuity	2.51	1.65	1.19	0.68	0.24
Total	**2.51**	**1.65**	**1.19**	**0.68**	**0.24**

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 XXXIV.

Annexure XI: Restated Standalone Summary Statement of Short Term Borrowings

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Secured					
Working Capital Loans from					
-Bank of India	678.70	641.84	777.08	625.50	548.10
-HDFC Bank	125.04	-	-	-	-
Total	**803.74**	**641.84**	**777.08**	**625.50**	**548.10**

Terms of Repayment of Short Term Borrowings

S. No.	Name of Lender	Outstanding as on 31/12/2016		Nature of Loan	Repayment Schedule	Rate of Interest	Sanction Limit	Securities offered	Re-Schedulement / Pre-Payment / Defaults & Penalties
		Current	Non-Current						
1.	Bank of India	678.70	-	Working Capital	On Demand	Base Rate + 0.5%	700.00	**Primary Security** Hypothecation of stocks of Shrimps. **Collateral Security:-** Equitable mortgage of residential house at Door No-2, Sarada Street, Srinagar, Kakinada in the name of Mr. Karuturi Satyanaryana Murthy, Managing Director of the company and one of the guarantors. Equitable mortgage of 477.20 sq yards land & building thereon at D No: 7-30, Seetharampuram Sivaru, Tallarevu Mandel in the name of Mr. Karuturi Satyanaryana Murthy, Managing Director of the company and one of the guarantors. Equitable mortgage of 12 acers of Agricultural Land at S No: 273,274&275, S.Yanam village, Uppalaguptham Mandal, East	Non payment of interest/installment on the due date will attract penal interest @ 2% p.a on the overdue interest/installment. Prepayment on the terms and conditions acceptable to Bank of India.

								Godavari District, in the name of Smt Karuturi Padmavathi, Director of the company and one of the guarantors. Factory land and building and plant and machinery shown as principal security for the term loan have been obtained as collateral security for the Working Capital limit.	
2.	HDFC	125.04	-	Working Capital	On Demand	LIBOR +1.25%	200.00	**Primary Security** Hypothecation by way of first and exclusive charges on all present & future current assets inclusive of Stocks & book debts. **Collateral Security:-** Equitable mortgage of the self occupied below mentioned propery worth Rs 774 Lakhs, being offered as collateral in a form and manner satisfactory to HDFC Bank Ltd. Property situated near D: N0- 2-56, R.S No: 389/1, Korangi Village& panchayat, tallarevu Mandal, East Godavari-533461	Non payment of interest/installment on the due date will attract penal interest @ 18% p.a on the overdue interest/installment. Prepayment on the terms and conditions acceptable to HDFC Bank 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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.

Annexure XII: Restated Standalone Summary Statement of Trade Payables

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Dues to					
Micro enterprises and small enterprises	-	-	-	-	-
Creditors other than micro enterprises and small enterprises	185.25	161.35	114.83	162.62	54.79
Total	**185.25**	**161.35**	**114.83**	**162.62**	**54.79**

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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.
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

Annexure XIII: Restated Standalone Summary Statement of Other Current Liabilities

(₹in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Current maturity of Long Term Debt	45.73	31.41	32.85	14.46	13.99
Other Liabilities	-	-	2.41	15.05	-
Total	**45.73**	**31.41**	**35.26**	**29.51**	**13.99**

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 XXXIV.

Annexure XIV: Restated Standalone Summary Statement of Short Term Provisions

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision for Taxation (Net of Advance Tax)	8.82	26.66	7.56	35.00	6.72
Other Provisions	90.62	43.09	53.81	29.01	8.83
Total	**99.44**	**69.75**	**61.37**	**64.01**	**15.55**

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 XXXIV.

Annexure XV: Restated Standalone Summary Statement of Fixed Assets

From April 1, 2016 to December 31, 2016

(₹ in Million)

Particulars	Gross Block:				Accumulated Depreciation				Net Block	
	As at April 1, 2016	Additions	Disposals	As at December 31, 2016	As at April 1, 2016	For the year	Disposals	As at December 31, 2016	As at December 31, 2016	As at March 31, 2016
Land	133.20	27.65	-	160.85	-	-	-	-	160.85	133.20
Factory Buildings	39.78	72.63	-	112.41	5.51	2.19	-	7.71	104.71	34.27
Building Other than Factory Building	12.06	15.93	-	27.99	0.75	0.16	-	0.91	27.08	11.31
Plant & Machinery	336.96	92.32	-	429.28	74.13	28.38	-	102.51	326.77	262.84
Computers	1.26	0.17	-	1.42	0.59	0.23	-	0.82	0.60	0.66
Furniture & Fixtures	57.68	5.00	-	62.67	10.18	4.16	-	14.35	48.32	47.48
Vehicles	94.95	22.50	0.01	117.45	32.89	10.51	-	43.40	74.04	62.06
Capital Work-in-Progress	79.97	-	79.97	-	-	-	-	-	-	79.97
Total	**755.85**	**236.20**	**79.98**	**912.06**	**124.05**	**45.64**	**-**	**169.70**	**742.37**	**631.79**

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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.

From April 1, 2015 to March 31, 2016

(₹ in Million)

Particulars	Gross Block:				Depreciation				Net Block:	
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	For the year	For the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Land	123.21	9.98	-	133.20	-	-	-	-	133.20	123.21
Factory Buildings	39.78	-	-	39.78	4.04	1.47	-	5.51	34.27	35.74
Building Other than Factory Building	12.06	-	-	12.06	0.56	0.19	-	0.75	11.31	11.50
Plant & Machinery	286.02	50.94	-	336.96	44.44	29.69	-	74.13	262.84	241.59
Computers	0.74	0.51	-	1.26	0.35	0.24	-	0.59	0.66	0.40
Furniture & Fixtures	51.54	6.14	-	57.68	4.73	5.46	-	10.18	47.48	46.80
Vehicles	85.60	12.61	3.26	94.95	22.20	12.22	1.53	32.89	62.06	63.40
Capital Work-in-Progress	-	79.97	-	79.97	-	-	-	-	79.97	-
Total	**598.95**	**160.16**	**3.26**	**755.85**	**76.31**	**49.27**	**1.53**	**124.05**	**631.79**	**522.64**

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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.

From April 1, 2014 to March 31, 2015

(₹ in Million)

Particulars	Gross block				Depreciation							Net block	
	As at April 1, 2014	Additions	Disposals	As at March 31, 2015	As at April 1, 2014	Reversal	SLM for the year	Net Depreciation	Deductions	Retained earnings	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Land	118.48	4.74	-	123.21	-	-	-	-	-	-	-	123.21	118.48
Factory Buildings	39.78	-	-	39.78	7.45	4.88	1.47	(3.41)	-	-	4.04	35.74	32.33
Building Other than Factory Building	12.06	-	-	12.06	1.11	0.74	0.19	(0.55)	-	-	0.56	11.50	10.95
Plant & Machinery	205.02	79.88	-	284.90	34.81	21.65	31.17	9.52	-	-	44.21	240.69	170.21
Computers	0.42	0.33	-	0.74	0.18	0.10	0.24	0.14	-	0.10	0.32	0.32	0.24
Furniture & Fixtures	26.42	25.17	-	51.58	2.62	1.68	3.05	1.37	-	0.24	3.99	47.35	23.79
Vehicles	70.89	15.83	0.04	86.68	24.31	13.15	10.09	(3.06)	0.18	1.78	21.06	63.83	46.58
Total	**473.05**	**125.94**	**0.04**	**598.95**	**70.47**	**42.19**	**46.22**	**4.03**	**0.18**	**2.13**	**74.19**	**522.64**	**402.58**

Note:-

1) Effective from 1st April 2014, the Company with retrospective effect has changed the method of providing depreciation on the fixed assets from Written down value method to straight line method based on the Useful life provided in Schedule II of Companies Act, 2013 for more appropriate presentation. For the assets for which the useful life has been completed, the Written down value of such assets has been adjusted against the retained earnings in accordance with the transitional provisions.

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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXIV.

From April 1, 2013 to March 31, 2014

(₹ in Million)

Particulars	Gross Block:				Depreciation				Net Block:	
	As at April 1, 2013	Additions	Disposals	As at March 31, 2014	As at April 1, 2013	For the year	Disposals	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land	72.48	45.99	-	118.48	-	-	-	-	118.48	72.48
Factory Buildings	39.78	-	-	39.78	3.86	3.59	-	7.45	32.33	35.92
Building Otherthan Factory Building	11.82	0.24	-	12.06	0.54	0.57	-	1.11	10.95	11.28
Plant & Machinery	108.08	96.95	-	205.02	9.49	25.32	-	34.81	170.21	98.59
Computers	0.23	0.19	-	0.42	0.08	0.10	-	0.18	0.24	0.15
Furniture & Fixtures	9.88	16.54	-	26.41	0.55	2.07	-	2.62	23.79	9.34
Vehicles	47.15	24.66	0.92	70.89	10.85	13.45	-	24.31	46.58	36.30
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
Grand Total	**289.40**	**184.57**	**0.92**	**473.05**	**25.36**	**45.10**	**-**	**70.47**	**402.58**	**264.05**

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 XXXIV.

Annexure XVI: Restated Standalone Summary Statement of Other Non-Current Assets

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
TDS Receivables	-	0.50	0.50	0.80	1.19
Other Advances	12.93	-	-	-	11.77
Total	**12.93**	**0.50**	**0.50**	**0.80**	**12.96**

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 XXXIV.

Annexure XVII: Restated Standalone Summary Statement of Inventories

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Value at lower cost or Net realizable Value					
Raw Materials	-	-	-	-	-
Work-in-progress	110.24	98.81	65.35	-	-
Finished goods	592.61	481.30	424.64	496.96	215.85
Stores & Spares	15.20	15.76	13.00	8.46	2.64
Total	**718.05**	**595.87**	**502.99**	**505.42**	**218.49**

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 XXXIV.

Annexure XVIII: Restated Standalone Summary Statement of Trade Receivables

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(Unsecured considered good unless otherwise stated)					
Dues Outstanding					
More than six months	-	-	-	-	-
Others	706.77	414.62	502.12	339.63	363.27
Total	**706.77**	**414.62**	**502.12**	**339.63**	**363.27**

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 XXXIV.

Annexure XIX: Restated Standalone Summary Statement of Cash and Bank balances

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Cash in Hand	3.03	6.97	2.22	4.68	0.77
Balances with Banks:					
On Current Accounts	6.96	4.16	6.98	1.84	1.63
Sub-Total	**9.99**	**11.13**	**9.20**	**6.52**	**2.40**
Margin Deposits	19.70	7.18	6.70	27.44	35.51
Total	**29.69**	**18.31**	**15.90**	**33.96**	**37.91**

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 XXXIV.

Annexure XX: Restated Standalone Summary Statement of Short Term Loans and Advances

(₹ in Million)

Particulars	As at December 31st, 2016	As at March 31st, 2016	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2013
Advances to Employees	9.30	7.92	1.92	1.18	1.09
Deposits and Other Receivables	35.95	13.86	6.79	-	19.78
Advances to Farms & Others	25.06	105.01	98.53	121.06	23.81
Advance for Capital Goods	-	-	-	-	2.18
Total	**70.31**	**126.79**	**107.24**	**122.24**	**46.86**

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 XXXIV.

Annexure XXI: Restated Standalone Summary Statement of Revenue from Operations

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Sales of Products	5055.84	5,745.13	5,718.43	4,954.19	2,520.70
Export Benefits (Net)	295.21	290.14	275.15	188.41	32.01
Total Revenue From operations	**5,351.05**	**6,035.27**	**5,993.58**	**5,142.60**	**2,552.71**

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 XXXIV.

Annexure XXII: Restated Standalone Summary statement of Other Income

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013	Nature	Related/ Not Related to Business activity
Profit on Sale of Fixed Assets	-	0.16	0.55	0.25	-	Non-Recurring	Not related
Foreign Exchange Fluctuation	59.80	46.34	46.72	-	-	Recurring	Related
Interest Received	0.88	0.89	2.84	2.85	2.12	Recurring	Not Related
Total Other Income	**60.68**	**47.39**	**50.11**	**3.10**	**2.12**		

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 XXXIV.

Annexure XXIII A : Restated Standalone Summary Statement of Cost of Material Consumed

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Raw Material:					
Opening Stock:	-	-	-	-	-
Add: Purchases	3,702.67	4039.62	4,427.18	4,025.20	1,929.08
In house Shrimp Production Cost.	512.93	563.62	322.66	147.13	23.58
Less: Closing Stock	-	-	-	-	-
Total Material Consumed	**4,215.60**	**4,603.24**	**4,749.84**	**4,172.33**	**1,952.66**

Annexure XXIII B: Restated Standalone Summary Statement of Stores and Spares Purchased **(₹ in Million)**

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Stores and Spares Purchased	132.16	164.18	137.37	127.33	86.01
Total	**132.16**	**164.18**	**137.37**	**127.33**	**86.01**

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 XXXIV

Annexure XXIV: Restated Standalone Summary Statement of Changes in Inventory

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
OPENING STOCKS					
Work-in-Progress	98.81	65.35	-	-	-
Finished Goods	481.30	424.64	496.96	215.85	70.12
Stores & Spares	15.76	13.00	8.46	2.64	4.49
Total	**595.87**	**502.99**	**505.42**	**218.49**	**74.61**
Closing Stocks					
Work-in-Progress	110.24	98.81	65.35	-	-
Finished Goods	592.61	481.30	424.64	496.96	215.85
Stores & Spares	15.20	15.76	13.00	8.46	2.64
Total	**718.05**	**595.87**	**502.99**	**505.42**	**218.49**
Increase / Decrease in Stocks	**(122.18)**	**(92.88)**	**2.43**	**(286.93)**	**(143.88)**

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 XXXIV.

Annexure XXV: Restated Standalone Summary Statement of Manufacturing Expenses

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Inward Transport Charges	57.98	51.31	44.04	37.26	23.91
Purchase Expenses	6.88	5.80	4.74	3.34	2.84
Electricity Charges	49.63	64.49	55.56	45.32	25.45
Generator Diesel & Maintenance	6.00	1.96	11.35	13.43	11.83
Repairs& Other Maintenance	6.12	5.78	6.33	3.56	3.40
Ice Purchase	11.47	7.82	6.24	4.49	3.29
Wages	73.56	70.79	62.72	44.19	-
Plant Maintenance	70.68	66.74	59.13	33.75	44.45
Machinery Maintenance	5.22	7.83	4.78	4.64	5.10
Freezing & Storage Expenses	4.02	5.44	-	21.27	12.51
Uniform Expenses	1.87	1.49	1.14	0.98	1.02
Water Charges	0.70	0.71	0.57	0.55	0.40
Rents	0.87	0.84	0.61	0.39	0.62
Sample Testing Expenses	4.94	3.25	1.54	8.29	4.61
Security Expenses	2.88	2.58	0.21	2.18	1.66
Processing Charges	82.40	106.49	9.96	0.75	9.28
Lab Maintenance	1.61	2.22	1.03	0.80	1.01
Total	**386.83**	**405.54**	**269.95**	**225.19**	**151.38**

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 XXXIV.

Annexure XXVI: Restated Standalone Summary Statement of Employee Benefits and Expenses

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Director's Remuneration	39.08	55.00	55.00	51.60	50.00
Salaries , Wages & Other Benefits	74.53	72.89	46.35	49.18	31.76
Staff Welfare Expenses	5.37	5.92	6.42	6.35	3.20
Employee and Employer's Insurance Scheme	76.96	92.94	145.99	116.04	16.01
Contribution to Funds	6.73	5.59	3.80	2.85	3.17
Gratuity	0.86	0.46	0.51	0.44	0.24
Total	**203.53**	**232.80**	**258.07**	**226.46**	**104.38**

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 XXXIV.

Annexure XXVII: Restated Standalone Summary Statement of Finance Cost

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Interest on Term Loan	4.71	7.14	7.64	2.03	0.99
Interest on Working Capital	58.72	82.07	76.50	62.21	46.60
Interest on Others	13.88	6.44	4.94	9.86	2.51
Bank Charges	10.74	8.47	7.06	5.40	5.91
Total	**88.05**	**104.12**	**96.14**	**79.50**	**56.01**

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 XXXIV.

Annexure XXVIII: Restated Standalone Summary Statement of Other expenses

(₹ in Million)

Particulars	Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Rates & Taxes	19.65	18.88	15.08	16.88	12.80
Export Expenses	123.99	224.02	165.80	282.54	98.77
Survey Charges	1.80	1.89	1.66	1.29	1.08
Loading & Unloading Charges	2.00	2.95	2.38	1.35	0.96
Commission	2.71	3.39	1.96	0.16	1.37
Business promotion expenses	4.00	3.31	1.17	0.30	0.83
Vehicle Maintenance	9.75	14.26	13.77	11.05	6.71
Trailer Transport Charges	-	-	-	4.03	2.80
Printing & Stationery	1.86	2.04	0.67	0.77	0.57
Computer Maintenance	0.39	0.30	0.26	0.17	0.17
Travelling & Conveyance	4.01	5.78	3.09	1.83	2.42
Consultancy & Certification Fee	6.99	6.70	4.50	1.59	4.73
Statutory & Tax Audit Fee	0.45	0.60	0.07	0.05	0.05
Duty Review Fees	0.00	1.55	0.26	1.91	4.23
Telephones	1.61	1.38	0.68	0.64	0.70
Membership & Subscriptions	1.86	1.17	0.02	3.96	1.32
Bad debts written-off	-	-	0.17	0.20	17.32
Foreign exchange fluctuation	-	-	-	-	4.28
Insurance Premium	33.22	24.03	32.25	19.04	16.86
Other Expenses	0.54	2.20	0.46	5.06	2.15
Total	**214.83**	**314.45**	**244.25**	**352.82**	**180.12**

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 XXXIV.

Annexure XXIX: Standalone Summary Statement of Dividend

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company. No dividends have been declared and paid by our Company since inception.

Annexure XXX A: Restated Standalone Summary Statement of List of Related Parties

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a) Enterprises in which Company / Key Management personnel / Directors have significant influence	Karutturi Global Exports Private Limited	Karutturi Global Exports Private Limited	Karutturi Global Exports Private Limited	Karutturi Global Exports Private Limited	Karutturi Global Exports Private Limited
	-	Vandana Aqua Exports Private Limited (Note-1)	Vandana Aqua Exports Private Limited(Note-1)	Vandana Aqua Exports Private Limited(Note-1)	Vandana Aqua Exports Private Limited(Note-1)
b) Key Managerial Personnel	Karuturi Satyanarayana Murthy	Karuturi Satyanarayana Murthy	Karuturi Satyanarayana Murthy	Karuturi Satyanarayana Murthy	Karuturi Satyanarayana Murthy
	Karuturi Subrahmanya Chowdary	Karuturi Subrahmanya Chowdary	Karuturi Subrahmanya Chowdary	Karuturi Subrahmanya Chowdary	Karuturi Subrahmanya Chowdary
	Karuturi Neelima Devi	Karuturi Neelima Devi	Karuturi Neelima Devi	Karuturi Neelima Devi	-
	Karuturi Padmavathi	Karuturi Padmavathi	Karuturi Padmavathi	Karuturi Padmavathi	Karuturi Padmavathi
	Sarojini samayamantula (Company Secretary)	-	-	-	-

Note :

Karuturi Subrahmanya Chowdary was disassociated from Vandana Aqua Exports Private Limited w.e.f December 24th, 2016.

Annexure XXX B: Restated Standalone Summary Statement of Transactions with Related Parties

(₹ in Million)

Particulars						
Name of the Party	**Nature of transaction**	**Nine Months Ended December 31,2016**	**Year Ended March 31,2016**	**Year Ended March 31,2015**	**Year Ended March 31,2014**	**Year Ended March 31,2013**
1. Karuturi Satyanarayana Murthy	Remuneration	14.01	20.00	20.00	20.00	20.00
	Unsecured loan repayment	-	-	2.90	-	44.63
	Unsecured loan received	19.00	-	-	0.03	1.25
2. Karuturi Subrahmanya Chowdary	Remuneration	14.01	20.00	20.00	20.00	20.00
	Unsecured loan repayment	-	-	27.19	-	15.76
	Unsecured loan received	-	14.00	-	3.11	5.78
3. Karuturi Padmavathi	Remuneration	7.19	10.00	10.00	10.00	10.00
	Unsecured loan repayment	19.00	-	16.68	-	18.12
	Unsecured loan received	-	19.00	-	1.62	2.35
4. Karuturi Neelima Devi	Remuneration	3.87	5.00	5.00	1.58	-
	Unsecured loan repayment	1.00	-	0.59	-	-
	Unsecured loan received	-	5.00	-	-	-

Annexure XXX C: Restated Standalone Summary statement of outstanding balances with Related Parties

(₹ in Million)

Particulars		Nine Months Ended December 31,2016	Year Ended March 31,2016	Year Ended March 31,2015	Year Ended March 31,2014	Year Ended March 31,2013
Name of the Party	**Nature of transaction**					
1. Karuturi Satyanarayana Murthy	Remuneration Payable	8.80	1.27	0.64	-	-
	Un-secured Loan Payable	19.00	-	-	9.21	-
2. Karuturi Subrahmanya Chowdary	Remuneration Payable	11.56	6.23	14.05	0.66	-
	Un-secured Loan payable	14.00	14	-	21.19	18.07
3.Karuturi Padmavathi	Remuneration Payable	4.96	0.46	19.97	6.51	-
	Un-secured Loan payable	-	19	-	16.68	15.05
4. Karuturi Neelima Devi	Remuneration Payable	4.05	1.52	5.29	1.27	-
	Un-secured Loan payable	1.00	5	-	0.59	-

Annexure XXXI: Restated Standalone Summary Statement of Other Notes

a) Contingent Liability and Capital Commitments

(₹ in Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
d. Bank Guarantee	0.50	0.50	0.50	-	-
e. Export Obligations (Pending Obligations against EPCG License)	249.98	132.60	-	-	-
f. Letters of Credit	64.53	5.37	5.37	-	-
Total	**315.01**	**138.47**	**5.87**	**-**	**-**

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 XXXVI.

b) Segment Reporting

a) Business segment:- The Company has considered business segment as the primary segment as it is primarily engaged in the business of export of shrimp. Accordingly in the context of Accounting Standard 17 "Segment Reporting" Export of Shrimp is considered as only Business segment.

b) Geographical segment: -The Company exports its products mainly to The United States of America where the conditions prevailing are uniform. Since the sales to other than The United States of America are below the threshold limit, no separate geographical segment disclosure is considered necessary.

Annexure XXXII: Restated Standalone Summary Statement of Accounting Ratios.

(₹ in Million)

Particulars		**As at December 31, 2016**	**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	916.33	752.63	559.83	378.39	244.15
`Profit / (Loss) After Tax as restated as per Restated Standalone Summary Statement of profit and loss	B	163.70	192.80	183.57	134.24	94.15
Weighted average number of equity shares outstanding during the period / year considered for calculating basic earnings per share (Refer Note 4 & 5)	C	24,000,000	24,000,000	24,000,000	24,000,000	21,393,151
Earning per share of Rs 10 each Basic / Diluted earning Per Share (₹)* (Refer Note 6)	D= B/C	**6.82**	**8.03**	**7.65**	**5.59**	**4.40**
Return on Net Worth (%)	E=B/A	17.86	25.62	32.79	35.48	38.56
No of Shares outstanding at the end of the period / year (Refer Note 5)	F	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
Net Asset Value Per Share (₹)	G=A/F	**38.18**	**31.36**	**23.33**	**15.77**	**10.17**

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 and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

b) Net Assets Value (NAV)

$$\frac{\text{Net worth, as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

c) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year / period, attributable to equity shareholders}}{\text{Net worth, as restated, at the end of the year / period}}$$

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 has been adjusted with the Bonus shares issued during the period 29th September, 2013 and 10th December, 2014.

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 annexures to the restated standalone summary statements appearing from Annexure VI to Annexure XXXVI.

Annexure XXXIII: Restated Standalone Statement of Capitalization

(₹ in Million)

Particulars	Pre Issue as at December 31, 2016	Post Issue*
Debts:		
Short term debts(A)	803.74	[●]
Long term debts (B)	266.15	[●]
Total Debts(C=A+B)	**1069.89**	[●]
Shareholders' Funds		
Share Capital(D)	240.00	[●]
Reserves as restated(E)	676.33	[●]
Total Shareholders' Funds(F = D+E)	**916.33**	[●]
Total debts / Total Shareholders' funds**(C/F)**	1.17	[●]
Long term debts / Total Share holders funds**(B/F)**	0.29	[●]

Shareholders fund post issue can be calculated only on the conclusion of the book building process.

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of Assets and Liabilities of the Company
2. Long Term borrowings is considered as borrowing other than short term borrowing, as defined above but includes the current maturities of long term borrowings.
3. 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.

Annexure XXXIV: Restated Standalone Statement of Tax Shelter

(₹ in Million)

	Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A	Profit Before Tax As Per Restated P&L	247.27	301.94	281.62	203.90	142.79
B	Normal Corporate Tax Rates	34.61%	34.61%	33.99%	33.99%	32.45%
	Minimum Alternate Tax Rates	21.34%	21.34%	20.96%	20.96%	20.96%
C	Tax thereon at the above rates	85.57	104.50	95.72	69.31	46.33
D	**Permanent Differences**					
	Expenses disallowed under Income Tax Act					
	Donation	-	-	-	0.29	-
	Interest on TDS	-	0.12	-	-	-
	Interest on Income Tax	3.15	-	-	0.75	-
	Profit on sale of assets	-	-	(0.55)	-	-
	Penalty / Fine	-	0.73	-	-	0.68
	Total (D)	**3.15**	**0.85**	**(0.55)**	**1.04**	**0.68**
E	**Timing Differences**					
	Difference in Book Depreciation and Depreciation under Income Tax Act	(9.67)	(6.94)	(47.26)	3.62	5.32
	Deduction U/s. 35 (1) (ii)	-	0	0.64	0	0
	Total (E)	**(9.67)**	**(6.94)**	**(46.62)**	**3.62**	**5.32**
F	**Net Adjustments (D+E)**	**(6.52)**	**(6.09)**	**(47.17)**	**4.66**	**6.00**
G	**Tax Expenses thereon**	**(2.26)**	**(2.11)**	**(16.03)**	**1.58**	**1.95**
I	**Tax Payable under normal provisions (C+G)**		**102.39**	**79.69**	**70.89**	**48.27**
J	**Tax Payable under MAT**	**52.77**	**64.44**	**59.03**	**42.74**	**29.93**
K	**Total tax on Profit (higher of I,J)**	83.32	102.39	79.69	70.89	48.27
L	**Current tax impact on restatement Adjustment**	**-**	0.33	4.94	1.93	0.45
	Total Tax on Profit as per restated Summary Statement of Profit & loss	**83.32**	**102.72**	**84.63**	**72.82**	**48.72**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations are based on, and should be read in conjunction with our Restated Financial Statements, prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Information" beginning on page 172 of this DRHP.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP 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. Accordingly, the degree to which the Restated Financial Information in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India depends entirely on such potential investor's level of familiarity with Indian accounting practices. This discussion also contains certain forward-looking statements and reflects our management's current views with respect to future events and our financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Draft Red Herring Prospectus.

In this section, a reference to the "Company", "we", "us", or "our" means Apex Frozen Foods Limited. Our Company was incorporated on March 30, 2012 by converting the partnership firm Apex Exports. Unless otherwise indicated, the financial information included herein is based on the Restated Standalone Financial Statements as at and for the Fiscals 2013, 2014, 2015 and 2016, and as at and for the nine months ended December 31, 2016.

OVERVIEW

Our Company is one of the integrated producer and exporter of shelf stable quality aquaculture products. We supply our ready-to-cook products to a diversified customer base consisting of food companies, retail chains, restaurants, club stores and distributors spread across the developed markets of USA, UK and various European countries. Our output majorly comprises of variants of processed Vannamei shrimp (White shrimp) and are sold under the brands owned by our customers and also through our brands namely Bay fresh, Bay Harvest and BayPremium. We strategically focus on the market of USA, which is the largest importer of aquaculture products in the world (Source- Crisil Report). Our integrated operations comprise of hatchery, farming, pre-processing, processing and exporting of aquaculture products. Our products and processes comply with stringent quality standards set by the developed markets we serve.

Our Company operates out of Andhra Pradesh, which is the most favourable state in India for aquaculture business. Our integrated operations span across our hatchery and farming on 1032 acres of land and currently processing of approximately over 9,240 MTPA of finished products at our facility located at Kakinada. Our facility is approved by the Export Inspection Council for export to all countries excluding Australia and Custom Union. Our facility is also certified with BRC Food Grade, Best Aqua Culture Practices, HACCP and ASC.

For over two decades, our promoters have been associated with aquaculture business in Andhra Pradesh. Our Company leased a shrimp processing facility and commenced operations in the year 1995 after which we set-up our own shrimp processing facility in the year 2004.

We commenced our export business since our inception as a partnership firm in the year 1995. We have grown at a CAGR of 33.53% over the last four years aided by rising demand for aquaculture products globally especially from USA and European Union, favourable state policies, and shifting of seafood processing activities by south-east Asian countries to India.

Our processing facility is located at Kakinada, Andhra Pradesh with a capacity to process approximately over 9,240 MTPA of finished products and an additional pre-processing and processing arrangement at a facility owned by Royale Marine Impex Private Limited located at Bapatla, Andhra Pradesh, for a capacity to process around 3,000 MTPA of finished products. The processing facilities are supplemented by cold storage facilities located at Kakinada and Bapatla. Along with this, to further assuage our operations, we have our own fleet of vehicles with freezing capabilities.

Our Company has a leased hatchery facility with Satyadev Marine Foods for three years starting from October 10, 2016 to October 10, 2019 for lease of the shrimp hatchery owned by Satyadev Marine Foods in Annayyapeta.

Our Company also owns a hatchery located at Kancheru Revenue area, Chepalakancheru Gram Panchayat, Bhogapuram Mandal, Vijayanagaram District.

Our Company's total cultivable shrimp farming land as on the date of this DRHP is 1,032 acres with 105.78 acres of owned land and 926.22 acres of leased land. Our farms are located at different parts of Andhra Pradesh. Our farming operations are carried out through numerous cultivation ponds located at our farming lands. Further, we work with various associate farmers with whom we have a cordial relation. Such associate farmers harvests and cultivates the shrimp and supply us shrimp on a continuous basis. We co ordinate with the farmers to ensure that they are connected to the right supplier of shrimp feed and also due to our corporate connect we ensure that the farmers are able to procure the shrimp feed in a much competitive rate. We also provide our regular advise to the associate farmers regarding the modern technology, know how and innovative methods for them to adapt and inculcate. We believe that the stringent bio-security measures and on-site labs staffed with qualified personnel, at our hatchery and farms have yielded better quality shrimp output.

Significant factors affecting our results of operations and financial condition

Substantial portion of our revenues are derived from export of shrimp to the United States of America, United Kingdom and various countries of European Union. Any adverse developments or changes in these markets may adversely impact our business, financial condition and results of operations.

Our Company generates most of its revenues through export of shrimp to the customers located in United States of America, United Kingdom and various countries of European Union. For the year ended March 31, 2016, March 31, 2015 and March 31, 2014, our revenues from operations to United States of America constitutes 85.64%, 87.50% and 93.54% respectively and to United Kingdom and various countries of European Union constitutes 13.86%, 12.51% and 6.46% respectively.

Dependence on a limited number of customers for a significant portion of our revenues.

We currently generate a significant portion of our revenues from limited number of customers. For the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, our top three customers contributed ₹3292.8 million, ₹3,357.70 million, ₹29,78 .00 million and ₹2,336.90 million, comprising of 61.53%, 55.63%, 49.68% and 45.44% 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. These significant customers include Chicken of the Sea Frozen Foods (USA); Ocean World Ventures LLC (USA); Pacific Sea Food Group (USA), who in the aggregate contributed 61.53%, 54.37%, 42.16% and 27.09% of our total revenues for the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, respectively.

All our manufacturing facilities and procurement operations are concentrated in the State of Andhra Pradesh.

Our manufacturing facilities and procurement operations are located at Kakinada and Bapatla, Andhra Pradesh. Further, the new processing unit that is proposed to be set up from the proceeds of this Issue is located in the East Godavari District in Andhra Pradesh. Since our infrastructure, facilities and business operations are currently concentrated in the State of Andhra Pradesh region, any significant social, political or economic disruption, or natural calamities or civil disruptions in the State or surrounding regions may require us to incur significant capital expenditure, change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

Utilization Levels of our proposed processing unit

We believe that our expansion plans and our plans to invest in the proposed new Shrimp processing unit at East Godavari District, Andhra Pradesh is essential for us to remain competitive and to capitalize on the growth potential of our industry. Once our expansion plans are implemented and the facility becomes operational, we expect our expansion plans to provide us with additional capacity to handle larger volumes in new and existing geographies, and increaser our revenue earning capacity. The amount and timing of realizing revenue from our new and upcoming facilities depends on a number of factors, including the demand for our services at the new locations and our ability to complete the projects without cost overruns. Consequently, our results of operations will significantly depend on our ability optimally utilize our new and upcoming facilities in a timely and cost-efficient manner.

Foreign currency fluctuations

Our Restated Financial Information is presented in Indian Rupees. However, our revenues and operating expenses and finance charges are influenced by the currencies of those countries where we sell our products for example, the United States of America and Europe. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. Dollar and the Euro 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 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 variables impacting our business and results of operations during the same period. Moreover, we expect that our cost of borrowing as well as our cost of imported raw materials, imported stores and spares, overseas professional costs, freight and overseas warehousing costs incurred by us may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar or the Euro.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Our net foreign exchange gain for the nine month period ended December 31, 2016 is ₹59.80 million, ₹46.34 million and ₹46.72 million for the years ended March 31, 2016 and March 31, 2015 respectively.

For more details, see “Risk Factors” and “Our Business”, on pages 18 and 119 of this DRHP respectively.

Basis of preparation of our Restated Financial Information

Our Restated Financial Information has been prepared by applying the necessary adjustments to the audited financial statements of our Company. The Restated Financial Information is prepared on accrual basis, in accordance with Indian GAAP under the historical cost convention and comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable. The accounting policies have been consistently applied by us and are consistent with those used for the purpose of preparation of Restated Financial Information as at the nine month period ended December 31, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 Significant Accounting Policies of our Company.

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 straight line 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 for Nine months ended on 31st December, 2016.

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 profit and loss account as per AS 28. The impaired loss charged to profit and loss account 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 realisable 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 realisable value and Work-in-progress is valued at cost. Stores and packing materials are valued at cost.

Interest and Financial Charges

Documentation, Commitment and Service Charges other than for term loans are spread over the tenure of the finance facility.

Interest on Hire Purchase finance is charged to Profit and Loss Account as per AS 19 'leases' issued by ICAI.

Revenue Recognition

Income from sale of 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.

Interest Income is recognized on accrual basis

Turnover includes Sale proceeds from frozen shrimp, seed sale. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate of interest applicable.

Other Income

Other Income in the nature of Export incentives namely Duty Draw Back is recognized on accrual basis. To ensure prudency in accounting, MEIS is recognized on receipt basis.

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. Deferred tax asset over and above the liability accounted in earlier period is neither disclosed nor recognized in the books.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized till the month 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.

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 profit and loss account.

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).

Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the Lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss.

Bad-Debts

Bad-Debts are written off to profit and loss account 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 our Income and Expenditure

Revenue

Our revenue comprises of Revenue From Operations and Other Income.

Revenue from Operations: Our revenue from operations comprises of revenue from sale of products and revenue from export benefits (net).

Sale of products primarily include revenue from export of our aquaculture product, shrimps to Unites States of America, Europe region and to other countries under the brands Bay Fresh, Bay Harvest and Bay Premium.

Export Benefits (net) primarily include the export benefits like Duty Drawback received from the Government of India under the export promotion schemes like Duty Drawback Scheme and the Merchandise Exports from India Scheme (MEIS).

Other Income: Other income primarily includes recurring other income of foreign exchange fluctuation on account of exchange rate difference, interest received on fixed deposit and certain non-recurring income profit on sale of assets.

Expenses

Our expenses include cost of materials consumed, stores and spares purchased, changes in inventories of finished goods and work in progress, manufacturing expenses, employee benefits expenses, finance cost, depreciation and amortization expenses and other expenses.

Cost of Materials Consumed

Cost of Materials Consumed comprises of cost incurred towards purchase of unprocessed shrimps from farmers and the cost incurred towards own farming of shrimps and the net increase or decrease in raw material stock at the beginning of the year and end of the year.

Stores and Spares Purchased

Stores and spares purchased comprises of cost of cost incurred towards the chemicals, packing material and consumables.

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

Changes in inventories of work-in-progress and finished goods comprises of net increase or decrease in work in progress, finished goods and stores and spares at the beginning of the year and end of the year.

Manufacturing expenses

Manufacturing expenses primarily comprises of expenses incurred towards processing charges, wages, plant maintenance, inward transport charges, electricity charges and ice purchase.

Employee benefit expense

Employee benefit expenses primarily comprises of directors' remuneration, salaries, wages and other benefits, contribution to funds and Employee state insurance scheme, staff welfare expenses and gratuity.

Finance Cost

Finance cost primarily comprises of interest on term loans, interest on working capital, interest on other borrowings and other bank charges.

Depreciation and Amortization Expenses

Depreciation and amortization comprises of depreciation on tangible assets comprising of buildings, furniture and fixtures, plant and machinery, computers and vehicles.

Other expenses

Other expenses primarily comprises of cost incurred towards export expenses, insurance expenses, rates and taxes, vehicle maintenance, statutory and tax audit fee, consultancy and certification fee, travelling and conveyance.

Taxation

Current tax are income tax expenses calculated in accordance with tax regulations relevant to our business.

Deferred tax are the deferred tax expenses / (benefit) arising from the tax effects of timing differences between accounting and taxable income.

CSR Expenses

CSR expenses represent the corporate social responsibility expenditure incurred under section 135 of Companies Act, 2013.

Results of Operations (Restated Financial Statements)

The following table sets forth certain information with respect to our results of operations as per our Restated Financial Statements for the periods indicated:

Particulars	Nine Months ended December 30, 2016		Year Ended March 31, 2016		Year Ended March 31, 2015		Year Ended March 31, 2014	
	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 (%)
I. Revenue								
Revenue from operations	5,351.05	98.88%	6,035.27	99.22%	5,993.58	99.17%	5,142.60	99.94%
Other income	60.68	1.12%	47.39	0.78%	50.11	0.83%	3.1	0.06%
Total Revenue	**5,411.73**	**100.00%**	**6,082.66**	**100.0%**	**6,043.69**	**100.00%**	**5,145.70**	**100.00%**
II. Expenses								
Cost of material consumed	4,215.60	77.90%	4,603.24	75.68%	4,749.84	78.59%	4,172.33	81.08%
Stores and Spares Purchased	132.16	2.44%	164.18	2.70%	137.37	2.27%	127.33	2.47%
Changes in inventories of finished goods & work-in-progress	-122.18	-2.26%	-92.88	-1.53%	2.43	0.04%	-286.93	-5.58%
Manufacturing expenses	386.83	7.15%	405.54	6.67%	269.95	4.47%	225.19	4.38%
Employee benefit expenses	203.53	3.76%	232.8	3.83%	258.07	4.27%	226.46	4.40%
Finance cost	88.05	1.63%	104.12	1.71%	96.14	1.59%	79.5	1.54%
Depreciation and amortization expense	45.64	0.84%	49.27	0.81%	4.02	0.07%	45.1	0.88%
Other expenses	214.83	3.97%	314.45	5.17%	244.25	4.04%	352.81	6.86%
Total Expenses	**5,164.46**	**95.43%**	**5,780.72**	**95.04%**	**5,762.07**	**95.34%**	**4,941.79**	96.04%
Restated Profit before Exceptional Item and Tax	247.27	4.57%	301.94	4.96%	281.62	4.66%	203.9	3.96%
Exceptional Items	-	-	-	-	-	-	-	-
Restated Profit Before Tax	**247.27**	4.57%	**301.94**	4.96%	**281.62**	4.66%	**203.9**	3.96%
Current Tax	83.32	1.54%	102.72	1.69%	84.63	1.40%	72.82	1.42%
Deferred Tax	-3.65	-0.07%	2.24	0.04%	11.32	0.19%	-3.16	-0.06%
Profit After Tax	**167.6**	3.10%	**196.98**	3.24%	**185.67**	3.07%	**134.24**	2.61%
Less: CSR Expenses	3.9	0.07%	4.18	0.07%	2.1	0.03%	-	-
Restated Profit for the period / year	**163.7**	3.02%	**192.8**	3.17%	**183.57**	3.04%	**134.24**	2.61%

Nine Months ended December 31, 2016 (Restated Financial Statements)

Revenue

Our Company's total revenue for the nine months ended December 31, 2016, was ₹ 5,411.73 million.

For the nine months ended December 31, 2016, our Company's revenue from operations was ₹ 5,351.05 million and its other income was ₹ 60.68 million. Revenue from operations for the nine months ended December 31, 2016 comprises of Sales of Products and Export Benefits (net) amounting to ₹ 5,055.84 million and ₹ 295.21 million respectively. The other income for the nine months ended December 31, 2016 primarily comprises of foreign exchange fluctuations and interest received amounting to ₹ 59.80 million and ₹ 0.88 million respectively.

The following table sets forth certain information relating to the Company's revenues in the nine months ended December 31, 2016, as per the Restated Financial Statements:

(₹ in Million)

Particulars	**Nine months ended December 31, 2016**	
	Amount (In ₹)	**Percentage of Total revenue (%)**
Revenue From Operations		
Sales of Products	5,055.84	93.42
Export Benefits (Net)	295.21	5.46
Total	**5,351.05**	**98.88**
Other income		
Profit on Sale of Fixed Assets	-	-
Foreign Exchange Fluctuation	59.80	1.11
Interest Received	0.88	0.02
Total	**60.68**	**1.12**
Grand Total	**5,411.73**	**100%**

Expenses

Our Company's total expenses for the nine months ended December 31, 2016 was ₹ 5,164.46 million which primarily comprises of cost of material consumed amounting to ₹ 4,215.60 million, manufacturing expenses being ₹ 386.83 million representing 77.90% and 7.15% of our Company's total revenue respectively.

The following table sets forth certain information relating to the Company's expenditure for the nine months ended December 31, 2016, as per the Restated Financial Statements:

(` in Million)

Particulars	**Nine months ended December 31, 2016**	
	Amount (In ₹)	**Percentage of Total revenue (%)**
Expenses		
Cost of material consumed	4,215.60	77.90
Stores and Spares Purchased	132.16	2.44
Changes in inventories of finished goods & work-in-progress	(122.18)	(2.26)
Manufacturing expenses	386.83	7.15
Employee benefit expenses	203.53	3.76
Finance cost	88.05	1.63
Depreciation and amortization expense	45.64	0.84
Other expenses	214.83	3.97
Total Expenses	**5,164.46**	**95.43**

Cost of Materials Consumed

Our cost of material consumed for the nine months ended December 31, 2016 was ₹ 4,215.60 which comprises of purchase of raw material (shrimps) is ₹ 3,702.67 million and in house shrimp production cost on farming shrimps is ₹ 512.93 million.

Stores and Spares Purchased

Our stores and spares purchased for the nine months ended December 31, 2016 was ₹ 132.16 million.

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

Our changes in inventories of finished goods and work-in-progress for the nine months ended December 31, 2016 was ₹ (122.18) million was primarily on account of increase in inventory of finished goods and work in progress.

Manufacturing expenses

Our manufacturing expense for the nine months ended December 31, 2016 was ₹ 386.84 million which primarily comprises of processing charges ₹ 82.40 million, wages ₹ 73.56 million, plant maintenance ₹ 70.68 million and inward transportation charges ₹ 57.98 million.

Employee benefit expenses

Our employee benefit expenses for the for the nine months ended December 31, 2016 was ₹ 203.53 million which primarily comprises of salaries, wages and other benefits ₹ 74.53 million, Employee and Employer's Insurance scheme ₹ 76.96 million and directors remuneration ₹ 39.08 million.

Finance Cost

Our Finance cost for the nine months ended December 31, 2016 was ₹ 88.05 million which primarily comprises of interest on working capital ₹ 58.72 million, interest on others ₹ 13.88 million and bank charges ₹ 10.74 million.

Depreciation and Amortization Expenses

Our depreciation and amortization expense for the nine months ended December 31, 2016 was ₹ 45.64 million.

Other expenses

Our other expenses for the nine months ended December 31, 2016 was ₹ 214.83 million which primarily comprises of export expenses ₹ 123.99 million, insurance premium ₹ 33.22 million, rates and taxes ₹ 19.65 million, vehicle maintenance ₹ 9.75 million and consultancy and certification fee ₹ 6.99 million.

Profit Before Tax

Our Profit before tax for the nine months ended December 31, 2016 was ₹ 247.27 million.

Tax Expenses

Our tax expenses for the nine months ended December 31, 2016 was ₹ 79.67 million which comprises of current tax ₹ 83.32 million and deferred tax ₹ (3.65) million**.**

CSR Expenses

Our CSR expenses for the nine months ended December 31, 2016 was ₹ 3.90 million

Profit After Tax

Our profit after tax for the nine months ended December 31, 2016 was ₹ 163.70 million.

Fiscal 2016 compared with Fiscal 2015

Revenue

Our Company's total revenue has increased by 0.64% from ₹ 6,043.69 million in Fiscal 2015 to ₹ 6,082.66 million in Fiscal 2016, reflecting growth in our business operations. The increase is on account of increase in revenue from operation from ₹ 5,993.58 million in Fiscal 2015 to ₹ 6,035.27 million in Fiscal 2016 on account of increase in export of our products and a resulting increase in export benefits which is off-set by decrease in other income from ₹ 50.11 million in Fiscal 2015 to ₹ 47.39 million in Fiscal 2016.

Revenue from Operations

Our revenue from operations has marginally increased by 0.70% from ₹ 5,993.58 million in Fiscal 2015 to ₹ 6,035.27 million in Fiscal 2016 on account of increase in export of our products from₹ 5,718.43 million in Fiscal 2015 to ₹ 5,745.13 million in Fiscal 2016 and a resulting increase in export benefits from ₹ 275.15 million in Fiscal 2015 to ₹ 290.14 million in Fiscal 2016. In Fiscal 2016 the company has exported 9,534 MT of shrimps as against 7,930 MT of shrimps in Fiscal 2015.

Other income

Our other income has decreased by 5.43% from ₹ 50.11 in Fiscal 2015 to ₹47.30 million in Fiscal 2016 primarily on account of decrease in interest income from ₹ 2.84 million in Fiscal 2015 to ₹ 0.89 million due to reduction in our margin money deposits and fixed deposit interest rates. Further our profit from sale of fixed assets has been decreased from ₹0.55 in Fiscal 2015 to ₹. 0.16 million in Fiscal 2016.

Expenses

Our expenses has increased marginally by 0.32% from ₹ 5,762.07 million in Fiscal 2015 to ₹ 5,780.72 million in Fiscal 2016 due to increase in stores and spares purchased, manufacturing expenses and other expenses which was off-set by decrease in cost of materials consumed and finance cost.

Cost of material consumed

Our cost of material consumed has decreased by 3.09% from ₹ 4,749.84 million in Fiscal 2015 to ₹ 4,603.24 million in Fiscal 2016 on account of reduction in raw material cost due to backward integration of our operations by partly farming the shrimps as against the purchase of shrimps from external farmers.

Stores and Spares Purchased

Our Stores and spares purchased has increased by 19.52% from ₹ 137.37 million in Fiscal 2015 to ₹ 164.18 million in Fiscal 2016 on account of increase in consumables due to backward integration of farming our own shrimps.

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

There was an increase in the inventories from ₹ 502.99 million in Fiscal 2015 to ₹ 595.87 million in Fiscal 2016, a net increase of ₹ 92.88 million primarily on account of increase in work-in-progress holdings.

Manufacturing expenses

Our manufacturing expenses has been increased substantially by 50.23 % from ₹ 269.95 million in Fiscal 2015 to ₹ 405.54 million in Fiscal 2016 on account of increase in processing charges from ₹ 9.96 million in Fiscal 2015 to ₹106.49 million in Fiscal 2016 as a result of business agreement with Royale Marine Impex Private Limited on November 24, 2014 for pre-processing and processing of shrimps, increase in inward transportation charges from ₹44.04 million in Fiscal 2015 to ₹ 51.31 million in Fiscal 2016, increase in electricity charges from ₹55.56 million in Fiscal 2015 to ₹ 64.49 million in Fiscal 2016, increase in wages from ₹ 62.72 million in Fiscal 2015 to ₹ 70.79 million in Fiscal 2016, which was off-set by decrease in generator diesel and maintenance from ₹ 11.35 million in Fiscal 2015 to ₹ 1.96 million in Fiscal 2016.

Employee benefit expenses

Our employee benefit expenses has decreased by 9.79% from ₹ 258.07 million in Fiscal 2015 to ₹ 232.80 million in Fiscal 2016 primarily on account of decrease in contribution to employee and employer's insurance scheme costs from ₹145.99 million in Fiscal 2015 to ₹ 92.94 million in Fiscal 2016 which was partially off-set by an increase in salaries, wages & other benefits from ₹ 46.35 million in Fiscal 2015 to ₹ 72.89 million in Fiscal 2016.

Finance cost

Our Finance costs has increased by 8.30% from ₹ 96.14 million in Fiscal 2015 to ₹ 104.12 million in Fiscal 2016 on account of increased utlization of working capital limits.

Depreciation and amortization expenses

Depreciation and amortization expenses has increased from ₹ 4.02 million in Fiscal 2015 to ₹ 49.27 million in Fiscal 2016 on account of change in the method of depreciation from written down value method to straight line method based on the useful life in accordance with Schedule II of Companies Act, 2013.

Other expenses

Our other expenses has increased by 28.74% from ₹ 244.25 million in Fiscal 2015 to ₹ 314.45 million in Fiscal 2016 primarily on account of the increase in export expenses from ₹ 165.80 million in Fiscal 2015 to ₹ 224.02 million in Fiscal 2016, increase in rates and taxes from ₹ 15.08 million in Fiscal 2015 to ₹ 18.88 million in Fiscal 2016, increase in vehicle maintenance from ₹ 13.77 million in Fiscal 2015 to ₹ 14.26 million in Fiscal 2016 and off-set by decrease in insurance premium from ₹ 32.25 million in Fiscal 2015 to ₹ 24.03 million in Fiscal 2016.

Profit before Exceptional Item and Tax

Our Profit before Exceptional Item and Tax has increased by 7.22% from ₹ 281.62 million in Fiscal 2015 to ₹ 301.94 million in Fiscal 2016.

Profit before Tax

Our Profit before Tax has increased by 7.22% from ₹ 281.62 million in Fiscal 2015 to ₹ 301.94 million in Fiscal 2016 primarily on account of increase in our export revenues and for other reasons as stated above.

Tax Expenses

Our total tax expenses has increased by 9.39% from ₹ 95.95 million in Fiscal 2015 to ₹ 104.96 million in Fiscal 2016 on account of increase in current tax expense from ₹ 84.63 million in Fiscal 2015 to ₹ 102.72 million in Fiscal 2016 which was off-set by decrease in deferred tax from ₹ 11.32 million in Fiscal 2015 to ₹ 2.24 million in Fiscal 2016.

CSR Expenses

Our CSR expenses has increased by 99.05% from ₹ 2.10 million in Fiscal 2015 to ₹ 4.18 million in Fiscal 2016.

Profit after Tax

Our profit after tax increased by 5.03% from ₹ 183.57 million in Fiscal 2015 to ₹ 192.80 million in Fiscal 2016 as a result of reasons stated above.

Fiscal 2015 compared with Fiscal 2014

Revenue

Our Company's total revenue has substantially increased by 17.45% from ₹ 5,145.70 million in Fiscal 2014 to ₹ 6,043.69 million in Fiscal 2015 due to growth in our business operations. The increase is on account of increase in revenue from operation from ₹ 5,142.60 million in Fiscal 2014 to ₹ 5,993.58 million in Fiscal 2015 on account of increase in export of our products, resulting increase in export benefits and increase in other income from ₹3.10 million in Fiscal 2014 to ₹50.11 million in Fiscal 2015.

Revenue from Operations

Our revenue from operations has increased by 16.55% from ₹ 5,142.60 million in Fiscal 2014 to ₹ 5,993.58 million in Fiscal 2015 on account of increase in export of our products from ₹ 4,954.19 million in Fiscal 2014 to ₹ 5,718.43 million in Fiscal 2015 and a resulting increase in export benefits from ₹ 188.41 million in Fiscal 2014 to ₹ 275.15 million in Fiscal 2015. In Fiscal 2015 the company has exported 6,384 MT of shrimps as against 7,930 MT of shrimps in Fiscal 2014

Other income

Our other income has increased substantially from ₹ 3.10 million in Fiscal 2014 to ₹ 50.11 million in Fiscal 2015 primarily on account of increase in foreign exchange fluctuation from ₹ NIL in Fiscal 2014 to ₹ 46.72 million in Fiscal 2015.

Expenses

Our expenses has increased by 16.60% from ₹ 4,941.79 million in Fiscal 2014 to ₹ 5,762.07 million in Fiscal 2015 due to increase in stores and spares purchased, manufacturing expenses and cost of materials consumed which was off-set by decrease in other expenses and changes in inventories of finished goods and work-in-progress.

Cost of material consumed

Our cost of material consumed has increased by 13.84% from ₹ 4,172.33 million in Fiscal 2014 to ₹ 4,749.84 million in Fiscal 2015 on account of increase in line with our increased in revenue from operations. However, there was a reduction in raw material cost due to backward integration of our operations by partly farming the shrimps as against the purchase of shrimps from external farmers.

Stores and Spares Purchased

Our stores and spares purchases has increased by 7.89% from ₹ 127.33 million in Fiscal 2014 to ₹ 137.37 million in Fiscal 2015 on account of increase in our business operations.

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

There was a slight decrease in inventories from ₹ 505.42 million in Fiscal 2014 to ₹ 502.99 million in Fiscal 2015, a net decrease of ₹ 2.43 million on account of a decrease in finished goods holdings which was off-set by increase in work-in-progress holdings.

Manufacturing expenses

Our manufacturing expenses has been increased by 19.88 % from ₹ 225.19 million in Fiscal 2014 to ₹ 269.95 million in Fiscal 2015 on account of increase in processing charges from ₹ 0.75 million in Fiscal 2014 to ₹ 9.96 million in Fiscal 2015 as a result of business agreement with Royale Marine Impex Private Limited on November 24, 2014 for pre-processing and processing of shrimps, increase in inward transportation charges from ₹ 37.26 million in Fiscal 2014 to ₹ 44.04 million in Fiscal 2015, increase in electricity charges from ₹ 45.32 million in Fiscal 2014 to ₹ 55.56 million in Fiscal 2015, increase in wages from ₹ 44.19 million in Fiscal 2014 to ₹ 62.72 million in Fiscal 2015, which was off-set by decrease in freezing and storage expenses from ₹ 21.27 million in Fiscal 2014 to Nil in Fiscal 2015 and decrease in generator diesel and maintenance from ₹ 13.43 million in Fiscal 2014 to ₹ 11.35 million in Fiscal 2015.

Employee benefit expenses

Our employee benefit expenses has increased by 13.96% from ₹ 226.46 million in Fiscal 2014 to ₹ 258.07 million in Fiscal 2015 primarily on account of increase in contribution to employee and employer's insurance scheme costs from ₹116.04 million in Fiscal 2014 to ₹ 145.99 million in Fiscal 2015 which was partially off-set by an decrease in salaries, wages & other benefits from ₹ 49.18 million in Fiscal 2014 to ₹ 46.35 million in Fiscal 2015.

Finance cost

Our Finance costs has increased by 20.93% from ₹ 79.50 million in Fiscal 2014 to ₹ 96.14 million in Fiscal 2015 on account of increased utlization of working capital limits resulting in increased interest on working capital from ₹ 62.21 million in Fiscal 2014 to ₹ 76.50 million in Fiscal 2015 and interest on term loans from ₹ 2.03 million in Fiscal 2014 to ₹ 7.64 million in Fiscal 2015.

Depreciation and amortization expenses

Depreciation and amortization expenses has decreased from ₹ 45.10 million as on March 31, 2014 to ₹ 4.02 million in Fiscal 2015 on account of change in the method of depreciation from written down value method to straight line method based on the useful life in accordance with Schedule II of Companies Act, 2013.

Other expenses

Our other expenses has decreased by 30.77% from ₹ 352.82 million in Fiscal 2014 to ₹ 244.25 million in Fiscal 2015 primarily on account of the decrease in export expenses from ₹ 282.54 million in Fiscal 2014 to ₹ 165.80 million in Fiscal 2015 which was off-set by increase in insurance premium from ₹ 19.04 million in Fiscal 2014 to ₹ 32.25 million in Fiscal 2015.

Profit before Exceptional Item and Tax

Our Profit before Exceptional Item and Tax has increased by 38.12% from ₹ 203.90 million in Fiscal 2014 to ₹ 281.62 million in Fiscal 2015.

Profit before Tax

Our Profit before Exceptional Item and Tax has increased by 38.12% from ₹ 203.90 million in Fiscal 2014 to ₹ 281.62 million in Fiscal 2015 primarily on account of increase in our export revenues and for other reasons as stated above.

Tax Expenses

Our total tax expenses has increased by 37.74% from ₹ 69.66 million in Fiscal 2014 to ₹ 95.95 million in Fiscal 2015 on account of increase in current tax expense from₹ 72.82 million in Fiscal 2014 to ₹ 84.63 million in Fiscal 2015 and increase in deferred tax from ₹ (3.16) million in Fiscal 2014 to ₹ 11.32 million in Fiscal 2015.

CSR Expenses

Our CSR expenses has increased by 100% from nil in Fiscal 2014 to ₹ 2.10 million in Fiscal 2015.

Profit after Tax

Our profit after tax increased by 36.75% from ₹ 134.24 million in Fiscal 2014 to ₹ 183.57 million in Fiscal 2015 as a result of reasons stated above.

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, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
1. Non-Current Assets				
(a) Fixed assets				
(i) Tangible assets	742.37	551.82	522.64	402.58
(ii) Capital work - in – progress	-	79.97	-	-

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
(b) Other non-current assets	12.93	0.50	0.50	0.80
	755.30	**632.29**	**523.14**	**403.38**
2. Current Assets				
(a) Inventories	718.05	595.87	502.99	505.42
(b) Trade receivables	706.77	414.62	502.12	339.63
(c) Cash and bank balances	29.69	18.31	15.90	33.96
(d) Short term loans &advances	70.31	126.79	107.24	122.24
	1,524.82	**1,155.59**	**1,128.25**	**1,001.25**

Liquidity and Capital Resources

Cash Flows

The table below sets forth our net cash flows with respect to operating activities, investing activities and financing activities for the periods indicated

(In. ₹ Million)

	Nine month period ended December 31, 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Net cash flow from/(used in) operating activities	(8.73)	373.50	123.16	94.23
Net cash flow (used in) investing activities	(167.77)	(159.78)	(120.38)	(168.38)
Net cash flow from/(used in) financing activities	175.36	(211.78)	(1.00)	78.27

Operating activities

Our net cash used in operating activities for the nine months ended December 31, 2016 was ₹ 8.73 million which is a result of profit before tax of ₹ 247.27 million, (i) as adjusted for primarily depreciation of ₹ 45.64 million, interest expenses ₹ 88.05 million; (ii) as adjusted for changes in working capital amounting to₹ (301.59) million; and (iii) further adjusted for income tax of ₹ 83.32 million paid.

Our net cash flow from operating activities for Fiscal 2016 was ₹ 373.50 million which is a result of profit before tax of ₹ 301.94 million (i) as adjusted for primarily depreciation of ₹ 49.27 million, interest expenses ₹ 104.12 million; (ii) as adjusted for changes in working capital amounting to ₹ 26.10 million; and (iii) further adjusted for income tax paid of ₹ 102.72 million.

Our net cash flow from operating activities for Fiscal 2015 was ₹ 123.16 million which is a result of profit before tax of ₹ 281.62 million (i) as adjusted for primarily depreciation of ₹ 4.02 million, interest expenses 96.14 million; (ii) as adjusted for changes in working capital amounting to ₹ (168.51) million; and (iii) further adjusted for income tax paid of ₹ 84.63 million.

Our net cash flow from operating activities for Fiscal 2014 was ₹ 94.23 million which is a result of profit before tax of ₹ 203.90 million (i) as adjusted for primarily depreciation of ₹ 45.10 million, interest expenses of ₹ 79.50 million; (ii) as adjusted for changes in working capital amounting to ₹ (152.65) million; and (iii) further adjusted for income tax paid of ₹ 72.82 million.

Investing activities

Net cash used in investing activities for the nine months ended December 31, 2016 was ₹ 167.77 million due to purchase of fixed assets of ₹ 156.21 million and advance for capital goods of ₹ 12.44 million and as reduced by interest received of ₹ 0.88 million.

Net cash used in investing activities for Fiscal 2016 was ₹ 159.78 million due to purchase of fixed assets of ₹ 160.83 million and as reduced by proceeds from the sale of assets of ₹ 0.16 million and interest received of ₹ 0.89 million.

Net cash used in investing activities for Fiscal 2015 was ₹ 120.38 million due to purchase of fixed assets of ₹ 124.08 million which was adjusted towards advance for capital goods of `0.31 million and as reduced by proceeds from the sale of assets of ₹ 0.55 million and interest received of ₹ 2.84 million.

Net cash used in investing activities for Fiscal 2014 was ₹ 168.38 million due to purchase of fixed assets of ₹ 184.57 million which was adjusted towards advance for capital goods of ₹ 12.16 million and as reduced by proceeds from the sale of assets of ₹ 1.18 million and interest received of ₹ 2.85 million.

Financing activities

Net cash inflow from financing activities for nine months ended December 31, 2016 was ₹ 175.36 million, which comprised of proceeds from short term borrowings of ₹ 161.91 million and net proceeds from long term borrowings of ₹ 101.50 million, which was offset by finance cost to the extent of ₹ 88.05 million.

Net cash outflow from financing activities for Fiscal 2016 was ₹ 211.78 million, which comprised of repayment of short term borrowings of ₹ 135.25 million, finance cost of ₹ 104.12 million which was off-set by net proceeds from long term borrowings amounting of ₹ 25.18 million and others of ₹ 2.40 million.

Net cash outflow from financing activities for Fiscal 2015 was ₹ 1.00 million, which comprised of proceeds from short term borrowings of ₹ 151.59 million which as off-set by repayment of long term borrowings of ₹ 53.42 million, finance cost of ₹ 96.14 million and others being ₹ 2.13 million.

Net cash inflow from financing activities for Fiscal 2014 was ₹ 78.27 million, which comprised of proceeds from short term borrowings of ₹ 77.40 million, proceeds of long term borrowings amounting of ₹ 80.37 million, which was offset by finance cost of ₹ 79.50 million.

Contingent Liabilities and Capital commitments

(in ₹ Million)

Particulars	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Bank Guarantee	0.50	0.50	0.50	-
Export Obligations (Pending Obligations against EPCG License)	249.98	132.60	-	-
Letters of Credit	64.53	5.37	5.37	-
Total	315.01	138.47	5.87	-

Indebtedness

For information on financial indebtedness, please see the section entitled "Financial Indebtedness" on page 243 of this DRHP.

Quantitative And Qualitative Disclosure About Market Risk

We are exposed to various types of market risks in the ordinary course of business, including commodity price risks in relation to our raw materials, foreign currency exchange risks and inflation risks. From time to time, we use derivatives to hedge against exposures to market risks or for any other purposes, and we may use derivatives to hedge against exposures to market risks in the future.

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials such as steel, castings, forgings, bar stocks, ferrous and aluminum based alloys, nickel and cobalt based alloys and titanium based alloys, etc. which we use in the manufacture of our products. All raw materials used in our aerospace sector are imported from customer-approved sources. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

Foreign exchange risk

We face foreign exchange risk in respect of our export earnings, foreign currency loans, imports and expenses in foreign currency, in respect of which we selectively hedge currency exchange rate risk.

Interest rate risk

We are subject to market interest risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. As at the nine month period ended December 31, 2016, most of our loans carried floating interest rate. The interest rate on remaining loans, although fixed, are subject to periodic review by lending banks / financial institutions in relation to their respective base lending rates, which may vary over a period.

Inflation risk

Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

Credit risk

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Changes in Accounting Policies

There have been no changes in accounting policies since incorporation.

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 of transactions

To the best of our knowledge, there have been no other events or transactions that may be described as “unusual” or “infrequent” during the last three fiscal years, except as disclosed herein or disclosed elsewhere in this Draft Red Herring Prospectus.

Significant Economic Changes that Materially affect or are likely to affect Income from Continuing Operations

Except as described in “Risk Factors” and “Regulations and Policies” on pages 18 and 135 of this DRHP respectively, to the best of our knowledge, there have been no significant economic or regulatory changes that we expect could have a material adverse effect on our results of operations.

Seasonality of Business

Our business is not seasonal in nature.

Future relationship between costs and income

Other than as described in this section and in "Risk Factors" and "Our Business" on pages 18 and 119 of this DRHP respectively, to the best of our knowledge, there are no factors that are expected to have a material adverse effect on the relationship between our costs and income.

Known trends or uncertainties

Except as described in this section and in "Risk Factors" and "Our Business" on pages 18 and 119 of this DRHP respectively, to the best of our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our results of operations.

Segment Reporting

We are primarily engaged in a single business segment of business of export of shrimp.

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.

Significant Dependence on Single or Few Customers

We currently generate a significant portion of our revenues from limited number of customers. For the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, our top three customers contributed ₹3292.8 million, ₹3357.7 million, ₹2978 million and ₹2336.9 million, comprising of 61.53%, 55.63%, 49.68% and 45.44% 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. These significant customers include Chicken of the Sea Frozen Foods (USA); Ocean World Ventures LLC (USA); Pacific Sea Food Group (USA), who in the aggregate contributed 61.53%, 54.37%, 42.16% and 27.09% of our total revenues for the nine months ended December 31, 2016 and the financial years 2016, 2015 and 2014, respectively.

Competitive Conditions

We operate in a competitive environment. For further details, see the discussions regarding our competition in "Risk Factors" and "Our Business" at pages 18 and 119 of this DRHP respectively.

Related party transactions

We have, in the ordinary course of our business, entered into transactions with certain related parties.

For information on our related party transactions, see "Risk Factors" and the chapter "Financial Statements" on pages 18 and 172 of this DRHP respectively.

Significant developments subsequent to the last financial period

In the opinion of our Board, other than as disclosed below in this section and elsewhere in this Draft Red Herring Prospectus, there have not arisen any circumstances since December 31, 2016, which materially and adversely affect or are likely to materially and adversely affect our profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of meeting working capital requirements and capital expenditure including purchase of machinery and equipment for carrying out day-to-day operations. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities such as changes in our Board, change in its capital structure and change in its shareholding pattern.

Set forth below is a brief summary of aggregate borrowings of our Company as on February 28, 2017:

Category of borrowing	Sanctioned amount (₹ in Million) as of February 28, 2017	Outstanding amount (₹ in Million) as on February 28, 2017
A. Funded Based Borrowings		
Term Loans		
Secured	266.76	112.23
Working Capital Facility		
Secured	900.00	724.02
Total Fund Based Borrowings	1,166.76	836.25
B. Non-Funded Based Borrowings		
Letter of Credit		
Secured	15.00	5.31
Standby Letter of Credit		
Secured	60.00	58.06
Total Non-Fund Based Borrowings	**75.00**	**63.37**

Further, our Company has also been sanctioned a term loan of ₹ 46.5 million by Bank of India vide sanction letter dated March 29, 2016, which is not availed.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. ***Interest:*** In terms of the Indian rupee loans availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. With respect to foreign currency loans, the interest rate is typically the LIBOR specified by the lender as of a specific date and spread per annum. The spread varies between different loans for different banks. In terms of vehicle loans availed by us, the interest rate is typically a fixed rate of interest as specified by each lender.

2. ***Tenor:*** The tenor of our working capital facilities is typically 12 months and the tenor the term loan facilities availed by us typically ranges from 23 months to 60 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to among others:

   - Hypothecation over our present and future movable and current assets;
   - Equitable mortgage over some of our immovable properties;
   - Hypothecation of vehicles/machinaries purchased out of term loans;
   - Personal guarantees by our Promoters and promoter group in favour of lenders;
   - Demand promissory notes for a specified amount in the form approved by the relevant lender;
   - LIC Policies.

   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. ***Re-payment:*** The working capital facilities are typically repayable on demand. The repayment period for term loans availed is typically monthly or quarterly installments.

5. ***Restrictive Covenants:*** Our financing arrangements entail various conditions and covenants restricting certain corporate actions and we are required to take the prior approval of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. Written consents/approvals are required for the actions, including but not limited to, the following:

   - Change / vary the constitution, name, location of the unit, product line, technical process and machinery, go-down.
   - Any change in the management of the Company.
   - No dividend to be declared and no withdrawal in form of salary/remuneration/incentive/commission will be paid to promoters/ directors in case of over dues.
   - Effect any adverse changes in Company's capital structure or controlling ownership.
   - Formulate any scheme of amalgamation or merger or reconstruction.
   - Invest by way of share capital in or lent or advance funds to or place deposits with any other company/firm/concern (including group companies/associates)/persons.
   - Sell or dispose off or create security or encumbrances on the assets charged to the bank in facour of another bank, financial institution, company, firm, individual.
   - Approach capital market for mobilizing additional resources either in the form of Debts or equity.

6. ***Events of Default:*** Our financing arrangements specify the occurrence of certain events as events of default, some of which are listed below. The events of defaults, including but not limited to, are as follows:

   - Default in repayment of facilities or repayment of interest;
   - Diversion / siphoning off or utilizing the funds for other purpose other than for which it is granted;
   - Breach of any representation, warranty or undertaking;
   - Non-compliance with the terms of the agreements/sanction letters;
   - Winding up, dissolution or re-organization or appointment of a receiver, trustee or similar officer on its assets particularly on hypothecated asset;
   - Default in payment of any insurance premium;

7. ***Consequences of occurrence of events of default:*** In terms of the sanction letters /agreements, the following, among others, are the consequences of occurrence of events of default our Company may undertake and agrees to pay the default interest as stipulated in the sanction letter / agreements

- Sell/realize/recover and dispose of all or any part of the hypothecated asses by public auction or tender or private contract and appropriate from the proceeds realized;
- Enforce/realize/settle/compromise/refer to arbitration and deal with any rights or claim in respect of the hypothecated assets and to complete any engagements and carry on the business of the Company through agents, managers or otherwise without being bound to exercise those powers.
- Enforce/realize/settle/compromise/refer to arbitration and deal with any rights without being liable for loss or damage, without prejudice to the rights and remedies of suit or otherwise.
- Publish the name of the company and promoters/directors as defaulters;

Unsecured loans availed by our Company

Our Company has availed following unsecured loans as on February 28, 2017. The details of which are set out below:

Sl. No.	Name of the Lender	Amount in Millions
1.	Karuturi Satyanarayana Murthy	19.00
2.	Karuturi Subrahmanya Chowdary	14.00
3.	Karuturi Neelima Devi	1.00

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND-AS

We have prepared and presented our audited financial statements in accordance with Indian GAAP, which differs in certain material respects from IND-AS.

The financial information included in the section entitled "*Financial Statements of the Company*" has been *prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.*

The matters described below summarize certain key differences between Indian GAAP and Ind-AS. No numerical reconciliation of the financial position and results of operations under Indian GAAP and under Ind- AS have been included in this DRHP. Therefore, we are not in a position to state as to how our financial position and the results of operations would be impacted when computed under Ind-AS.

In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind-AS, and how those differences might affect the financial information included in this Prospectus.

This is not an exhaustive list of differences between Indian GAAP and Ind-AS; rather, it indicates only those key differences, which are considered to be more relevant to the financial position and results of operations of the Company and does not cover all differences regarding presentation, classification and disclosure requirement applicable under 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	**Other Comprehensive Income**: 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.	**Other Comprehensive Income:** 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.
		Statement of Change in Equity: 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.	**Statement of Change in Equity**: The statement of changes in equity includes the following information: • total comprehensive income for the period, showing separately the total amounts attributable to the parent's owners and to non-controlling interest; • 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

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			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.
		Extraordinary items: 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.	**Extraordinary items:** Presentation of any items of income or expense as extraordinary is prohibited.
		Change in Accounting Policies: 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.	**Change in Accounting Policies:** 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.
		Dividends: 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.	**Dividends:** 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.
		Errors: Prior period items are included in determination of net profit or loss of the period in which the	**Errors:** Material prior period errors are corrected retrospectively by

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		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.	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.
		Presentation of profit or loss attributable to non-controlling interests (minority interests): Profit or loss attributable to minority interests is disclosed as deduction from the profit or loss for the period as an item of income or expense.	**Presentation of profit or loss attributable to non-controlling interests (minority interests):** Profit or loss attributable to non-controlling interests and equity 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

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			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. 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.	Property, plant and equipment are componentised and are depreciated separately. There is 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 Contingent	Provisions are not recognised baed 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 probable,

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	Assets	custom and a desire to maintain good business relations or to act in an equitable manner.	and the amount of the obligation can be estimated reliably. A constructive obligation is an obligation that derives from an entity's actions whre, 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-108	Determination of Segments	Under Indian GAAP, companires 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.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) material litigations, in each case involving our Company, our Promoters, our Directors, or our Group Entities, and (iv) any litigation involving our Company, our Promoters, our Directors, our Group Entities or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of litigations in (iii) above, our Board on March 8, 2017 has considered that, the outstanding litigation involving our Company, our Directors, our Promoters and our Group Entities, which exceed ₹ 10 million shall be considered as material litigation.

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law against our Company, (ii) fines imposed or compounding of offences against our Company, (iii) material frauds committed against our Company, in each case since incorporation; (iv) litigation or legal action taken or pending against our Promoters taken by any ministry, department of government or any statutory authority (v) proceedings initiated against our Company for economic offences, and (iv) defaults and non-payment of statutory dues payable.

Litigations involving our Company

Civil litigations

By our Company

Nil

Against our Company

Nil

Criminal Litigations

By our Company

Nil

Against our Company

Nil

Actions taken by statutory / regulatory authorities

Nil

Tax Proceedings

Nil

Litigation involving our Directors

Criminal litigations

Nil

Civil and other litigations

Nil

Actions taken by statutory / regulatory authorities

Nil

Tax Proceedings

Nil

Litigation involving our Promoters

Criminal litigations

Nil

Civil and other litigations

Nil

Actions taken by statutory / regulatory authorities

Nil

Tax Proceedings

Nil

Litigation involving our Group Entities

Criminal litigations

Nil

Civil and other litigations

Nil

Actions taken by statutory / regulatory authorities

Nil

Tax Proceedings

Nil

Others

Cases filed in Foreign Courts

1. **Parties**: Apex Frozen Foods Private Limited and others ("*Plaintiffs*") *vs.* United States, ("*Defendant*"), Ad Hoc Shrimp Trade Action Committee and American Shrimp Processors Association, Et Al., ("*Defendant- Intervenors*")

Case Details: Appeal No. 2015-2085. Appeal from United States Court of International Trade case No. 13-00283
Forum: The United States Court of Appeals for the Federal Circuit

Brief Facts: The United States Department of Commerce ("**US DoC**") had, pursuant to the seventh administrative review of the anti-dumping duty order on frozen shrimp, published its decision on February 16, 2013 determining anti-dumping duty on frozen warm water shrimp being imported by various Indian companies at 3.49%. Aggrieved by the order of the US DoC, our Company along with 24 other companies filed a complaint before the United States Court of International Trade contesting the order of the US DoC. The United States Court of International Trade denied the Plaintiffs' motion under its Order dated December 1, 2014 and also subsequently denied Plaintiffs' motion to amend the judgment by order entered on July 27, 2015. Aggrieved by the order, the Plaintiffs have filed an appeal before the United States Court of Appeals for the Federal Circuit.

Status: The oral arguments in this matter were completed on March 08, 2017. The matter is currently pending adjudication.

2. **Parties**: Apex Frozen Foods Private Limited and others ("*Plaintiffs*") *vs.* United States, ("*Defendant*"), Ad Hoc Shrimp Trade Action Committee and American Shrimp Processors Association, Et Al., ("*Defendant- Intervenors*")

Case Details: Appeal No. 2016-1789. Appeal from United States Court of International Trade case No. 14-00226
Forum: The United States Court of Appeals for the Federal Circuit

Brief Facts: The United States Department of Commerce ("**US DoC**") had, pursuant to the eighth administrative review of the anti-dumping duty order, published its decision on August 28, 2014 determining anti-dumping duty on frozen warm water shrimp being imported by our Company at 2.49% as well as on various other Indian companies. Aggrieved by the order of the US DoC, our Company along with 41 other companies filed a complaint before the United States Court of International Trade contesting the order of the US DoC. The United States Court of International Trade denied the Plaintiffs' motion under its Order dated February 2, 2016 Aggrieved by the order, the Plaintiffs have filed an appeal before the United States Court of Appeals for the Federal Circuit.

Status: The oral arguments in this matter were completed on March 08, 2017. The matter is currently pending adjudication.

3. **Parties**: Apex Frozen Foods Private Limited and others ("*Plaintiffs*") *vs.* United States, ("*Defendant*"), Ad Hoc Shrimp Trade Action Committee and American Shrimp Processors Association, Et Al., ("*Defendant- Intervenors*")

Case Details: Court No. 16-00213

Forum: The United States Court of International Trade

Brief Facts: The United States Department of Commerce ("**US DoC**") had, pursuant to the tenth administrative review of anti-dumping duty order, published its decision on September 13, 2016 determining anti-dumping duty on frozen warm water shrimp being imported by various Indian companies. Aggrieved by the order of the US DoC, our Company along with 31 other companies filed a complaint before the United States Court of International Trade contesting the order of the US DoC.

Status: The United States Court of International Trade has granted a stay of this proceeding pending resolution of the two appeals currently pending at the Court of Appeals Federal Circuit.

Material frauds committed against our Company
Except as disclosed above, there have been no material frauds committed against our Company in the last five years.

Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act, 2013 or any previous companies law against our Company in the past five years.

Fines imposed or compounding of offences

There are no fines that have been imposed on or any of offences compounded by our Company in the past five years.

Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

Defaults and/or non-payment of statutory dues payable

Our Company has no outstanding defaults in relation to statutory dues consisting of service tax, value added tax, professional tax, employee state insurance, provident fund and tax deducted, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest).

Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters of our Company during the last five years immediately preceding this Draft Red Herring Prospectus.

Material developments

Other than as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 226 of this DRHP, in the opinion of the Board, there has not arisen, since the date of the last Restated Financial Statements included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its liabilities over the next 12 months.

Outstanding dues to Creditors

For the purpose of material creditors to be disclosed in this Draft Red Herring Prospectus, our Board on March 08, 2017 has considered the dues owed by our Company to the small scale undertakings and other creditors exceeding 5% of total outstanding dues as on December 31, 2016 to the creditors and any amounts which have been remained outstanding past their respective payment dates shall be considered as material dues for our Company ("**Material Creditors**"). As on December 31, 2016, outstanding dues to Material Creditors are as follows:

Material Creditors	Number of creditors	Amount involved (₹ in Million)
Small Scale undertakings	-	-
Other Creditors	3	57.12

The details pertaining to net outstanding dues towards our Material Creditors are available on the website of our Company at www.apexfrozenfoods.in. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

We have obtained necessary consents, licenses, registrations, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event, that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we apply for their renewal from time to time.

Our Company has made applications all the crucial clearances, licenses, permissions and approvals from required competent authority which is necessary for commencement of the activity for which the Issue proceeds are proposed to be utilized

I. Incorporation details of our Company

1. Certificate of incorporation dated March 30, 2012, issued by the RoC to our Company in the name of Apex Frozen Foods Private Limited.

2. Fresh certificate of certificate of incorporation dated November 29, 2016, issued by the MCA consequent to conversion to a public limited company.

II. Approvals in relation to our Business Operations

1. Permanent Account Number AAKCA4854D.

2. Tax Account Deduction Number VPNA02509D.

3. Registration number AAKCA4854DSD002 dated March 14, 2013 issued by Superintendent of Central Excise (Service Tax) Division II, Kakinada under the Finance Act, 1994 read with Service Tax Rules, 1994 for transport of goods by road / goods transport agency service.

4. VAT Registration certificate number 37167015394 dated April 17, 2015 issued under the Andhra Pradesh Value Added Tax Act, 2005 for premises situated at 3/160, Koppavaram Road, Panasapudu, Kakinada, East Godavari, Andhra Pradesh 533005.

5. Registration certificate number 37167015394 dated April 17, 2015 issued under the Central Sales Tax Act, 1956.

6. Certificate of Importer-Exporter Code (IEC) 2695000855 issued by the Office of Joint Director General of Foreign Trade, Visakhapatnam to our Company under the Foreign Trade Policy on August 10, 2012. The date of issue of the Certificate is December 6, 1995.

7. ESIC Registration Number 62000278720000099.

8. EPF Registration Number GRRJY0036658000.

9. Principal Registration certificate number P.E./102K, dated September 17th, 2009 under the Contract Labour (Regulation and Abolition) Act, 1970 issued by Deputy Commissioner of Labour, East Godavari, Kakinada, Andhra Pradesh, pursuant to the conversion from partnership to private limited company.

10. Food Safety Standard License no. 10016044001132, dated December 23, 2016, issued by the Food Safety and Standards Authority of India, valid up to December 22, 2021.

11. Registration Cum-Membership Certificate bearing No. MPEDA/RCMC/API/MT/003/2004 issued on April 28, 2008, by the Deputy Director, the Marine Products Export Development Authority, valid up to March 31, 2018.

12. Registration certificate no. AP6/MT/021/15 as a manufacturer exporter, issued on April 28, 2015 by the Assistant Director, the Marine Products Exports Development Authority and valid up to December 29, 2019.

13. Certificate of Registration of Establishment bearing No. AP-04-25-014-099055 dated December 31, 2015 issued by the Registering Officer under The Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various labour laws by certain establishments) Act, 2015.

III. Approvals relating to the Issue

1. Our Board has, pursuant to a resolution dated March 08, 2017 authorized the Fresh Issue subject to the approval by the Shareholders of our Company under Section 62(1)(c) of the Companies Act, such other authorities as may be necessary.

2. The Shareholders of our Company have approved the Fresh Issue under Section 62(1)(c) of the Companies Act, vide a special resolution passed dated March 10, 2017.

3. In-principle approval from BSE dated [●].

4. In-principle approval from NSE dated [●].

5. Karuturi Satyanarayana Murthy has conveyed his intention of participating in the Offer for Sale for up to 725,000 Equity Shares through his letter of transmittal dated March 20, 2017.

6. Karuturi Padmavathi has conveyed her intention of participating in the Offer for Sale for up to 725,000 Equity Shares through her letter of transmittal dated March 20, 2017.

IV. Approvals obtained for our Units

Approvals obtained for the Kakinada processing unit

1. Factory license bearing number 42541 dated December 2, 2004, issued by Dy. Chief Inspector of Factories, Regional Office, Kakinada under the provisions of Section 2(m) of Factories Act, 1948.

2. Consent order No. 5329-KKD/APPCB/ZOVSP/CFO/2016 337 dated May 12, 2016, issued by the Joint Chief Environmental Engineer, Andhra Pradesh Pollution Control Board, Zonal Office, Vishakhapatnam for consent order and authorization under Section 25/26 of the Water (Prevention and Control of Pollution Act), 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981, and Rule 5 of the Hazardous Waste (Management, Handling and Transboundary Movement Rules), 2008 and is valid up to May 31, 2026.

3. No objection certificate no. Rc.No.3333/RFO/ER/EG/2015, dated July 28, 2016, received for occupancy from Fire Service point of view, issued by the Regional Fire Officer, Southern Region, Vijayawada, Holding Full Addl. charge of the post of regional fire officer, Eastern Region, Vijayawada and valid for a period of 1 year from the date of issue.

4. Certificate for extension bearing no. Lr. No: SE(O)RJY/Comml/FHT Doc/D.No.2222/13, dated June 01, 2013 sanctioning for addl CMD of 375 KVA with addl. CL 700HP on the existing CMD 1100KVA with CL 1950HP to aggregating CMD of 1475 KVA with CL 2650HP to HT Service No. RJY519 of M/s Apex Exports issued by the Superintending Engineer, Operation Circle, A.P.E.P.D. Ltd. Rajahmundry.

5. Registration certificate number AP6/PC/001/15 for peeling sheds issued on April 23, 2015 by the Assistant Director, the Marine Products Export Development Authority, and valid up to August 28, 2018.

6. Registration certificate no. AP6/PP/001/15 for processing plants, issued on April 23, 2015 by the Assistant Director, the Marine Products Export Development Authority, and valid up to August 28, 2018.

7. Registration certificate no. AP6/SP/001/15 for storage premises issued on April 23, 2015 by the Assistant Director, the Marine Product ExportsDevelopment Authority, and valid up to August 28, 2018.

8. Certificate of approval no. 1800 for freezing of raw fish and fishery products and for exports to all countries excluding Australia and Custom Union issued on August 17, 2016 by the Director, Export Inspection Council, Ministry of Commerce & Industry, and valid up to August 28, 2018.

Approvals obtained for Tallarevu pre-processing Unit

1. Factory license bearing no. 45181 dated December 2, 2004, issued by Deputy Chief Inspector of Factories, Kakinada.

2. Consent for establishment bearing order no. 6070-KKD/APPCB/ZO-VSP/CFE/2015, dated October 17, 2015, issued by the Joint Chief Environmental Engineer, Visakhapatnam, Andhra Pradesh under Section 25 of the Water (Prevention and Control of Pollution Act), 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 198, and is valid for a period of 5 years.

3. Technical clearance certificate bearing no. Lr.D.Dis.No.6411/2015/R1 dated December 16, 2015 issued by the Director of Town Planning and Country Planning, Government of Andhra Pradesh.

4. Provisional No Objection Certificate no. Rc.No.576/RFO/ER/HYD/2015, dated October 30, 2015, issued by the Regional Fire Officer, Eastern Region, State Disaster Response and Fire Service Department.

5. Ugyog Aadhar Number AP03B0001449, dated August 8, 2016, issued by Ministry of Micro, Small & Medium Enterprises.

6. Sanction letter bearing no. Lr. No. SE/O/RJY/DE.T/ADE/Comml./F/UCM/D.No. 92/16, dated January 23, 2016, issued by Superintending Engineer, operation circle, A.P.E.P.D.C Ltd., Rajamahendravaram for extension of HT supply with CMD 340KVA with CL 456HP at 11KV point of supply under HT Category-I in Operation Division, Kakinada.

7. Conversion Certificate for conversion from agricultural land into non-agricultural purpose bearing no. 1746 /2014 dated November 03, 2014 issued by the Revenue Divisional Officer, Kakinada Division, for the land situated at Sy. No. 389-1 to the extent of 2 acres, Koringa, Tallarevu, East Godavari District.

Approvals obtained for Proposed Processing unit at G Ragampeta

1. Conversion Certificate for conversion from agricultural land into non-agricultural purpose bearing no. D.Dis. (D)/1133/2016 dated December 17, 2016 issued by the Revenue Divisional Officer, Peddapuram, for the land situated at S. No. 209/1 of Ac. 4.75 cts (notional sub division 209/1A1 Ac.2.70 cts and 209/1A2 Ac.2.05 cts) measuring total extent of Ac.6.05 cents of G. Ragampeta, Peddapuram Mandal.

2. Conversion certificate for conversion from agricultural land into non-agricultural purpose bearing no. D.Dis. (D)/128/2017 dated March 08, 2017 issued by the Revenue Divisional Officer, Peddapuram, for the land situated at S. No. 209/1 of Ac. 1.00 cts (notional sub division 209/1B of Ac.1.00 cts), 209/2 Ac.4.10 cts, S. No. 210/4 of ac. 7.28 cts (Notional Sub-Division 210/4A of ac. 0/36 cts, 210/4B of Ac. 3.675 cts and 210/4C of Ac. 3.245 cts), S. No. 211/4 of Ac. 2.53 cts and S.No. 212/1 of Ac.0.34 cts measuring total extent of Ac.15.25 cents of G. Ragampeta, Peddapuram Mandal.

V. *Intellectual Property Rights*

Trademarks filed in India

Sl. No.	Application Number	Date of Application	Description of the Trademark	Class	Status
5.	2419852	October 30, 2012	APEX (logo)	29	Pending for Registration
6.	3008547	February 24, 2017	Bay fresh (logo)	29	Registered
7.	3008548	July 15, 2015	BAY HARVEST (logo)	29	Pending for Registration
8.	3008549	July 15, 2015	BayPremium (logo)	29	Pending for Registration

Trademarks filed in European Union and United Kingdom

Sl. No.	Application Number	Date of Application	Description of the Trademark	Class	Status
1.	3008547	July 15, 2015	Bay fresh (logo)	29	Pending for Registration
2.	3008548	July 15, 2015	BAY HARVEST (logo)	29	Pending for Registration
3.	3008549	July 15, 2015	BayPremium (logo)	29	Pending for Registration

Copyrights obtained by the Company

Sl. No.	Date of the certificate	Registration Number	Class and Description of the work	Title of the work	Status
2.	September 11, 2013	A-104869/2013	Artistic Work	Apex Frozen Foods	Registered

VI. Approvals for which applications have been made or yet to be made

Applications filed

1. Application dated February 15, 2017 filed with the Andhra Pradesh Pollution Control Board for applying for obtaining consent for discharge/continuation of discharge under Section 25 of the Water (Prevention and Control of Pollution Act), 1974, Section 26 of the Air (Prevention and Control of Pollution) Act, 1981 for Tallarevu unit.

2. Application dated February 15, 2017 with the Department of Industries, Government of Andhra Pradesh for obtaining final no objection certificate for occupancy for Tallarevu unit.

Application yet to file

3. Our Company is yet to file an application with the Coastal Aquaculture Authority for obtaining approval for its hatchery business at Bhogapuram unit.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has approved the Issue pursuant to the resolution passed in the meeting held on March 08, 2017 and our Shareholders have approved the Issue pursuant to a resolution passed at the EGM held on March 10, 2017 under Section 62(1)(c) of the Act, 2013.

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

Sl. No.	Name of the Selling Shareholder	Date of letter of transmittal	Maximum number of Equity Shares offered for sale
1.	Karuturi Satynanarayana Murthy	March 20, 2017	725,000
2.	Karuturi Padmavathi	March 20, 2017	725,000

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered by the Selling Shareholders in the Offer for Sale, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and that such Equity Shares proposed to be offered are free from any lien, charge, encumbrance or contractual transfer restrictions.Each of the Selling Shareholder have also confirmed that they are the respective legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

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

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Companies, the persons in control of our Company and the Selling Shareholders have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.The Selling Shareholders confirm that they have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities, in either case under any order or direction passed by SEBI or any other authority and the Equity Shares beig offered and sold by them in the offer for sale are free from any lien, encumbrance or third party rights.

Further, the companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with entities which are engaged in securities market related business and are registered with SEBI. For further details, see "*Our Management*" on page 150 of this DRHP.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters 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 by RBI

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, our Directors, the Group Entities, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them. The Selling Shareholders confirm that they have not been identified as wilful defaulters by the RBI or other government authority and there are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI ICDR Regulations, and as calculated from the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each) i.e., Financial year ended March 2016, 2015 and 2014 of which not more than 50% are held in monetary assets;
- our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated basis, during the three most profitable years (i.e Financial year ended March 2016, 2015 and 2014) out of the immediately preceding five years;
- our Company has a pre-Issue net worth of at least ₹ 10 million in each of the three preceding full years (i.e., Financial year ended March 2016, 2015 and 2014);
- the aggregate size of the proposed Issue does not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2016; and
- Our Company has not changed its name within the last one year other than for conversion from a private limited company to a public limited company.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at and for the four years ended, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are set forth below:

(₹ in million, except percentage values)

Particulars	FY 2016	FY 2015	FY 2014	FY 2013
Pre-Tax Operating Profit (1)	354.49	325.55	280.30	196.68
Net Worth (2)	752.63	559.83	378.39	244.15
Net Tangible assets (3)	752.63	559.83	375.16	224.07
Monetary assets (4)	11.13	9.20	6.52	2.40
Monetary assets as a percentage of the net tangible assets (4/3)	1.48%	1.64%	1.74%	0.98%

(1) Pre-tax operating profit, is Profit Before Tax excluding Other income and finance costs, are considered post restatement adjustments on account of changes in other material adjustments.
(2) 'Net worth' has been defined as the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written-off) and the debit balance of the profit and loss account.
(3) 'Net tangible assets' means the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants in India.
(4) Monetary assets comprise of cash and bank balances.

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 shall not be less than 1,000, failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application monies at the rate of 15% per annum 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.

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 BRLM, KARVY INVESTOR SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY HAS DISCHARGE ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 30, 2017 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, 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 THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

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 ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THIS 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 ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 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 THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID. – NOTED FOR COMPLIANCE

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF 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 OF THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS 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 THIS DRAFT RED HERRING PROSPECTUS. – 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 ISSUE. WE UNDERTAKE THAT AUDITORS' 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 PUBLIC OFFER. – NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE 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. – COMPLIED WITH

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE 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 MONEYS 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 ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE

BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS 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 ISSUE 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 THIS DRAFT RED HERRING PROSPECTUS:

(D) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(E) 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 ISSUE. – 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 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 THIS 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 MERCHANT BANKER (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA 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 CERTIFIED BY BODA RAMAM & Co , CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 005383S) PURSUANT TO ITS CERTIFICATE DATED MARCH 27, 2017 AND AS PER THE ACCOUNTING STANDARD 18 AND INCLUDED IN THIS DRAFT REDHERRINGPROSPECTUS.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106 Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDERCHAPTER XC OF THE REGULATIONS (IF APPLICABLE) - NOTAPPLICABLE

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 Act, 2013,or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the BRLM, any irregularities or lapses in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve any of the Selling Shareholders from any liabilities severally to the extent of themselves and the statements specifically confirmed or undertaken by each Selling Shareholder in respect of the Equity Shares offered by each of them, as part of the Offer for Sale, under Section 34 or Section 36 of the Act, 2013.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Act, 2013.

Caution - Disclaimer from our Company, our Directors, the Selling Shareholders and BRLM

Our Company, the Directors, the Selling Shareholders and the BRLM 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.apexfrozenfoods.in or the respective websites of our Promoter Group or Group Companies would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLM 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. Our Company, the Selling Shareholders, our Directors or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, 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, Underwriter 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 BRLM and its respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and its 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 our Company, the Selling Shareholders and its 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 Issue 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 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, 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) and to FIIs, Eligible NRIs and FPIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered 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 Issue will be subject to the jurisdiction of appropriate court(s) in Hyderabad 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 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, our Group Companies or the Selling Shareholders 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 Securities Act, 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 U.S. 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 and applicable laws of the jurisdictions where such offers and sales occur.

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 prior to the RoC filing.

Disclaimer Clause of 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 prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI Southern Regional Office, Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai – 600 002, Tamil Nadu, India.

All legal requirements pertaining to the Issue 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 Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Act, 2013.

Listing

Applications have been 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 monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely by such Selling Shareholder and to the extent of the Equity Shares being offered by such Selling Shareholder in the Offer for Sale.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Issue Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the 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 within six Working Days of the Bid/Issue Closing Date.

If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue 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.

The Selling Shareholders severally and not jointly undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. All expenses in relation to the Issue other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse the Company all such expenses.

Price information of past issues handled by the BRLM

1. Price information of past issues handled by Karvy Investor Services Limited is as follows:

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%]
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%]

2. Summary statement of price information of past issues handled by Karvy Investor Services Limited:

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day			No. of IPOs trading at discount as on 180th calendar day from listing day			No. of IPOs trading at premium as on 180th calendar day from listing day		
			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%
2016-2017*	1	35.84	-	-	-	-	-	1	-	-	-	-	-	1
2015-2016	1	1,561.87	-	-	1	-	-	-	-	-	1	-	-	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

** The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the websites of the BRLM, as set forth in the table below:

Name of the BRLM	Website
Karvy Investor Services Limited	www.karvyinvestmentbanking.com

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary, Compliance Officer, our Chief Financial Officer, Statutory Auditor, legal advisor, Bankers/lenders to our Company and the BRLM, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue 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, 2013 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 Auditor, M/s. Boda Ramam & Co, Chartered Accountants, have given their written consent to the inclusion of its examination reports dated March 15, 2017 on Restated Standalone Financial Statements and the statement of tax benefits dated March 15, 2017 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from Rams Associates Chartered Engineers to include their names as required under Section 26(1)(a)(v) of the Companies Act in this Draft Red Herring Prospectus and as "expert" as defined under section 2(38) of the Companies Act in respect of the certificate dated March 24, 2017 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus

Expert to the Issue

Except as stated above in "Consents", our Company has not obtained any expert opinions.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details, of Issue expenses, see "*Objects of the Issue*" on page 71 of this DRHP.

All expenses in relation to the Issue other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated [●], a copy of which is available for inspection at the Registered Office.

For details of the Issue expenses, see section entitled "Objects of the Issue" on page 71 of this DRHP.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see section entitled "Objects of the Issue - Issue Expenses" on page 79 of this DRHP.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholders to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement dated March 24, 2017 entered into, between our Company, the Selling Shareholders and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office.
The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the "Capital Structure" on page 59 of this DRHP, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been 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.

C**apital issue during the previous three years by listed Group Companies of our Company**

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have their equity shares listed on any stock exchange in India or overseas.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Entities of our Company

Our Company has not undertaken any previous public or rights issue in the 10 years immediate preceding the date of this Draft Red Herring Prospectus.

None of the Group Entities of our Company have undertaken any public or rights issue in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Outstanding debentures, bonds, redeemable preference shares, or any other convertible instruments issued by our Company

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or any other convertible instruments issued by our Company as of the date of filing this Draft Red Herring Prospectus.

Partly Paid-up 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.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company and the Selling Shareholders will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances may be addressed to the Registrar to the Issue 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, Bid cum Application Form number, Bidder 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. Our Company, the BRLM and the Registrar to the Issue 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.

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.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, 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.

There have been no investor grievances received by our Company for the three years prior to the filing of this Draft Red Herring Prospectus.

As on date there are no investor complaints pending.

The Board of Directors of our Company has constituted a Stakeholders' Relationship Committee comprising, Mantena Lakshmipathi Raju, Karuturi Neelima Devi, and Karuturi Subrahmanya Chowdary as members. For further details, see section entitled "*Our Management*" on page 150 of this DRHP.

Our Company has also appointed Ms. S. Sarojini, Company Secretary of our Company as the Compliance Officer for the Issue and she may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Ms. S. Sarojini
Company Secretary & Compliance Officer
3-160, Panasapadu, Kakinada, East Godavari- 533005,
Andhra Pradesh, India
Tel: +91 884 2383902/03/04
Fax: +91 884 2383 905/906
E-mail: cs@apexfrozenfoods.com

Changes in Auditors

There has been no change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in *"Capital Structure"* on page 59 of this DRHP.

Revaluation of Assets

Our Company has not revalued its assets at any time since the incorporation of our Company.

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 and therefore there are no investor complaints pending against our companies.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note, the 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 Issue. 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, Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Issue.

Offer for Sale

The Issue comprises an Offer for Sale by the Selling Shareholders. All expenses in relation to the Issue other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses. For further details, see "*Objects of the Issue*" on page 71 of this DRHP.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see *"Main Provisions of Articles of Association"* on page 328 of this DRHP.

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 as applicable. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 171 and 328 of this DRHP, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹10 and the Issue 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 Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLM and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), all editions of [●] (a widely circulated newspaper in Telugu which is the regional language of the State of Andhra Pradesh), at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

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 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 Regulations with the Stock Exchange(s) and the and 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, see "*Main Provisions of Articles of Association*" on page 328 of this DRHP.

Option to receive Equity Shares in Dematerialised Form

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 signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated February 3, 2017 amongst NSDL, our Company and the Registrar to the Issue; and

- Agreement dated December 27, 2016 amongst CDSL, our Company and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue 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 Issue is with the competent courts/authorities in Kakinada, Andhra Pradesh, India.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 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 Issue 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 Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Issue equivalent to at least 25% post- Issue paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(i) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue 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 Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

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 otherwise, the entire application money will be refunded forthwith. If there is a delay beyond 6 (six) working days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre- Issue capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "Capital Structure" on page 59 of this DRHP 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 see "*Main Provisions of the Articles of Association*" on page 328 of this DRHP.

ISSUE STRUCTURE

Public Issue of up to 8,700,000 Equity Shares for cash at price of ₹ [●] (including a share premium of [●] per Equity Share) aggregating to ₹ [●] comprising of a Fresh Issue of up to 7,250,000 Equity Shares up aggregating to [●] Million by our Company and an Offer of Sale of up to 1,450,000 Equity Shares aggregating to ₹ [●] million by the Selling shareholders. The Issue includes an Employee Reservation Portion of [●] Equity Shares aggregating to ₹ [●] million, for subscription by Eligible Employees. The Issue will constitute [●]% of the post- Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs(1)	Non- Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation(2)	Upto [●] Equity Shares	[●] Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●]% of the issue size.	50% of the Issue will be available for allocation to QIBs. However, 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only, Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund portion will be available for allocation to QIBs	Not less than 15% of the Issue	Not less than 35% of the Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be	Proportionate	No less than the minimum Bid Lot (subject to availability of Equity Shares in the Retail Category), and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For more details refer tot he chapter "Issue Procedure" on page

Particulars	Eligible Employees	QIBs[1]	Non- Institutional Bidders	Retail Individual Bidders
		allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.		281 of this Draft Red Herring Prospectus.
Mode of Bidding	Through ASBA process only (except Anchor Investors)			
Minimum Bid	[●] Equity Shares	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.
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹5,00,000 less Employee Discount, if any[5]	Such number of Equity Shares not exceeding the Issue, subject to applicable limits to the Bidder.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits to the Bidder.	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.			
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			
Who can apply[3] [4]	Eligible Employees such that the Bid Amount does not ₹ [●]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPI registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees	QIBs[1]	Non- Institutional Bidders	Retail Individual Bidders
		AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and 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.	Amount exceeds ₹ [●] in value.	
Terms of Payment[6]	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors).[7] Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form.[6]			

(1) *Our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investor 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 Issue Price. In terms of Rule 19(2)(b)(i) of the SCRR, this is an Issue for atleast 25% of the post- Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category 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 Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.*

(3) *In case of joint Bids, the Bid cum Application 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 Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *The entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, please see section entitled "Section 7: Allotment Procedure and Basis of Allotment" on page* 314 of this DRHP.

(5) *Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) 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, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount).*

(6) *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Form.*

(7) *Any balance amount payable by the Anchor Investors, due to a difference between the Anchor Investor Issue Price and the Bid Amount paid by the Anchor Investors, shall be payable by the Anchor Investors within two Working Days of the Bid/Issue Closing Date.*

Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Issue. Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange.

Retail Discount

The Retail Discount, if any, will be offered to Retail Individual Bidders at the time of making a Bid. Retail Individual Bidders bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Retail Discount) at the time of making a Bid. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount, at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹ 200,000. Retail Individual Bidders must mention the Bid Amount while filling the Bid cum Application Form.

Employee Discount

The Employee Discount, if any, will be offered to the Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

Withdrawal of the Issue

Our Company and the Selling Shareholders in consultation with the BRLM, reserve the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, 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.

If our Company in consultation with the Selling Shareholders withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and Stock Exchanges.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and obtaining (ii) trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●][(1)]
BID/ISSUE CLOSES ON (FOR QIBS)	**[●]**[(2)]
BID/ISSUE CLOSES ON (FOR OTHER BIDDERS)	**[●]**

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

(2) Our Company and the Selling Shareholders may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue 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 is indicative other than the Bid/Issue Opening Date and the Bid Issue Closing Date and does not constitute any obligation on our Company or the Selling Shareholders or the BRLM.

While 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 Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, 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. The Selling Shareholders confirms that they shall extend all reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of Equity Shares (offered by such Selling Shareholders in the Offer for Sale) at all Stock Exchanges within six Working Days from the Bid/Issue Closing Date.

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m.

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, 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 Bidders

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM 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.

In case of any discrepancy in the data entered in the electronic book vis-a-cis data contained in physical Bid cum Application Form, for a particular Bidder the details of the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Issue 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 Bid/Issue Closing Date, as is typically experienced in public offerings, 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 Issue. Bids will be accepted only on Working Days i.e. Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders 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.

Our Company and the Selling Shareholders in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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 Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue 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 websites of the BRLM and the terminals of the other members of the Syndicate Members.

ISSUE 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 (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 amendments to the SEBI ICDR Regulations including reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document, which are applicable to the Issue.*
Our Company, the Selling Shareholders and the BRLM 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 Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category 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 Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, may participate in the Issue through an ASBA process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in the Issue through ASBA Process.

Under subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange.

The Equity Shares, on Allotment, 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 Bid cum Application 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 Centers and Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of SCSBs, NSE (www.nseindia.com) and BSE (www.bseindia.com) and the terminals of Non-Syndicate Registered Brokers at least one day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue 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 are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.
For Anchor Investors, the Anchor Investor Application Form and the abridged prospectus will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis**	White
Non-Residents including Eligible NRIs, FIIs, FPI or FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis **	Blue
Anchor Investors***	White
Eligible Employees Bidding in the Employee Reservation Portion**	Pink

* *Excluding electronic Bid cum Application Form*

** *Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com)*

*** *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by associates and affiliates of the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category 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 BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply. The Promoters may participate in the Issue to the extent of their offering in the Offer for Sale.

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 Bid cum Application Form. Failing this, our Company and the Selling Shareholders 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.

One-third of the Anchor Investor Portion shall be reserved for allocation to 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.

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 Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application 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**") ASBA 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 Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (blue in colour).

Bids by FPIs and FIIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. 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-Issue 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 as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Issue 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.

Bids by Anchor Investors

Our Company and the Selling Shareholders in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and be completed on the same day.

(v) Our Company and the Selling Shareholders in consultation with the BRLM will finalize allocation to the Anchor Investors on a discretionary basis, provided that the number of Allottees shall be:

  (a) In case of allocation above ₹ 250 crore, a minimum of five Anchor Investors and a maximum of 15 Anchor Investors for allocation up to ₹ 250 crore; and

  (b) Additional 10 Anchor Investors for every additional ₹ 250 crore or part thereof, subject to minimum allotment of ₹ 5 crore per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days from the Bid/Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) The BRLM (other than mutual funds sponsored by entities related to the BRLM), our Promoters, Promoter Group, Group Entities or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see "I*ssue Procedure - Part B: General Information Document for Investing in Public Issues - section 7: Allotment Procedure and Basis of Allotment - Allotment to Anchor Investo*r" on page 314 of this DRHP.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF 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 investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds 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 1/3rd of its investible funds 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 Regulation.

All Non-Resident Bidders including Eligible NRIs, FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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 Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders 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 Bid cum Application Form, failing which our Company in consultation with the Selling Shareholders 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 Circular dated July 1, 2014 – Para-banking Activities, 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 with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

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 Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders 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.

Bids by SCSBs

SCSBs participating in the Issue 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 ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, FIIs, QFIs, 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 Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company and the Selling Shareholders in consultation with the BRLM in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company in consultation with the Selling Shareholders and the BRLM may deem fit.

Bids by Eligible Employees under the Employee Reservation Portion *

Bids by Eligible Employees under the Employees Reservation Portion (if any) shall be subject to the following:

- Such Bids must be made in the prescribed ASBA Form (i.e., Pink colour form) and are required to be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the employee Reservation Portion will be on a proportionate basis.

- Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.

- The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.

- Such Bidders must ensure that the Bid Amount does not exceed ₹ 5,00,000. 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 of ₹ 2,00,000. In 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 ₹ 2,00,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 5,00,000.

- Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid purchase at the Issue Price.

- Such Bidders can place their Bids by only using the ASBA process.

- The Eligible Employee who Bid in the employee Reservation Portion can also Bid in the Net Issue and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion

for up to ₹ 5,00,000, can also Bid in the Net Issue and such Bids will not be treated as multiple Bids. The Selling Shareholder and our Company, in consultation with the BRLM reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see *"Issue Procedure-Multiple Bids"* on page 302 of this DRHP.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "Issue Procedure – Allotment Procedure and Basis of Allotment" on page 314 of this DRHP.

- Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting [●] % of the post-Issue share capital of the Company.

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 Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM 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 Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application 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 request for and receive a TRS for all your Bid options;

7. 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;

8. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

In case of joint Bids, the Bid cum Application 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 Bid cum Application 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. Submit revised Bids to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Bid was placed and obtain a revised TRS;

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 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;

15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

18. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application 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

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application 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 Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application 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 (for Bids by Retail Individual Bidders);

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 Bid cum Application 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 Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

9. 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;

10. 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).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Pre-Issue 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-Issue advertisement, advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper and editions of [●] (a widely circulated newspaper in Telugu which is the regional language of the state of Andhra Pradesh, where our Registered and Corporate Office is located).

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue 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 Issue Price, the Anchor Investor Issue Price, Issue 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:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Issue 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 Bid/Issue Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in ASBA Account within 15 days from the Bid/Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum 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 Issue 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 Bid/Issue 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 Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.
- The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 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.

Undertakings by the Selling Shareholders

The Selling Shareholders severally undertake that:

- the Equity Shares being offered by them pursuant to the Issue, have been held by it for a period of at least one year prior to the date of filing this Draft Red Herring Prosperous;
- the Equity Shares being sold by it pursuant to the Issue, are fully paid-up and are in dematerialised form;
- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Issue;
- the Equity Shares being sold by it pursuant to the Issue are free and clear of all pledge, charges, liens and encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law ;
- they shall not offer, lend, pledge, encumbrance, sell, contract to sell or otherwise transfer or dispose off, directly or indirectly, any of the Equity Shares offered in the Offer for Sale;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company for the completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Issue Closing Date of the Issue and in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within six Working Days from the Bid/Issue Closing Date, giving details of

the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. In case of delay, interest as per applicable law shall be paid by them to the extent of the offered shares.

- it shall not have recourse to the proceeds of the Issue until final listing and trading approval for the Equity Shares from all Stock Exchanges where listing in sought has been received;

- it shall deliver the Equity Shares being offered by it in the Issue into an escrow account at least seven Working Days prior to the filing of the RHP with the RoC;

- it shall not further sell or transfer the Equity Shares except in the Issue during the period commencing from submission of this Draft Red Herring Prospectus until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Issue;

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Issue;

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred into in sub-section (3) of Section 40 of the Companies Act, 2013; and

- they shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

Utilisation of Issue Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue 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;

- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which which such unutilised monies have been invested.

- The details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

- The Selling Shareholders along with our Company declare that all monies out of the Offer for Sale 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.

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 Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/ the Prospectus before investing in the Issue.

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**") Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue 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 Issue and the relevant information about the Issuer undertaking the Issue will be set out in the Red Herring Prospectus ("**RHP**")/Prospectus that will be 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 Issue. 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 Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at 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 either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. 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. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3. 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, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation)

Rules, 1957 (the "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.

2.4. 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 Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**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 Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5. ISSUE PERIOD

The Issue 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/ Issue Period. Details of Bid/ Issue 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/ Issue Period for QIBs one Working Day prior to the Bid/ Issue 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/Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue 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.

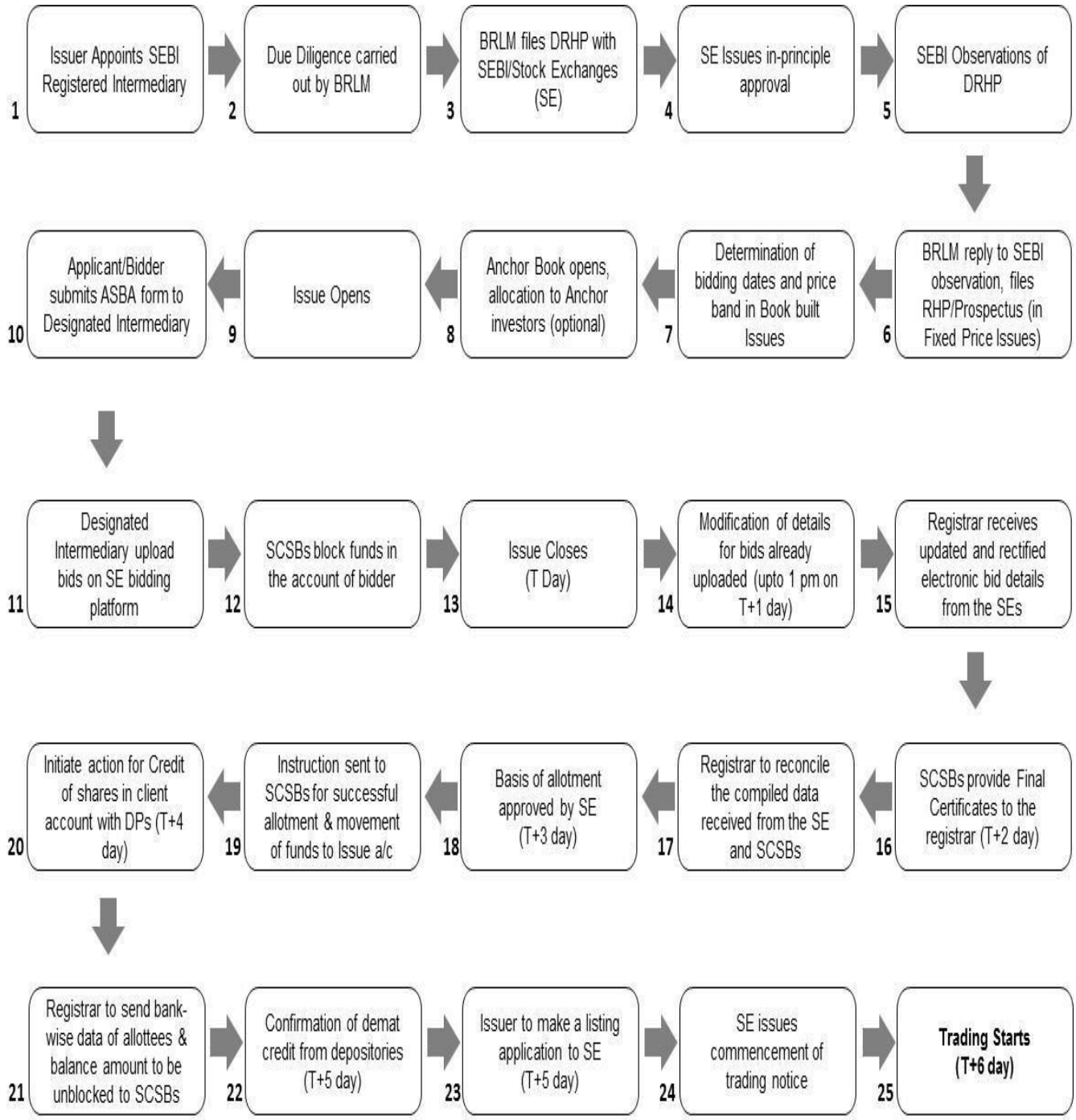
2.6. FLOWCHART OF TIMELINES

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 Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as

  i. Step 7: Determination of Issue Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

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, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue 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);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, 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 Issue, 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 ISSUE

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 book running lead managers, 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/ Issue 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 relevant 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 and Corporate 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, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer
Eligible Employees Bidding in the Employee Reservation Portion	Pink

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

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : ..... Contact Details: ..... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

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
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 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)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

*HUF should apply only through *Karta*. Application by HUF would be treated on par with Individual.

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

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 BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorise the SCSB to do all actions as necessary to make the Application in the line 1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : ..... Contact Details: ..... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

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
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. _____

Address _____

_____ Email _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 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)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)_____

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

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 BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) _____ Bank & Branch _____

ASBA Bank A/c No. _____

Received from Mr./Ms. _____

Telephone / Mobile _____ Email _____

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder _____

ASBA Bank A/c No. _____

Bank & Branch _____

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

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 and the Registrar to the Issue only for correspondence(s) related to an Issue 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:***

(g) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(h) 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

(i) 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.

(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

(f) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/ApplicationForm 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.

(g) 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.

(h) 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.

(i) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(j) 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 authorized the Depositories to provide to the Registrar to the Issue, 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 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/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue 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 Issue 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 BRLM 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) 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.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. 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/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) 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

Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue 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 Issue 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 and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, 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 Issue portion in public category.

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, and sub-accounts of FIIs (or FIIs and its sub-accounts) 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 Issue 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 Issue 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 Issue, 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 Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue 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 Issue 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 Issue 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 Issue, 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 Issue 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 Banks 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 Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, 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) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such 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 authorized 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 Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue 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 Issue 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 Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, 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 Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

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 Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue 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) 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 Issue may be addressed to the Registrar to the Issue 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/ Issue 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/ Issue 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/ Issue 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.

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : ..... Contact Details: ..... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

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
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms. _____

Address _____ Email _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

REVISED BID

6. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Additional 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 THE BID REVISION FORM AND THE ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND THE BIDDER AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) I/We authorise the SCSB to do all acts as are necessary to make the Application in the form	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms. _____

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

RECEIVED BID

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No. _____

Bank & Branch _____

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(i) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the 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.

(ii) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(iii) 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 Issue Price as determined at the end of the Book Building Process.

(iv) 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 Issue 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.

(v) 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

(i) 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.

(ii) 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.

(iii) 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 Issue 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.

(iv) 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 & 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 & AMOUNT

(i) 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).

(ii) **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.

(iii) 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.

(iv) 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.

(v) An application cannot be submitted for more than the Issue size.

(vi) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(vii) **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.

(viii) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue 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 and FII sub-accounts, Applicantions bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, 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.

(ix) 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 Issue 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, and sub-accounts of FIIs (or FIIs and its sub-accounts) 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 Issue 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 Issue, 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 Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue 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 & 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 DP 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 authorized 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 Issue 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 Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.2 SUBMISSION OF BIDS

(a) During the Bid/ Issue 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.

5.3 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/ Issue 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 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/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.4 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 BRLM at the end of the Bid/ Issue 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/ Issue Period.

5.5 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/ Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/ Issue 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 Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finaliation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.6 REJECTION & 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 BRLM 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) BRLM 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 & 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 placed in this GID:-

(a) 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);

(b) Bids/Applications by OCBs;

(c) 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;

(d) 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;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) 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;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) 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;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(o) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;

(p) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(q) Bids not uploaded in the Stock Exchanges bidding system.

(r) 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;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(u) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers 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 Issue;

(v) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(w) 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 Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue 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 Portion) 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 BRLM 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) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. 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 Issue*; 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/ Issue 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 Issue Price is mentioned in the Fixed Price Issue 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/ Issue 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 Issue (excluding any Offer for Sale of specified securities). However, in case the Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue Price will be at the discretion of the issuer in consultation with the Selling Shareholders and the BRLM, 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 Issue.

(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 BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue 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 Issue Price and the Anchor Investor Issue 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 Issue Price is lower than the Anchor Investor Issue 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 Issue 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 Issue. 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 Issue.

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 Issue.

(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/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & 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/ Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six Working Days of the Bid/ Issue 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 ₹ 0.5 million but which may extend to ₹ 5 million 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 ₹ 0.3 million, 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 Issue (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/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue 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 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

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 Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue 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/ Issue Closing Date, the Registrar to the Issue 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/ Issue Closing Date, the Registrar to the **Issue** may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue 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 Issue, 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.

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:

8.3.1.1 **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

8.3.1.2 **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;

8.3.1.3 **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.

8.3.1.4 **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 rate of 15% per annum 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 15 days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue 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.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue 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.
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 BRLM, 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 Issue/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue 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 Issue
Bid	An indication to make an offer during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue 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/ Issue 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 Issue, 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/ Issue Closing Date

Term	Description
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, 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/ Issue Opening Date
Bid/ Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/ Issue 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/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue 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 Issue 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 Issue 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 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	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/ Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue 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	Issue 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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html

Term	Description
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 (www.bseindia.com and www.nseindia.com)
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 authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
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 Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue 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 Issue, 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 Issue
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
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
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 Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue 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

Term	Description
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
NECS	National Electronic Clearing Service
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 Issue 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 Issue less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and 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 Issue 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 Shareholders
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
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
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 Issue 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/ Issue 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 with the Book Running Lead Manager(s), finalise the Issue 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 Issue Price, the size of the Issue and certain other information
Public Issue Account	A Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers	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 Issue. The RHP may be filed with the RoC at least three days before the Bid/ Issue 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 Issue/RTO	The Registrar to the Issue 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 Issue 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 Issue 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

Term	Description
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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue 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 ASBA Forms 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 trading days of Stock Exchanges, excluding Sundays and holidays for commercial banks in Mumbai.

SECTION VIII - MAIN PROVISIONS OF 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.

1. Table "F" not to apply but company to be governed by these Articles

The regulations contained in Table "F" in the First Schedule of the Companies Act, 2013 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act, 2013 (to the extent applicable) or Companies Act, 1956 (to the extent applicable) be such as are contained in these Articles.

INTERPRETATION CLAUSE

2. In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:

(a) **"The Act"** shall mean Companies Act, 1956 and/ or the Companies Act, 2013, and includes where the context so admits, any re-enactment or statutory modification thereof, for the time being in force, and the term shall refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law as may be applicable.

(b) **"Annual General Meeting"** means a general meeting of Members held in accordance with the provisions of section 96 of the Act or such other relevant provisions of the Act related to incorporated companies for the time being in force in India.

(c) **"Articles or These Articles"** means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.

(d) **"Auditors"** means the statutory auditors of the Company appointed by the Company in accordance with the provisions of the Act.

(e) **"Board" or "Board of Directors"** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.

(f) **"Beneficial Owner"** means a person as defined in Section 2 of the Depositories Act and whose name is recorded as such with a Depository.

(g) **"Business Day"** means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Mumbai, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.

(h) "**Capital**" or " **Share Capital**" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.

(i) **"Chairman"** means the Chairman of the Board for the time being of the Company.

(j) "**The Company**" shall mean " APEX FROZEN FOODS LIMITED."

(k) **"Companies Act, 1956"** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

(l) **"Companies Act, 2013"** shall mean the Companies Act, 2013, as may be in force for the time being.

(m) **"Directors"** means the Directors of the Company and includes any person appointed by the Board occupying the position of director by whatever name called.

(n) **"Debenture"** includes debenture stocks.

(o) **"Depositories Act"** shall mean the Depositories Act, 1996 and include where the context so admits, any re-enactment or statutory modification thereof for the time being in force.

(p) **"Depository"** means a Depository as defined in Section 2(1)(e) of the Depositories Act, 1996.

(q) **"Dividend"** includes interim dividend.

(r) "**Executor" or "Administrator**" shall mean a person who has obtained a probate or letter of administration, as the case may be from Court of competent jurisdiction and shall include a holder a succession certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.

(s) "**Extra-Ordinary General Meeting**" means an Extraordinary General Meeting of the Members duly held and called held in accordance with the provisions of the Act and the Articles and includes any adjourned holding thereof.

(t) **Key Managerial Personnel"** means the:

i. Chief Executive Officer or the managing director or the manager;
ii. The Company Secretary;
iii. The Whole-time director;
iv. Such other officer as may be prescribed by the Board.

(u) **"Legal Representative"** means a person who in law represents the estate of a deceased Member.

(v) **"Managing Director"** means the Managing Director for the time being of the Company.

(w) **"Member" or "Shareholder"** means member in pursuance of Section 2(55) of the Act.

(x) **"Meeting" or "General Meeting"** means a meeting of Members.

(y) **"Memorandum"** means the Memorandum of Association of the Company.

(z) **"Month"** means a calendar month.

(aa) **"National Holiday"** means and includes a day declared as National Holiday by the Central Government.

(bb) **"Non-retiring Directors"** means a director not subject to retirement by rotation.

(cc) **"Office"** means the registered Office for the time being of the Company.

(dd) **"Ordinary Resolution"** and **"Special Resolution"** shall have the meanings assigned thereto by Section 114 of the Act.

(ee) **"Person"** shall be deemed to include corporations, firms, association of firms, individuals and society registered under the Societies Registration Act.

(ff) **"Proxy"** means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.

(gg) **"The Register of Members"** means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.

(hh) **"Seal"** means the common seal for the time being of the Company.

(ii) **"Securities"** shall mean any Equity Shares or any other securities, debentures warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

(jj) **"Share"** means a share in the share capital of the Company and includes stock, except where a distinction between stock and shares is expressed or implied.

(kk) **"Special Resolution"** shall have the meanings assigned to it by Section 114 of the Act.

(ll) **"Singular number"** Words importing the Singular number include where the context admits or requires the plural number and vice versa.

(mm) **"The Statutes"** means the Companies Act, 2013and every other Act for the time being in force affecting the Company.

(nn) **"These presents"** means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.

(oo) **"Variation"** shall include abrogation; and "vary" shall include abrogate.

(pp) **"Year"** means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Expressions in the Act to bear the same meaning in Articles

Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force. Words importing the singular number include the plural number and vice-versa.

(a) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereto.

(b) "In writing" and "written" includes printing, lithography and any other modes of representing or reproducing words in a visible form.

(c) Words importing the singular number shall include the plural number and vice versa.

(d) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(e) References to a party shall, where the context permits, include such party's respective successors, legal heirs and permitted assigns.

(f) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(g) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

(h) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(i) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(j) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(k) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(l) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(m) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(n) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

CAPITAL

3. Authorized Capital

(a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V (a) of Memorandum of Association of the Company from time to time.

(b) The minimum paid up Share capital of the Company shall be Rs. 5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

4. Increase of Capital by the Company how carried into effect

The Company may in General Meeting from time to time by Ordinary Resolution increase its Capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.

5. New Capital same as existing capital

Except so far as otherwise provided by the conditions of issue or by these Presents, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Non Voting Shares

The Board shall have the power to issue a part of authorized Capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. Redeemable Preference Shares

Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.

8. Voting rights of preference shares

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares

9. Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:

No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;

No such Shares shall be redeemed unless they are fully paid;

Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;

Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and

Subject to the provisions of Section 55 of the Companies Act, 2013 the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.

10. Reduction of capital

The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce
(g) the Share Capital;

(h) any capital redemption reserve account;

(i) any security premium account.

in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

11. Debentures

Any debentures, debenture-stock or other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination.

12. Issue of Sweat Equity Shares

The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.

13. ESOP

The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.

14. Buy Back of shares

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.

15. Consolidation, Sub-Division And Cancellation

Subject to the provisions of Section 61of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

16. Issue of Depository Receipts

Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.

17. Issue of Securities

Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.

MODIFICATION OF CLASS RIGHTS

18. Modification of rights

(a) If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Companies Act, 2013 and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

19. New Issue of Shares not to affect rights attached to existing shares of that class

(b) The rights conferred upon the holders of the Shares including Preference Share, (if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.

20. Shares at the disposal of the Directors

Subject to the provisions of Section 62 of the Act, 2013 and these Articles, the shares in the capital of the company for the time being 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 and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

21. Power to issue shares on preferential basis

The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act, 2013 and rules framed thereunder.

22. Shares should be Numbered progressively and no share to be subdivided

The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

23. Acceptance of Shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.

24. Directors may allot shares as full paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

25. Deposit and call etc. to be a debt payable immediately

The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.

26. Liability of Members

Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.

27. Registration of Shares

The Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

28. Return of Allotments to be made or restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act, 2013.

CERTIFICATES

29. Share Certificates

(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

30. Issue of new certificates in place of those defaced, lost or destroyed

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

31. The first named joint holder deemed Sole holder

(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.

Maximum number of joint holders

(b) The Company shall not be bound to register more than three persons as the joint holders of any share.

32. Company not bound to recognize any interest in share other than that of registered holders

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

33. Installment on shares to be duly paid

If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

UNDERWRITING AND BROKERAGE

34. Commission

Subject to the provisions of Section 40 (6) of the Act, 2013 the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act, 2013 and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

35. Brokerage

The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

36. Directors may make calls

(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by installments.

37. Notice of Calls

Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

38. Calls to date from resolution.

A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

39. Calls on uniform basis.

Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

40. Directors may extend time.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

41. Calls to carry interest.

If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

42. Sums deemed to be calls.

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

43. Proof on trial of suit for money due on shares.

On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

44. Judgment, decree, partial payment *suo motto* proceed for forfeiture.

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafterproceeding to enforce forfeiture of such shares as hereinafter provided.

45. Payments in Anticipation of calls may carry interest

(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

LIEN

46. Company to have Lien on shares / debentures

The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

47. As to enforcing lien by sale

For the purpose of enforcing such lien the Directors may sell the Shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the Shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such

sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.

48. Application of proceeds of sale.

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.

FORFEITURE AND SURRENDER OF SHARES

49. If call or installment not paid, notice may be given

If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.

50. Terms of notice

The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

51. On default of payment, shares to be forfeited

If the requirements of any such notice as aforesaid shall not be complied with, every or any Share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

52. Notice of forfeiture to a Member

When any shares have been forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.

53. Forfeited Shares to be property of the Company and may be sold etc

Any Shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

54. Members still liable to pay money owing at time of forfeiture and interest.

Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.

55. Effect of forfeiture

The forfeiture Shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

56. Evidence of Forfeiture.

A declaration in writing that the declarant is a Director or Secretary of the Company and that Share in the Company have been duly forfeited in accordance with these articles 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 shares.

57. Title of purchaser and allottee of Forfeited Shares

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

58. Cancellation of share certificate in respect of forfeited Shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

59. Forfeiture may be remitted

In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

60. Validity of sale

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

61. Surrender of Shares

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

62. Execution of the instrument of Shares

(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.

63. Transfer Form

The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange.

64. Transfer not to be registered except on production of instrument of transfer

The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

65. Directors may refuse to register transfer

Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register —

(a) Any transfer of shares on which the company has a lien.

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 except where the Company has a lien on Shares.

66. Notice of refusal to be given to transferor and transferee

If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Companies Act, 2013 or any statutory modification thereof for the time being in force shall apply.

67. No fee on transfer

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.

68. Closure of Register of Members or debenture holder or other security holders

The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

69. Custody of transfer Deeds

The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.

70. Application for transfer of partly paid Shares

Where an application of transfer relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

71. Notice to transferee

For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

72. Recognition of legal representative

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 person recognized by the Company as having any title to his interest in the Shares.

Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

73. Titles of Shares of deceased Member

The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act, 2013.

74. Notice of application when to be given

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act, 2013.

75. Registration of persons entitled to share otherwise than by transfer. (transmission clause)

Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.

76. Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

77. Board may require evidence of transmission

Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

78. Company not liable for disregard of a notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

79. Form of transfer Outside India

In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in form SH4 hereof as circumstances permit.

80. No transfer to insolvent etc

No transfer shall be made to any minor, insolvent or person of unsound mind.

NOMINATION

81. Nomination

(i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.

(ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.

(iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.

(iv) lf the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

82. Transmission of Securities by nominee

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either

(i) to be registered himself as holder of the security, as the case may be; or
(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;
(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;
(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALISATION OF SHARES

83. Dematerialisation of Securities

Subject to the provisions of the Act, 2013 and Rules made thereunder the Company may offer its Members facility to hold securities issued by it in dematerialized form.

i. **Option to dematerialise Securities**

Notwithstanding anything contained in the Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities[and to offer the same for the Shareholders of the Company present and future (subscription in a dematerialised form) and on the same being done, the Company shall maintain a Register of Members holding various securities both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any shares either by itself or agency appointed for the purpose.

ii. **Option for Investors:**

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. The Beneficial Owner of the securities may at any time opt out of holding the securities with a Depository, in the manner provided by the Depositories Act, 1996; and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificates of Securities.

iii. **Securities in Depositories to be held in Fungible form**:

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Companies Act, 2013 shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

iv. **Rights of Depositories and Beneficial Owners**

(a) 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 security on behalf of the Beneficial Owner.

(b) Save as otherwise provided in (a) 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.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his / her securities which are held by a Depository.

v. **Service of documents:**

Notwithstanding anything contained in the Act or the Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

vi. **Transfer of Securities**:

Nothing contained in Section 56 of the Companies Act, 2013 or the Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

vii. **Allotment of Securities dealt with in a Depository:**

Notwithstanding anything contained in the Act or the Articles, where securities are dealt with by a Depository, the Company shall immediately intimate the details of allotment of such securities to the Depository.

viii. **Distinctive numbers of securities held in a Depository:**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

ix. **Register and index of beneficial owners:**

The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, 1996 shall be deemed to be the corresponding Register and Index of Members and Security holders for the purpose of the Articles.

Subject to the provisions of Section 88 of the Companies Act, 2013 and rules made thereunder, a Company may keep in any country outside India, a part of the Register of Members as referred to in sub-section (1), called “foreign register” containing the names and particulars of the Members, debenture holders, other security holders or Beneficial Owners residing outside India.

JOINT HOLDER

84. Joint Holders

Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.

85. Joint and several liabilities for all payments in respect of shares

(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments, which ought to be made in respect of such share;

Title of survivors

(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;

Receipts of one sufficient

(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and

Delivery of certificate and giving of notices to first named holders

(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

SHARE WARRANTS

86. Power to issue share warrants

The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

87. Deposit of share warrants

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant.

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

88. Privileges and disabilities of the holders of share warrant

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

89. Issue of new share warrant coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

90. Conversion of shares into stock or reconversion

The Company may, by ordinary resolution in General Meeting

(e) convert any fully paid-up shares into stock; and

(f) re-convert any stock into fully paid-up shares of any denomination.

91. Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, 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.

92. Rights of stock holders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

93. Regulations

Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.

BORROWING POWERS

94. Power to borrow

Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting

exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

95. Issue of discount etc. or with special privileges

Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

96. Securing payment or repayment of Moneys borrowed

The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

97. Bonds, Debentures etc. to be under the control of the Directors

Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

98. Mortgage of uncalled Capital

If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

99. Indemnity may be given

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

RELATED PARTY TRANSACTIONS

100. **A.** Subject to the provisions of the Act, 2013the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee and subsequently Board.
B. Subject to the provisions of the Act, 2013, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Agreement or any other law for the time being in force, with approval of the shareholders in the general meeting.

MEETINGS OF MEMBERS

101. Distinction between AGM & EGM

All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

102. Extra-Ordinary General Meeting by Board and by requisition

(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, 2013 forthwith proceed to convene Extra-Ordinary General Meeting of

When a Director or any two Members may call an Extra- Ordinary General Meeting

(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up Share Capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

103. Meeting not to transact business not mentioned in notice

No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.

104. Chairman of General Meeting

The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.

105. Business confined to election of Chairman whilst chair is vacant.

No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.

106. Chairman with consent may adjourn meeting.

(a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(c) 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.

(d) 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.

107. Chairman's casting vote

In the case of an equality of votes the Chairman shall both on a show of hands,on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.

108. In what case poll taken without adjournment

Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.

109. Demand for poll not to prevent transaction of other business

The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

110. Members in arrears not to vote

No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.

111. Number of votes each member entitled

Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

112. Casting of votes by a member entitled to more than one vote

On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

113. Vote of member of unsound mind and of minor

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.

114. Postal Ballot

Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

115. E-Voting

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

116. Votes of joint members.

(a) 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.If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.

(b) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

117. Votes may be given by proxy or by representative

Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized as mentioned in Articles.

118. Representation of a body corporate

A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the Members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.

119. Members paying money in advance

(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.

Members not prohibited if share not held for any specified period

(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.

120. Votes in respect of shares of deceased or insolvent members

Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

121. No votes by proxy on show of hands

No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.

122. Appointment of a Proxy

The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time forholding 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.

123. Form of proxy

An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

124. Validity of votes given by proxy not withstanding death of a member

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.

125. Time for objections to votes

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.

126. Chairperson of the Meeting to be the judge of validity of any vote

Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

DIRECTORS

127. Number of Directors

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, 2013 the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution

128. First Directors

The following shall be the First Directors of the Company :

1. Sri Satyanarayana Murthy Karuturi
2. Smt. Padmavathi Karuturi
3. Sri Subrahmanya Chowdary Karuturi

129. Qualification shares

A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

130. Nominee Directors

(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as adirector nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.

(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.

(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

131. Appointment of alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

132. Additional Director

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

133. Directors' power to fill casual vacancies

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

134. Sitting Fees

Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.

135. Travelling expenses Incurred by Director on Company's business

The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

PROCEEDING OF THE BOARD OF DIRECTORS

136. Meetings of Directors' Board Meeting through video/audio

(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.

(b) A director may, and the manager or secretary on the requisition of a director shall,at any time, summon a meeting of the Board.

(c) In terms of the Companies Act or other applicable laws, to permit the participation of Directors in meetings of the Board otherwise through physical presence, the Board or its Members, may from time to time decide to conduct discussions through audio conferencing, video conferencing or net conferencing and directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors as have indicated their willingness to participate by audio conferencing, video conferencing or net conferencing, as the case may be.

137. Chairperson

a) The Directors may from time to time elect from among their Members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.

b) Subject to Section 203 of the Act, 2013 and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.

138. Questions at Board meeting how decided

Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.

139. Continuing directors may act notwithstanding any vacancy in the Board

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.

140. Directors may appoint committee

Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

141. Committee Meetings how to be governed

The Meetings and proceedings of any such Committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

142. Chairperson of Committee Meetings

(a) A committee may elect a Chairperson of its meetings.

(b) 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.

143. Meetings of the Committee

(a) A committee may meet and adjourn as it thinks fit.

(b) 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.

144. Acts of Board or Committee shall be valid notwithstanding defect in appointment

Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.

RETIREMENT AND ROTATION OF DIRECTORS

145. Power to fill casual vacancy

Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

POWERS OF THE BOARD

146. Powers of the Board

The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

147. Certain powers of the Board

Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say

(1) To acquire any property, rights etc

Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.

(2) To take on Lease.

Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.

(3) To erect & construct.

To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.

(4) To pay for property.

At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(5) To insure properties of the Company.

To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(6) To open Bank accounts.

To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.

(7) To secure contracts by way of mortgage.

To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.

(8) To accept surrender of shares.

To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.

(9) To appoint trustees for the Company.

To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(10) To conduct legal proceedings.

To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.

(11) Bankruptcy & Insolvency

To act on behalf of the Company in all matters relating to bankruptcy insolvency.

(12) To issue receipts & give discharge

To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.

(13) To invest and deal with money of the Company

Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

(14) To give Security by way of indemnity

To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;

(15) To determine signing powers

To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.

(16) Commission or share in profits

To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.

(17) Bonus etc. to employees

To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.

(18) Transfer to Reserve Funds

To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

(19) To appoint and remove officers and other employees

To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.

(20) To appoint Attorneys

At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the Members or any of the Members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

(21) To enter into contracts

Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(22) To make rules

From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.

(23) To effect contracts etc.

To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.

(24) To apply & obtain concessions licenses etc.

To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.

To pay commissionsor interest

To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.

(25) To redeem preference shares

To redeem preference shares.

(26) To assist charitable or benevolent institutions

To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.

(27) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(28) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.

(29) 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, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.

(30) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.

(31) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.

(32) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.

(33) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.

(34) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.

(35) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.

(36) Generally subject to the provisions of the Act and these Articles, to delegate the powers/ authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.

(37) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MANAGING AND WHOLE-TIME DIRECTORS

148. Powers to appoint Managing/ Whole-time Directors.

(a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

149. The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.

150. Remuneration of Managing or Whole-time Director

The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.

151. Powers and duties of Managing Director or Whole-time Director.

(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.

(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.

(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.

(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

151. Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer

(a) 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 thinks 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.

(b) A provision of the Act or these regulations requiring or authorizing 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.

THE SEAL

152. The seal, its custody and use

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.

153. Deeds how executed

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 authorized 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.

DIVIDEND AND RESERVES

154. Division of profits

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.

(1) 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.

(3) 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; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

155. The company in General Meeting may declare Dividends

The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

156. Transfer to reserves

(a) 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, thinks fit.

(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

157. Interim Dividend

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.

158. Debts may be deducted

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

159. Capital paid up in advance not to earn dividend

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.

160. Dividends in proportion to amount paid-up

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 but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

161. Retention of dividends until completion of transfer under Articles

The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articleshas become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

162. No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof

No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

163. Effect of transfer of shares

A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

164. Dividend to joint holders

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

Dividends how remitted

(a) 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 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.

(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

165. Notice of dividend

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.

166. No interest on Dividends

No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.

CAPITALIZATION

167. Capitalization

(1) The Company in General Meeting may, upon the recommendation of the Board, resolve :

(a) that it is desirable to capitalize 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

(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards :

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) 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; or

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company and fully paid bonus shares.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

168. Fractional Certificates

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(b) generally to do all acts and things required to give effect thereto.

(2) The Board shall have full power -

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also

(b) to authorize 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

169. Inspection of Minutes Books of General Meetings

(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of Members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the Members will also be entitled to be furnished with copies thereof on payment of regulated charges.

(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.

170. Inspection of Accounts

(a) 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.

(b) 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 authorized by the Board or by the company in general meeting.

FOREIGN REGISTER

172. Foreign Register.

The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.

DOCUMENTS AND SERVICE OF NOTICES

173. Signing of documents & notices to be served or given

Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed.

173. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company and need not be under the Common Seal of the Company.

WINDING UP

175. 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.

INDEMNITY

176. Directors' and othersright to indemnity

Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463of the Act on which relief is granted to him by the Court.

177. Not responsible for acts of others

Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or onbehalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECRECY

178. Secrecy

(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

Access to property information etc.

(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following 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 this 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 and Corporate Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated March 24, 2017 entered amongst our Company, the Selling Shareholders and the BRLM.

2. Registrar Agreement dated March 24, 2017 entered amongst our Company, the Selling Shareholders and the Registrar to the Issue

3. Escrow Agreement dated [●] entered amongst our Company, the Selling Shareholders, the Registrar to the Issue, the BRLM, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).

4. Share Escrow Agreement dated [●] entered amongst the Selling Shareholders, the BRLM, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated [●] entered amongst our Company, the Selling Shareholders, the BRLM, the Syndicate Members and the Registrar to the Issue.

6. Underwriting Agreement dated [●] entered amongst our Company, the Selling Shareholders, the Registrar to the Issue and the Underwriters.

B. Material Documents

7. Certified copies of the updated Memorandum of Association and Articles of Association as amended from time to time.

8. Certificate of incorporation dated March 30, 2012 pursuant to the conversion from partnership to private limited company.

9. Fresh certificate of incorporation dated November 29, 2016 pursuant to the conversion of our Company into a public limited company.

10. Resolution of the Board of Directors dated March 08, 2017 in relation to the Fresh Issue and other related matters.

11. Shareholders' resolution dated March 10, 2017 in relation to the Fresh Issue and other related matters.

12. Letter of transmittal for the Equity Shares offered pursuant to the Offer for Sale from
    i. Karuturi Satyanaryana Murthy dated March 20, 2017; and
    ii. Karuturi Padmavathi dated March 20, 2017.

13. The examination reports dated March 15, 2017 of the Statutory Auditors on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.

14. Copies of the annual reports of our Company for Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013.

15. Consent letter from the Statutory Auditors of our Company for inclusion of their name as experts.

16. The Statement of Tax Benefits dated March 15, 2017, from the Statutory Auditors.

17. Certificate from Boda Ramam & Co., Chartered Accountants, dated March 15, 2017 on amounts deployed by our Company as of February 28, 2017 towards the Objects of the Issue.

18. Consent of the Directors, Selling Shareholders, BRLM, Syndicate Members, Domestic Legal Counsel to the Issue, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Bankers to our Company, Chief Financial Officer, Company Secretary and Compliance Officer as referred to in their specific capacities.

19. Consent letter dated March 22, 2017 from CRISIL for using excerpts of the report titled *"Growth Outlook, Opportunities and Risks in Aquaculture Industry"*.

20. Consent letter dated March 24, 2017 from Chartered Engineer, Rams Associates, to include his name as expert in relation to Building & Civil works estimates .

21. Partnership Deed dated October 24, 1995 entered into between Karuturi Satyanarayana Murthy and Karuturi Padmavathi.

22. Re-constitution of Partnership Deed dated January 1, 2012 entered into between Karuturi Satyanarayana Murthy, Karuturi Padmavathi, Karuturi Subrahmanya Chowdary, Karuturi Neelima Devi, Sankuratri Ravi Kanth, Sankuratri Anitha Devi, Vallepalli Hanumantha Rao.

23. Guarantees to Bank of India, given by our Promoters, namely, Karuturi Satyanarayana Murthy and Karuturi Subrahmanya Chowdary.

24. Due Diligence Certificate dated March 30, 2017 addressed to SEBI from the BRLM.

25. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

26. Tripartite agreement dated February 3, 2017 among our Company, NSDL and the Registrar to the Issue.

27. Tripartite agreement dated December 27, 2016 among our Company, CDSL and the Registrar to the Issue.

28. SEBI observation letter no. [●] dated [●].

DECLARATION

All relevant provisions of the Companies Act 2013, as amended, and the guidelines issued by the Government or the regulations or guidelines issued by 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 SEBI Act or rules or regulations made thereunder or guidelines issued, 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 BOARD OF DIRECTORS OF OUR COMPANY

Karuturi Satyanarayana Murthy *Chairman and Managing Director*	**Karuturi Subrahmanya Chowdary** *Executive Director*
Karuturi Neelima Devi *Whole-Time Director*	**Datla Chandra Sekhar Raju** *Non-Executive Independent Director*
Datla Venkata Subba Raju *Non-Executive Independent Director*	**Mantena Lakshmipathi Raju** *Non-Executive Independent Director*

SIGNED BY THE CHIEF FINANCIAL OFFICER

Ch. Vijaya Kumar

Date: March 30, 2017
Place: Kakinada

DECLARATION

The underlying Selling Shareholder, hereby certifies that all statements and undertakings, made by him in this Draft Red Herring Prospectus about or in relation to him and the Equity Shares being offered by him in the Offer for Sale, are true and correct. The underlying Selling Shareholder assumes no responsibility for any other statements in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

KARUTURI SATYANARAYANA MURTHY

Date: March 30, 2017
Place: Kakinada

DECLARATION

The underlying Selling Shareholder, hereby certifies that all statements and undertakings, made by him in this Draft Red Herring Prospectus about or in relation to him and the Equity Shares being offered by him in the Offer for Sale, are true and correct. The underlying Selling Shareholder assumes no responsibility for any other statements in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

KARUTURI PADMAVATHI

Date: March 30, 2017
Place: Kakinada