



NEKKANTI SEA FOODS LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 with the name 'Nekkanti Sea Foods Private Limited' on September 14, 1983 at Hyderabad. Subsequently, pursuant to a special resolution of our shareholders dated March 15, 1986, our Company was converted into a public limited company, and a fresh certificate of incorporation consequent to change of status was issued by the then Registrar of Companies, Andhra Pradesh on March 21, 1986. For further details, see "History and Certain Corporate Matters" on page 163.

Registered Office: D.No.15-1-37/6, G-1, Jayaprada Apartments, Nowroji Road, Maharanipeta, Visakhapatnam – 530 002
Corporate Office: D. No. 3-16/3, Ocean Drive Layout, Gudlavanipalem, Opposite Bhulokamatha Temple, Sagar Nagar, Visakhapatnam – 530 045
Contact Person: Chandra Kanta Nayak, Company Secretary and Compliance Officer; **Tel.:** + 91 891 2526 971; **Fax:** +91 891 2567 504
E-mail: cs@nekkantiseafoods.com; **Website:** www.nekkantiseafoods.com; **Corporate Identity Number:** U05005AP1983PLC004128

PROMOTERS OF OUR COMPANY: NEKKANTI SEETHA RAMACHANDRA MURTY, NEKKANTI VENKATA LAKSHMI AND NEKKANTI SEETHA RAMACHANDRA MURTY (HUF)

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF NEKKANTI SEA FOODS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ [●] MILLION^ (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 2,500 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 8,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE SELLING SHAREHOLDERS (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE ATLEAST 10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

^Our Company, in consultation with the BRLM, and subject to the approval of our shareholders, is considering a private placement of up to 4,500,000 Equity Shares for cash consideration aggregating up to ₹ 2,500 million, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of 10% of the post-Offer paid-up Equity Share capital of our Company being offered to the public.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE BAND AND MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI DAILY NEWSPAPER AND [●] EDITIONS OF [●], A TELUGU DAILY NEWSPAPER (TELUGU BEING THE REGIONAL LANGUAGE IN THE STATE WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"). This Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for received from domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer 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 Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCBSs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 412.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value of our Equity Shares. The Offer Price, as determined and justified by our Company in consultation with the Book Running Lead Manager in accordance with the SEBI ICDR Regulations and as stated in "Basis for Offer Price" on page 108 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Company and this Offer, including the risks involved. The Equity Shares 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" on page 17.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other factors, 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. The Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the statements expressly made or confirmed by the Selling Shareholders in this Draft Red Herring Prospectus to the extent of information pertaining to them and their respective portion of the Offered Shares and severally assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed 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/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 474.

BOOK RUNNING LEAD MANAGER

MOTILAL OSWAL
Investment Banking

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Bus Depot, Prabhadevi
Mumbai 400 025, India
Tel.: + 91 22 3982 5541
Fax: +91 22 3980 4315
E-mail: nekkanti.ipo@motilaloswal.com
Investor grievance E-mail: motiapredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact person: Keyur Desai/ Kristina Dias
SEBI Registration No.: INM000011005

REGISTRAR TO THE OFFER

KARVY | Computershare

Karvy Computershare Private Limited
Karvy Selenium Tower B Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032, India
Tel.: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance E-mail: nekkantisea.ipo@karvy.com
Website: https://karisma.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME*

BID/OFFER OPENS[†] [●]

BID/OFFER CLOSES^{††} [●]

^{*}Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.

^{††}Our Company, in consultation with the Book Running Lead Manager, may decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended or re-enacted from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to “the Issuer”, “the Company”, “our Company” are references to Nekkanti Sea Foods Limited and references to “we”, “our” or “us” are references to our Company, together with its Subsidiaries.

Company Related Terms

Term	Description
“Articles”, “Articles of Association” or “AoA”	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board, as described in “ <i>Our Management</i> ” on page 171.
“Auditors” or “Statutory Auditors”	The statutory auditors of our Company, namely, J V S L & Associates.
“Board” or “Board of Directors”	The board of directors of our Company, including a duly constituted committee thereof.
Corporate Office	D. No. 3-16/3, Ocean Drive Layout, Gudlavanipalem, Opposite Bhulokamatha Temple, Sagar Nagar, Visakhapatnam – 530 045.
CSR Committee	The corporate social responsibility committee of our Board, as described in “ <i>Our Management</i> ” on page 171.
Director(s)	The director(s) on our Board.
Equity Shares	The equity shares of our Company of face value of ₹ 2 each.
Group Companies	The companies which are covered under the applicable accounting standards and other companies as considered material by our Board, as disclosed in “ <i>Our Group Companies</i> ” on page 191.
Independent Director(s)	Independent Director(s) on our Board.
IPO Committee	The committee constituted by our Board for the Offer, as described in “ <i>Our Management</i> ” on page 171.
Key Management Personnel	Key management personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 and as disclosed in “ <i>Our Management</i> ” on page 171.
“Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in “ <i>Our Management</i> ” on page 171.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 187.
Promoters	The promoters of our Company, being Nekkanti Seetha Ramachandra Murty, Nekkanti Venkata Lakshmi and Nekkanti Seetha Ramachandra Murty (HUF).
Registered Office	The registered office of our Company located at D.No.15-1-37/6, G-1, Jayaprada Apartments, Nowroji Road, Maharanipeta, Visakhapatnam, Andhra Pradesh 530002.
“Registrar of Companies” or “RoC”	Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad.
Restated Consolidated Financial Statements	The audited consolidated financial statements of our Company as of and for the Fiscal Years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and the nine months ended December 31, 2017 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements.
Restated Standalone Financial Statements	The audited standalone financial statements of our Company as of and for the Fiscal Years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and the nine months ended December 31, 2017, and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies

Term	Description
	Act, and restated in accordance with the SEBI ICDR Regulations.
Shareholders	Shareholders of our Company from time to time.
SSSAFDPL	Sri Sai Srinivasa Agro Farms and Developers Private Limited.
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Board as described in <i>"Our Management"</i> on page 171.
Subsidiaries	The subsidiaries of our Company as set out in <i>"History and Certain Corporate Matters – Subsidiaries of our Company"</i> on page 167.
VGPPL	Vill Global Projects Private Limited.
Whole-time Director(s)	Whole-time Director(s) on our Board.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid / Bid cum Application Form.
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders.
Allotment Advice	Advice or intimation of Allotment sent to the successful 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 an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the BRLM.
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 the Prospectus.
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The 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 Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice but not later than two Working Days after the Bid Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company 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.
"ASBA" or "Application Supported by Blocked Amount"	The application, whether physical or electronic, used by an ASBA Bidder to make a Bid authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any Bidder in the Offer 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.

Term	Description
Banker(s) to the Offer	Escrow Collection Banks(s), Refund Bank(s) and Public Offer Account Bank.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, which is described in “Offer Procedure” on page 412.
Bid(s)	<p>An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, as permissible under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form.</p> <p>The term “Bidding” shall be construed accordingly.</p>
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account, as the case may be, upon submission of the Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches of SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares.
Bid/Offer Closing Date	<p>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 notified in [●] edition of [●], an English daily newspaper, [●] edition of [●], a Hindi daily newspaper and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members.</p> <p>Our Company in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Offer 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 [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office is located), each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate Members.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made.
“Book Running Lead Manager” or “BRLM”	The book running lead manager to the Offer, being Motilal Oswal Investment Advisors Limited.
Broker Centres	<p>Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker.</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.</p>
“CAN” or “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 Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat

Term	Description
	account.
“CDP” or “Collecting Depository Participant”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Cut-Off Price	Offer Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders 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/Applicants including the Bidder/Applicant's address, name of the Bidder/Applicant's father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , as updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (at www.bseindia.com and www.nseindia.com , respectively,) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account, and the SCSBs transfer funds from the ASBA Accounts to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com , respectively.
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated March 12, 2018, 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 Offer, including any addenda or corrigenda thereto.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS in respect of the Bid Amount while submitting a Bid.
Escrow Agreement	The agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s), the Public Offer Account Bank and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
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 [●].
First or sole Bidder	The 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, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 2,500 million [^] by our Company for subscription pursuant to the terms of the Red Herring Prospectus.
	[^] Our Company, in consultation with the BRLM, and subject to the approval of our shareholders, is

Term	Description
	<i>considering a private placement of up to 4,500,000 Equity Shares for cash consideration aggregating up to ₹ 2,500 million, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of 10% of the post-Offer paid-up Equity Share capital of our Company being offered to the public.</i>
“General Information Document” or “GID”	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, suitably modified and updated pursuant to, <i>inter alia</i> , the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in “Offer Procedure” on page 412.
Maximum RIB Allottees	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.
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement dated [●] between our Company and the Monitoring Agency.
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 Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Offer related expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
“Non-Resident” or “NR”	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
Offer	The initial public offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share, consisting of the Fresh Issue and the Offer for Sale.
Offer Agreement	The agreement dated March 12, 2018 amongst our Company, the Selling Shareholders and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 8,000,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, in terms of the Red Herring Prospectus.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the BRLM on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Offered Shares	Equity Shares being offered for sale by the Selling Shareholders in the Offer.
Offer Proceeds	The proceeds of this Offer based on the total number of Equity Shares Allotted under this Offer and the Offer Price.
Other Selling Shareholders	Atluri Sreeram, Nekkanti Venkat Rao, Nekkanti Rajeswari, Atluri Sirisha, Nekkanti Subba Rayudu, Nekkanti Mahesh, Atluri Murali Krishna, Nekkanti Anjana, Meka Durga and Atluri Venkata Lakshmi.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid lot size, as decided by our Company, in consultation with the BRLM will be advertised in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with

Term	Description
	Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Offer Account Bank	The bank(s) with which the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●].
“QIBs” or “Qualified Institutional Buyers”	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer, being 50% of the Offer, which shall be allocated to QIBs (including Anchor Investors).
QIB Bid/Offer Closing Date	In the event our Company, in consultation with the BRLM, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date.
‘Qualified Purchaser’ or ‘QP’	As defined in section 2(a)(51) and the related rules of the U.S. Investment Company Act.
“Red Herring Prospectus” or “RHP”	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.</p>
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 shall be made.
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registrar Agreement	The agreement dated March 9, 2018, amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
“RTAs” or “Registrar and Share Transfer Agents”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
“Registrar to the Offer” or “Registrar”	Karvy Computershare Private Limited.
Resident Indian	A person resident in India, as defined under FEMA.
“Retail Individual Bidder(s)” or “RIB(s)” or “Retail Individual Investor(s)” or “RII(s)”	Bidders (including HUFs applying through their Karta and Eligible NRIs) who have Bid for Equity Shares for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being not less than 35% of the Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations.
Revision Form	<p>Form used by the Bidders (other than QIBs and Non-Institutional Investors) to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s).</p> <p>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/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.</p>
“Self-Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35

Term	Description
	and updated from time to time.
Selling Shareholders	Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty (HUF) and Other Selling Shareholders.
Share Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	The agreement dated [●], amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the deposit of their respective portions of the Offered Shares and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] amongst our Company, the Registrar to the Offer, the Selling Shareholders, the BRLM and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●].
“Syndicate” or “Members of the Syndicate”	The BRLM and the Syndicate Members.
Underwriters	[●].
Underwriting Agreement	The agreement dated [●] amongst the Underwriters, our Company and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of Prospectus.
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/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business. With reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Days” 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 or Abbreviations

Term	Description
ASC	Aquaculture Stewardship Council.
AUC	Area Under Cultivation.
BAP	Best Aquaculture Practices.
BRC	British Retail Consortium.
CAA	Coastal Aquaculture Authority.
EMS	Early Mortality Syndrome.
EPCG	Export Promotion Capital Goods Scheme.
HACCP	Hazard Analysis and Critical Control Points.
IFS	International Featured Standards
IQF	Individual Quick Freezing.
MEIS	Merchandise Exports from India Scheme.
MPEDA	The Marine Products Export Development Authority.
MT	Metric Tonnes.
MTPA	Metric Tonnes Per Annum.
Pacific White Shrimp	<i>Litopenaeus Vannamei</i> (L. <i>Vannamei</i>).
SMETA	Sedex Members Ethical Trade Audit.
SPF	Specific Pathogen Free.
US FDA	United States Food and Drug Administration.

Conventional and General Terms or Abbreviations

Term	Description
₹ or “Rs.” or “Rupees” or “INR”	Indian Rupees, the official currency of the Republic of India.
AGM	Annual general meeting.

Term	Description
AIF	Alternative Investment Fund registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
“AS” or “Accounting Standards”	Accounting standards issued by the Institute of Chartered Accountants of India.
Air Act	Air (Prevention and Control of Pollution) Act, 1981.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Category II FPI	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CIN	Corporate Identity Number.
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 by the Ministry of Corporate Affairs, Government of India as of the date of this DRHP, along with the relevant rules made thereunder.
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970.
CRISIL	CRISIL Limited.
CRISIL Report	Industry report titled “ <i>Shrimp Processing Industry in India</i> ” released in March 2018, prepared by CRISIL.
CSR	Corporate social responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations thereunder.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP ID	Depository Participant’s Identification.
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
EQCI Act	Export (Quality Control and Inspection) Act, 1963.
ERP	Enterprise Resource Planning.
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952.
Employees State Insurance Act	Employees State Insurance Act, 1948.
Factories Act	Factories Act, 1948.
FAQ	Frequently asked question.
FCNR	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
“Financial Year” or “Fiscal” or “Fiscal Year” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FSS Act	Food Safety and Standards Act, 2006.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
“GoI” or “Government” or “Central Government”	Government of India.
GST	Goods and Services Tax.
Hazardous Waste(s) Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	The Income Tax Act, 1961, read with rules thereunder.

Term	Description
Ind AS	Indian Accounting Standards.
India	Republic of India.
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial public offering.
IRDAI	Insurance Regulatory and Development Authority of India.
IST	Indian Standard Time.
IT	Information technology.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic ink character recognition.
Mn or mn	Million.
MoU	Memorandum of Understanding.
MPEDA	Marine Products Export Development Authority Act, 1972.
“N.A.” or “NA”	Not Applicable.
NAV	Net Asset Value.
NACH	National Automated Clearing House.
NCLT	National Company Law Tribunal.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External account.
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit after tax.
RBI	Reserve Bank of India.
RoNW	Return on net worth.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SBI	State Bank of India.
SEBI	Securities and Exchange Board of India constituted under the SEBI 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 Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Term	Description
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
Stamp Act	The Indian Stamp Act, 1899.
State Government	The government of a state in India.
Stock Exchanges	BSE and NSE.
STT	Securities Transaction Tax.
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
“U.S.” or “USA” or “United States”	United States of America.
“USD” or “US\$”	United States Dollars.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations.
“Year” or “Calendar Year”	Unless context otherwise requires, shall refer to the twelve month period ending December 31.

The words and expressions used but not defined herein shall have the same meaning as assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, capitalised terms in “*Statement of Special Tax Benefits*”, “*Objects of the Offer*”, “*Financial Statements*”, “*Basis for Offer Price*”, “*Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Financial Indebtedness*” “*Outstanding Litigation and Material Developments*” and “*Offer Procedure*” beginning on pages 112, 101, 196, 108, 157, 163, 379, 381 and 412 respectively, shall have the meanings given to such terms in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

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

Currency and Units of Presentation

All references to “Rupee(s)”, “Rs.” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. 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	Exchange rate as on						(in ₹)
	February 28, 2018	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
USD	64.35	63.93	64.84	66.33	62.59	60.10	54.39

Source: RBI reference rate at the end of the period (www.rbi.org.in). In case March 31 of any of the respective years is a public holiday, the previous working day has been considered

Such conversions should not be considered as a representation that such currency amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and Other Data

Our Company’s Fiscal Year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular Fiscal Year are to the 12 month period ended March 31 of that year, unless otherwise specified.

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements, and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with applicable provisions of the Companies Act and Ind AS, and restated in accordance with the SEBI ICDR Regulations.

We prepare our financial statements in accordance with Ind AS, which differs in some material respects from IFRS and U.S. GAAP. Accordingly, the degree to which our Restated Financial Statements, as included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, 2013, Ind AS and the SEBI ICDR Regulations. 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. 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 under U.S. GAAP or IFRS. Furthermore, no attempt has been made to identify disclosures, presentation or classification of differences that would affect the manner in which transactions and events are reflected in our financial statements or the respective notes thereunder. We urge you to consult your own advisors regarding such differences and their impact on our financial data. See “*Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition.*” on page 40.

Unless stated otherwise, all the figures in this Draft Red Herring Prospectus have been presented in millions or in

whole numbers where the numbers have been too small to present in million. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Market and Industry Data

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified and neither we, nor the Selling Shareholders or the BRLM, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "Risk Factors" on page 17. Additionally, certain industry related information in the sections "Summary of Industry", "Summary of Business", "Industry Overview", "Our Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" on pages 47, 58, 115, 139, 17 and 349, respectively, has been derived from an industry report titled "Shrimp Processing Industry in India" released in March 2018, prepared by CRISIL ("**CRISIL Report**"), an independent research house, pursuant to an engagement with our Company.

The CRISIL Report is subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (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 entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no 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. Nekkanti Sea Foods Limited 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 Ltd (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."

For further details, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 35.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “goal”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “should”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our growth and expansion strategies, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our 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 and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- There are outstanding legal proceedings against our Company, Promoters and Directors which may adversely affect our business, financial condition and results of operations.
- Our dependence on regular supply of fresh and quality shrimps and any significant disruption, restriction or scarcity in the supply of fresh and quality shrimp may materially and adversely affect our business, results of operations and financial condition.
- Outbreak of diseases or widespread contamination affecting shrimp cultivation or the aquaculture industry.
- All our shrimp processing facilities as well as procurement operations are located in the state of Andhra Pradesh, which exposes us to any adverse development affecting such region.
- Almost all of our revenue from operations is generated from sale of processed shrimp products in international markets, in particular, in the United States.
- We are subject to the legal and regulatory framework of the international markets where we export our products and may not always be able to comply with applicable rules and regulations.
- We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.
- Any inability to secure, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.
- We are currently entitled to export promotion schemes applicable to exports in India. Any decrease in or discontinuation of such export promotion incentives may adversely affect our results of operations and financial performance.

For further discussion on factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 139 and 349, 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 gains or losses could materially differ from those that have been estimated.

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.

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. Neither our Company, Promoters, Directors, 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 regulatory requirements, our Company and the BRLM 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. The Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described below are not the only ones relevant to us. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 139 and 349, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ 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 15.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 196.

*Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Nekkanti Sea Foods Limited on a consolidated basis and references to “the Company” or “our Company” refers to Nekkanti Sea Foods Limited on a standalone basis. Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Shrimp Processing Industry in India” dated March 2018 (the “**CRISIL Report**”) prepared and issued by CRISIL Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Risks relating to our Business

- 1. There are outstanding legal proceedings against our Company and Nekkanti Seetha Ramachandra Murty, our Promoter and the Chairman and Whole-time Director which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings and regulatory actions against our Company and Nekkanti Seetha Ramachandra Murty, our Promoter and the Chairman and Whole-time Director. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

A summary of the outstanding legal proceedings against our Company, our Directors and Promoters as disclosed in this Draft Red Herring Prospectus, have been set out below:

(i) *Litigation against our Company*

Sr. No.	Nature of Litigation	Number of Outstanding Cases	Amount involved (₹ in million)
1.	Criminal proceedings	1	-
2.	Pending action by statutory or regulatory authorities	3	-
3.	Taxation matters	6	38.07

(ii) *Litigation against the Promoters*

Sr. No.	Nature of Litigation	Number of Outstanding Cases	Amount involved (₹)
1.	Criminal proceedings	1	-
2.	Pending action by statutory or regulatory authorities	1	-

(iii) *Litigation against the Directors*

Sr. No.	Nature of Litigation	Number of Outstanding Cases	Amount involved (₹)
1.	Criminal proceedings	1	-
2.	Pending action by statutory or regulatory authorities	1	-

In relation to details of litigation or legal action by the Government of India or any statutory authority involving our Promoters in last five years, see “*Outstanding Litigation and Material Developments*” on page 381. For further details of legal proceedings involving our Company, Promoter and Director, see “*Outstanding Litigation and Material Developments*” on page 381.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition. Such proceedings could divert management time and attention, and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations.

2. *The outbreak of diseases or widespread contamination affecting shrimp cultivation or the aquaculture industry could adversely affect our business, financial condition and results of operations.*

Any outbreak of disease or widespread contamination affecting shrimp cultivation or the aquaculture industry, pollution at aquaculture farms, and/or capture areas may have an adverse impact on the supply of raw shrimp. Shrimps are vulnerable to various diseases, in particular the white spot disease. Any outbreak of disease or widespread contamination affecting shrimps in India or elsewhere could adversely affect the demand for our products, and could require us to incur significant expense to contain such contamination or undertake remedial measures. For example, the outbreak of early mortality syndrome for shrimps in Vietnam in 2011 and in Thailand in 2012 adversely affected the shrimp export industry in such countries. Any outbreak of similar diseases affecting shrimps in India and the seafood or aquaculture industry in general could significantly impact the supply of raw shrimp and materially and adversely affect our business operations.

Shrimp contamination may result from unforeseen catastrophes such as nuclear incidents, leakages at oil rigs, sinking of transport ships carrying environmentally hazardous materials, as well as unregulated, unsustainable or unhygienic shrimp farming or processing operations. Any reduction in the supply of raw shrimp due to such contamination or outbreak of disease may require us to seek alternative and potentially more expensive, supplies of raw shrimp, which also may not be readily or easily available or be adequate to meet our requirements. In addition, any outbreak of disease or widespread contamination issues affecting the seafood industry, shrimp products, including those affecting other shrimp processing companies or shrimp exporters in India or other jurisdictions, may

lead to a loss in customer confidence in shrimp products generally or shrimp products exported from India, and reduce the demand for our products. The occurrence of any of these factors could materially and adversely affect our business, financial condition and results of operations.

3. *We operate in an environmentally sensitive industry and are subject to disruptions due to unexpected, unusual, unpredictable severe or unseasonal weather.*

Our business operations are sensitive to weather conditions, including conditions such as drought and natural disasters. General variations in the weather due to unexpected, unusual, unpredictable severe or unseasonable changes in the weather can have adverse impact on our operations across our value chain including but not limited to the farm operations and processing activities. Excessive rainfall could also increase the possibility of flooding which may wash away the shrimp farms along the coast. Further, we may be subjected to decreased availability of water during a drought, which could impact our processing operations at our processing facilities. Any such events may result in the shutdown of our operations at our processing facilities and can have a material adverse effect on our business, financial condition and results of operations

4. *We generate a majority of our revenue through the export of shrimp to the United States. Any adverse developments or changes in the demand for our products, seafood consumption patterns, government regulations in the United States may have a material adverse effect on our business, financial condition and results of operations.*

We generate a majority of our revenue through the export of shrimp to the United States. Any adverse developments or changes in the demand for our products, seafood consumption patterns, government regulations in the United States may have a material adverse effect on our business, financial condition and results of operations. We derive most of our revenue through the export of shrimp to customers located in the United States. Revenue from operations from the sale of our products in the United States accounted for 79.91%, 92.01%, 87.64% and 89.71%, respectively, of our revenue from operations in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017. Any adverse change in demand for our products, seafood consumption patterns, international prices or government regulations including drastic increase in the levy of anti-dumping duties on our products, additional trade barriers in the United States region may adversely affect our business, financial condition and results of operations.

5. *Almost all of our business is focused on exports to customers in international markets, and currency exchange rate fluctuations may have a material adverse effect on our results of operations.*

Almost all of our revenue from operations is generated from the export of processed shrimp products to customers in international markets, including, in particular, to the United States. We are, therefore, exposed to significant risks relating to exchange rate fluctuations, in particular with respect to the US Dollar. In addition, because our financial statements are presented in Indian Rupees we are subject to translation risk, which is the risk that our financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of other currencies, in particular the US Dollar, against the Indian Rupee. The exchange rate between the Indian Rupee and the US Dollar and other foreign currencies has changed considerably in recent years and may further fluctuate in the future. Such fluctuations in currency exchange rates may impact our results of operations. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers. There can be no assurance that we will be able to manage our foreign currency risk effectively or mitigate exchange exposures.

In addition, we have certain foreign currency denominated borrowings, comprising buyers' credit availed in US dollars from State Bank of India. As on December 31, 2017, the total value of such foreign currency denominated borrowings was US\$ 2,998,756.40. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these measures may not always be sufficient to protect us against potential losses resulting from fluctuations in currency exchange rates.

6. *Our business operations are dependent on the regular supply of fresh and quality shrimps and any significant disruption, restriction or scarcity in the supply of fresh and quality shrimp may materially and adversely affect our business, results of operations and financial condition.*

Our business operations are dependent on the regular supply of fresh and quality shrimp, in particular the *Litopenaeus Vannamei* variety of shrimp. Raw shrimp supply may be affected by supply disruption and price volatility resulting from availability of quality supply from the sea and aquaculture farms, industry trends and relative consumer demand, regulatory developments, as well as environmental factors and natural disasters beyond our control. As part of our shrimp processing business, the raw shrimp, our primary raw material, are required to be stored, handled and transported at specific temperatures and under certain food safety conditions. These shrimp may be subject to contamination by disease or pathogens. These pathogens are typically found in the environment, and, as a result, there is a risk that they could affect our processed shrimp products. These and other pathogens can also impact us as a result of improper handling at the processing, food service or consumer levels. We face the risk of legal proceedings and product liability claims from end-consumers, distributors and government agencies for various reasons including for defective or contaminated products sold or services rendered. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, as well as entail significant costs in excess of available insurance coverage, which could adversely affect our reputation, business, results of operations and financial condition.

While we operate certain shrimp farms, most of our raw shrimp supply is sourced from third party suppliers, including aquaculture resources and local shrimp farmers. We also do not own or operate any hatcheries, and are dependent on third party hatcheries. We purchase such shrimp in the open market at spot rates, and do not enter into any supply contracts with such farmers, whether long-term or otherwise. We therefore do not have any control over the farming operations of these shrimp farmers. While we conduct quality checks on the raw shrimp purchased by us from such farmers, there can be no assurance that such shrimp farmers have complied or will continue to comply with applicable regulatory standards and quality standards required by our customers, relating to procurement of baby shrimp from third party hatcheries, or their shrimp farming operations. In addition, there can be no assurance that such shrimp farmers and other suppliers will continue to maintain requisite licenses and approvals for the conduct of their operations. The traceability of our shrimp products, including the procurement of certain quality certified hatcheries and shrimp farms, may affect the marketability and pricing of our products.

In addition, shrimp farmers that we procure our raw shrimp from may be unable to provide us with sufficient quantities of raw shrimp of requisite quality at a suitable price for us to meet the demand for our products. Farmers currently producing a certain type of shrimp may shift their efforts towards the production of other varieties of shrimps or forms of aquaculture species, which could result in a decline in the farming of raw shrimp used in our business, or an increase in our raw material costs, or require us to source raw material from other suppliers, which we may be unable to do at competitive prices, or at all. Interruption of, or shortage in, or increase in the cost of supply of raw shrimp may result in our inability to operate our production facilities at optimal capacities or at all, leading to a decline in sales and profits, which could adversely affect our business, results of operations and financial condition.

7. We are subject to the legal and regulatory framework of the international markets where we export our products and may not always be able to comply with applicable rules and regulations or may be adversely affected in the event of introduction of international trade barriers.

Our business operations are subject to the legal and regulatory framework of the various international markets where we export our products. An inability to comply with applicable rules and regulations or maintain requisite licenses or certifications with respect to our processing facilities, procurement and processing operations, and raw material and product quality, or an inability to otherwise comply with applicable laws, may result in the rejection of, or prohibition on sale of, our products in such markets. In addition, such non-compliance may result in penal or other action against us.

Our operations are subject to stringent health and safety laws as our products are for human consumption and are therefore subject to various industry specific regulations. In Fiscal 2015 and 2016, certain consignments of our products were subject to rejection by relevant regulatory authorities in the European Union due to antibiotics traces found in our products. For example, Indian companies are subject to certain non-tariff trade barrier restrictions with respect to the export of our shrimp products to the European Union. In addition, our facilities at Marikavalasa and Ethakota are currently prohibited from exporting products to customers in the European Union. Any rejection of our products or prohibition on sale of our products resulting from any such regulatory non-compliance may materially and adversely affect our business prospects, results of operations and financial condition.

We may also be subject to additional regulatory requirements due to changes in governmental policies. Further, we may also incur additional costs and liabilities related to compliance with these laws and regulations that are an inherent part of our business. We are subject to various central, state and local food safety, consumer goods, health and safety and other laws and regulations. These relate to various issues, including food safety, food ingredients, and food packaging requirements, and the investigation and remediation of contamination. For further information see, “*Regulations and Policies*” on page 157. There can be no assurance that we will in all instances be in compliance with all applicable import and food safety regulations of the international markets where we export our products, will be permitted to sell our products in such markets.

In addition, we export our products to various international markets based on purchase orders executed by our customers, which are typically governed by the laws of the jurisdiction in which either such customer or importing entity is incorporated or established, or the relevant jurisdiction to which our product is being exported. Any dispute arising from any such contractual arrangement is also typically subject to the exclusive jurisdiction of courts located in such countries, and it may be prohibitively expensive or otherwise impracticable for us to pursue, enforce or effectively defend, any claims in legal proceedings initiated in such courts or other applicable judicial or regulatory forum in such international jurisdictions.

The export of shrimp products from India to international markets may be adversely affected in the event of introduction of international trade barriers. Our existing or potential international markets may become inaccessible or less accessible to us resulting from trade embargoes, import restrictions, quotas, anti-dumping duties, tariffs or other forms of trade barriers introduced or escalated by countries where we export our products, in particular, the United States, sales to which market represents a significant majority of our revenues from operations. In the event that our key export markets implement any regulatory or policy measures prohibiting or limiting the import of shrimp products, or introduce measures that result in an increase in the cost of the shrimp products imported from India, our ability to export products to such markets may be adversely affected, consequently affecting materially and adversely affecting our business prospects, results of operations and financial condition.

8. *A significant majority of our revenues from operations is derived from a limited number of customers.*

A significant majority of our revenues from operations is derived from a limited number of key customers. Most of our key customers are shrimp product wholesalers and distributors and large food service operators. In Fiscal 2017 and in the nine months ended December 31, 2017, our top five customers contributed 64.01% and 62.07%, respectively, of our revenue from operations in such periods, while our single largest customer contributed 28.24% and 25.68%, respectively, of our revenue from operations in such periods.

Our customers typically do not enter into any long-term supply agreements with us. We deliver our shrimp products to our customers based on purchase orders raised by customers from time to time depending on their requirements. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the shrimp industry or the economic environment generally, may materially and adversely affect our business, results of operations and financial condition.

While we have established long-standing relationships with several of our key customers, our relationship with our customers through buying agents are to a large extent dependent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, even if for a brief period of time, it may result in decrease in orders or cessation of business from affected customers and buying agents. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and could result in a significant decline in the revenues we derive from such 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. If we are unable to replace any or all of such sales to key customers, our business, results of operations and financial condition may be materially and adversely affected.

9. *We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.*

Our industry is labour intensive. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in shrimp processing operations. As of December 31, 2017, we employed 1,383 full time personnel across our various facilities. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour. Any labour unrest experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected.

10. Any inability to secure, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, results of operations and financial condition.

Our business operations are subject to extensive government regulation. In connection with our operations, we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Food Safety and Standards Act, 2006, the Water (Prevention and Control of Pollution) Act, 1974, various environmental approvals, production facility operating licenses, as well as approvals relating to our work force and tax obligations. In addition, our operations involve approvals for operating diesel generator sets and transformers, approvals from utilities companies and regulatory authorities for water and power supply, as well as periodic inspection and certification of weights and measures and packaging used by us and the engineering construction of our processing facilities. The licenses, permits and approvals obtained by us impose various terms and conditions that require us to incur significant costs and among other matters, restrict certain activities. There can be no assurance that such approvals, licenses, permits and registrations will not be revoked in the future, including on account of any non-compliance with any such terms or conditions. We have also made various regulatory applications required in relation to our operations that have not yet been approved. For instance, our Company has applied for a no-objection certificate from the concerned fire services department for our processing facility situated at Ethakota, Andhra Pradesh. For further information, see “*Government and Other Approvals*” on page 387. There can be no assurance that the relevant authorities will issue such permits or approvals in time or at all.

In the future, we will be required to regularly renew permits, licenses and approvals for our business and operations, and to obtain applicable regulatory approvals for any proposed expansion plans or additional operations that we may undertake, such as the development of hatcheries and operation of additional shrimp farms. There can be no assurance that the relevant authorities will issue any such approvals within reasonable or anticipated periods, or at all. An inability or delay in obtaining or maintaining our existing regulatory approvals in a timely manner or at all may result in an interruption of our operations. Similarly, an inability or delay in obtaining requisite regulatory approvals may affect our expansion plans that include operation of hatcheries and additional shrimp farms. Further, relevant regulatory authorities may also initiate penal action, restrict our operations, impose fines or penalties or initiate legal proceedings relating to our inability to obtain requisite approvals in a timely manner or at all. Consequently, an inability or delay in obtaining such approvals could have a material adverse effect on our business, results of operations and financial condition.

There can also be no assurance that requisite approvals obtained by us will not be suspended or revoked in the event of any changes in the regulatory framework affecting our business operations. or any non-compliance or alleged non-compliance by us with applicable terms or conditions thereof, or pursuant to any regulatory action, We may consequently incur increased costs, be subject to penalties, or suffer disruption in our operations, any of which could adversely affect our business, results of operations and financial condition.

11. We are currently entitled to certain tax incentives and export promotion schemes. Any decrease in or discontinuation of such tax incentives or export promotion schemes may adversely affect our results of operations and financial performance.

We are currently entitled to certain tax incentives and export promotion schemes. As per the licensing requirement under the said schemes, we are required to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As of December 31, 2017, our pending obligations against EPCG licenses are US\$ 0.125 million. Any reduction or withdrawal of such tax incentives or export promotion schemes or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition.

We also benefit from certain tax regulations and incentives that accord favourable treatment to certain of our facilities, including tax deductions from profits of our integrated businesses at some of our facilities. We are currently entitled to certain tax benefits and incentives. For our J. Thimmapuram facility, we are entitled to exemption from payment of income tax, for a period of five years commencing 2017. For further details see, “*Statement of Special Tax Benefits*” on page 112. Any newly introduced or revised policies in relation to the tax, duties or other such levies issued by relevant tax authorities, such as the implementation of the goods and services tax by the GoI with effect from July 1, 2017, may deprive us of our existing benefits which may adversely affect our results of operations and cash flows. We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy tax incentives. Moreover, any government policies restricting the allotment of land in areas where we intend to establish facilities could adversely affect our plans to expand our manufacturing facilities. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business results of operations and financial condition.

12. *Our profitability and EBITDA margins may be affected by various factors, including fluctuations in raw material cost, pricing of our products, customer orders, product mix, sales velocities and competition.*

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, our EBITDA was ₹ 812.61 million, ₹ 556.03 million, ₹ 944.01 million and ₹ 1,817.33 million, respectively. Our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million, respectively in such periods. Our EBITDA margin (EBITDA as a percentage of revenue from operations) was 11.71%, 7.13%, 11.24% and 16.74% in Fiscal 2015, 2016, 2017 and in the nine months ended December 31, 2017. There can be no assurance that we will be able to increase or maintain similar growth rates in our EBITDA margin or profitability in the future, which is affected by various factors outside our control. In addition, our profit as a percentage of revenue from operations may fluctuate and may decrease as a result of competition and other industry and macroeconomic factors. Our profitability and EBITDA margins may be affected by various factors, including fluctuations in raw material cost, cost of labour, packaging costs, fuel costs as well as export incentive structures. In addition, our profitability and EBITDA margins are affected by the price we can secure for our products, the volume demand for our products (in particular from our significant customers and from key international markets including the United States), the size of customer orders, the relative mix of products sold by us (i.e. any fluctuation in the relative volume of higher margin products sold by us), sales velocities, as well as pricing and other pressures from our competitors in India and other shrimp export markets. Any significant adverse development in the fast-growing seafood and shrimp industry may result in a material change in consumer preferences and pricing of products. In addition, in the event we are required to incur significant investments and capital expenditure in the form of expansion of processing facilities or for additional business operations such as a significant increase in the number of shrimp farms directly operated by us, or any additional expenditure incurred in marketing activities, our growth rates, profitability and EBITDA margins may be adversely affected.

13. *An inability to comply with applicable health and hygiene standards in our operations and ensure quality of our products may materially and adversely affect our business and reputation.*

Our business operations, processing facilities and products are subject to regular inspections to ensure compliance with applicable health and hygiene standards and product quality requirements under applicable regulations or as stipulated by our customers. These inspections are carried out from time to time by various governmental and non-governmental agencies, including the Export Inspection Agency, the Marine Products Exports Development Authority and United States Food and Drug Administration. In addition, our processing facilities and operations

have received various certifications and accreditations required by our customers, such as accreditations from independent third party agencies such as Best Aquaculture Practices, the Aquaculture Stewardship Council, the British Retail Consortium and the International Feature Standard. These certifications are renewed on an annual basis on completion of various inspections carried out by such agencies. These inspections involve quality standards and process protocols relating to raw shrimp processing, cooking and packaging, as well as medical checks of our employees. Compliance with all applicable regulatory and customer specified quality standards is critical to our business, as any actual or perceived non-compliance with process protocols or any substandard quality of our raw material or shrimp products may result in cancellation of customer orders or discontinuation of future orders from customers. In addition, if we fail to meet the required health and hygiene standards set by authorities and certification agencies, we may be required to take remedial measures to ensure compliance with such standards. For instance, pursuant to an enquiry by the Inspector of Factories, Rajahmundry and Andhra Pradesh Pollution Control Board, in connection with the alleged suffocation of workers in our J. Thimmapuram unit who were subsequently hospitalised, a show cause notice was issued to our certain employees and Nekkanti Seetha Ramachandra Murthy, one of our Promoters in his capacity as the occupier of the factory premises. For details see “*Outstanding Litigation and Material Developments*” on page 381.

There can also be no assurance that the licenses or accreditations received by us will not be cancelled or revoked by such agencies in the event we are unable to comply with such standards, or effectively remedy any such non-compliance in a timely manner. Any failure to meet the requisite standards of hygiene may also affect our ability to export products and meet customer delivery timelines. In addition, Indian and foreign regulatory authorities may impose additional quality standard requirements, which may result in increased compliance costs for our operations or result in restrictions on the ability to export our products, which could materially and adversely affect our business, results of operations and financial condition.

14. *Our business operations, brand and customer goodwill will be adversely affected by any complaint or product liability claim initiated against us which may subject us to significant liability issues, particularly if such claims relate to health concerns resulting from the consumption of our products.*

The processing and sale of shrimps products for human consumption involves the risk of health hazards to consumers. Such health hazards of consumers of our shrimp products may result from tampering by third parties, product contamination, disease, spoilage of products, as well as contamination by foreign particles, substances, chemicals or other materials during shrimp farming, processing, storage, and transportation and handling of our products. In the event that consumption of any of our products result in, or is alleged to have resulted in, any health concerns, illness or death, we may become subject to claims or lawsuits or be required to conduct product recalls. In the event such claims or lawsuits are determined against us, we may be required to make substantial compensation payments to affected parties, which may adversely effect our reputation, brand image and financial condition.

Even if a product liability claim is determined in our favour or is not fully pursued by affected parties, the negative publicity surrounding any assertion that our products resulted in health concerns, illness or death could significantly damage our reputation, brand image, and result in a loss of consumer confidence in our products, which may materially and adversely affect our business operations, and future business prospects. Any such claims relating to the quality of our products and possible health concerns, whether actual or perceived, may result in loss of market share and adversely affect our ability to enter new markets or increase our customer base, and consequently our business prospects, results of operations and financial condition.

15. *Our revenues are subject to a significant number of tax regimes and changes in legislation governing the rules implementing them could adversely affect our results of operations.*

Taxes and other levies imposed by the Government of India or state governments in India that affect our industry include import duties on raw materials and finished goods, excise duty on the manufacture of our products, central and state sales tax and other levies, income tax, value added tax, octroi tax and entry tax, service tax and other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time. Such higher taxes on the sale of the our products, in the form of excise or other taxes, could lead to increased prices, which in turn may reduce demand and consumption of our products and reduce our revenues and profitability. We are currently entitled to certain tax benefits and incentives. For further details see, “*Statement of Special Tax Benefits*” on page 112.

16. Our customers generally do not enter into long-term supply agreements with us, and there can be no assurance that we will continue to increase or sustain the volume of sales we have historically achieved, which could adversely affect our business prospects, results of operations and financial condition.

Our customers generally do not enter into long-term supply agreements with us, and supply arrangements with our distributors in international markets are not exclusive in nature. There can be no assurance that will continue to increase or sustain the volume of sales historically achieved by us or that our distributors or direct customers will not source their shrimp product requirements from our competitors in India and other jurisdictions. In addition, our distributors may modify historical business practices or seek to modify their contractual terms with us, including in relation to payment terms. In the event our distributors fail to effectively market our products, timely place orders with us, or if they prefer to market the products of our competitors, it may have a material adverse effect on our business prospects, results of operations and financial condition. Our distributors are also responsible for the collection of receivables from our end customers, including retailers, and remit payment to us subject to deduction of applicable commission payable to our distributors. Any failure or delay in the collection of outstanding payments or misappropriation of such amounts by our distributors could have a material adverse effect on our liquidity and results of operations. An inability to maintain our existing distribution network, or further strengthen our distribution reach through distributor arrangements or direct customer relationships with significant retailers, could have a material adverse effect on our sales, business prospects, results of operations and financial condition.

17. We are susceptible to fluctuations in raw material prices.

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw material at acceptable prices. Our major raw material include raw shrimp and packaging materials. In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, total cost of goods sold represented 74.37%, 78.61%, 73.61% and 71.49%, respectively, of our revenue from operations in such periods. If we are unable to obtain raw materials in the quantities and quality that we require, our volume and/or quality of production will decline, which in turn may have a material adverse effect on our results of operations.

We source most of our requirement of raw shrimp from third party farmers. We 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 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 material that we require and we may be unable to pass these costs onto our customers and which could negatively affect the overall profitability and financial performance of our business.

Raw materials are subject to price volatility caused by external factors beyond our control, such as climatic and environmental conditions, commodity price fluctuations, market demand, production and transportation cost, and changes in government policies including duties and taxes and trade restrictions. In addition, competition in the industry may result in increase in prices of raw materials, which we may not be able to match, thereby affecting our procurement. An increase in the prices of our raw materials or any inability to secure alternative suppliers may increase our cost of sales and have a material adverse impact on our profit margins and hence our profitability. Fluctuations in our raw material prices may result in unexpected increases in production costs, and if we are unable to manage these costs or to pass on any such increase to our customers, our profitability will decrease. Hence, any significant increase in the price of our raw materials may materially and adversely affect our business, results of operations and financial position.

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

We are highly dependent on our Directors, senior management and other key personnel for setting our strategic business direction and managing our business. Our senior management team and sales team have extensive experience in the seafood industry in India. Nekkanti Seetha Ramachandra Murty has over four decades of experience in the aquaculture business and has contributed significantly to our growth. Nekkanti Venkat Rao, Managing Director has been responsible for the overall performance of our Company, including developing and implementing strategic plans. Nekkanti Mahesh, Joint Managing Director and Whole-time Director has been leading our Company's efforts in capacity expansion, production and human resource management and has been associated

with our Company since 2010. Motamarri Nagesh, Director has been with our Company for 25 years and is responsible for finance and accounting in addition to banking, taxation and auditing functions. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

19. *Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact our business and our future net earnings.*

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our facilities. Further, there are certain show cause notices issued to us by the Andhra Pradesh Pollution Control Board in relation to our alleged non-compliance with the provisions of Water (Prevention and Control of Pollution) (Amendment) Act, 1988 and the Air (Prevention and Control of Pollution) (Amendment Act), 1987. For details see “*Outstanding Litigation and Material Developments*” on page 381. Also, see “*Regulations and Policies*” on page 157.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

20. *All our shrimp processing facilities as well as procurement operations are located in the state of Andhra Pradesh, which exposes us to any adverse development affecting such region.*

All our shrimp processing facilities are located in the coastal state of Andhra Pradesh in India, which is particularly conducive for shrimp farming and harvesting. Any adverse social, political or economic development, natural calamities, civil disruption, or any adverse change in the policies or regulations of the state or local governments and regulatory authorities that affect the aquaculture industry or our business operations and strategies, or require us to incur significant capital expenditure, could have a material adverse effect on our business, financial condition and results of operations. In addition, as our operations are located near the coastline, we are particularly susceptible to risks arising from severe climatic conditions such as floods, cyclones and storms. Excessive rainfall may also result in flooding resulting in shrimp farms along the coast being adversely affected. In 2014, Cyclone Hudhud resulted in extensive damage to property in and around the coastal regions of Andhra Pradesh and required large-scale evacuation operations. Any similar or other adverse climatic or other events in the future may require us to incur significant expenditure if our processing facilities are damaged, or if we are required to source raw shrimp from other regions, or change the manner in which we conduct business, which may have an adverse effect on our business, results of operations and financial condition.

21. *An inability on our part to collect amounts owed to us could result in the reduction of our profits.*

Our operations involve extending credit for extended periods of time to our customers and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. As of March 31, 2015, 2016 and 2017 and as of December 31, 2017, our trade receivables were ₹ 34.81 million, ₹ 177.76 million, ₹ 167.64 million and ₹ 980.43 million, respectively. If our distributors and customers delay or default in making these payments, our profits could be adversely affected and may result in a decline in our cash flows and also increase our working capital cost.

22. *We operate in a highly competitive industry. An inability to maintain our competitive position may adversely affect our business, prospects and future financial performance.*

Competition in the processed shrimp industry is intense and we expect this competition to continue to increase and intensify in the future. Our current competitors include domestic and international competitors, some of which may be better integrated vertically in the production, processing and distribution of shrimps. By comparison, we receive and process shrimp from our external suppliers and sell that processed shrimp to distributors and to customers. If distributors also decide to become processors of shrimps or were to acquire other processing companies, we could face more competition in the shrimp processing market from vertically integrated distribution companies. In addition, our access to fresh shrimp could be limited as suppliers of shrimp controlled or acquired by such vertically integrated competitors would not be available as a cost-efficient source of shrimp for us.

In addition, barriers to entry for processed shrimp in India are relatively low for new competitors with sufficient financial resources to make the necessary investments in machinery and experienced personnel. New competitors could therefore enter the market at any time. Existing and new competitors may have more recognized and well-established brands, better access to raw materials, a larger customer base, more advanced processing facilities or greater financial resources, which would allow them to compete aggressively in the Indian and international markets, among other things, by lowering their prices and/or expanding their processing capacity. In addition, it is difficult to differentiate between processed products other than in terms of brands that we package for. Price competitiveness in this market is intense. There can be no assurance that we will have sufficient resources to make these investments or that such investments will improve our position in the Indian and international market as compared to our competitors.

We cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends, changing consumer preferences or changing market requirements, at prices equal to or lower than those of our products. Increased competition may result in our inability to differentiate our products from those of our competitors, which may lead to loss of market share. Accordingly, our failure to compete effectively with our competitors may have an adverse impact on our business, results of operations, financial condition and future prospects.

23. *Our sales and revenues from operations are subject to seasonal fluctuations.*

We experience seasonal fluctuations in our sales volume and revenue as our business is sensitive to local and global consumer spending patterns for our products. As a result, we generally record higher sales during the dry season. In addition, the demand for shrimp products is lower during the period immediately after the new year season, and also during the months of August and September. Our sales may vary and our results of operations could be affected as a result of such seasonal fluctuations. Accordingly, the performance in a particular quarter may not be indicative of our future sales or results of operations. Accordingly, any adverse trends in sales or other factors affecting the region or our target export geographies during this period, such as an unexpected shift in the weather patterns of the region, may affect our business, results of operations, financial condition and prospects.

24. *If we are unable to anticipate or respond to changing consumer preferences and market trends, the demand for our products may decline which may have a material adverse effect on our business, results of operations, profitability and financial condition.*

The seafood industry is highly evolving and consumers may be tempted to shift their choices and preferences whenever new products or species or varieties gain prominence. Our business is dependent on the global demand for

shrimp, particularly in the United States and the European Union where we export almost all of our products. A decline in the global demand for shrimp, whether due to changing consumption pattern or otherwise, could have a material adverse effect on our business, financial condition and results of operations. Changes in consumer preferences away from shrimp products or negative publicity regarding human consumption of shrimp or the shrimp industry may reduce worldwide demand for our shrimp products. A reduction in the demand for shrimp may in turn adversely affect demand for our shrimp feed and shrimp fry products. Consumer preferences may change for a number of reasons including changes in nutritional standards, health advisories and general economic conditions.

Our future growth depends on our ability to continue to introduce new value added offerings like breaded shrimps in line with the customer needs and ability to obtain customers for the same. In an effort to expand our focus on value-added products, we intend to expand our presence in breaded shrimps and other products including like butterfly, skewered and Nobashi shrimp varieties, as we perceive this to be a segment where there is significant growth potential and is relatively untapped. While we seek to expand our product offerings to suit changing consumer preferences, our products may not meet the desired success, or our competitors may respond to such changing consumer preferences more effectively and successfully. Developing and introducing new products can be risky and expensive, and we cannot assure you that our new products will gain market acceptance or meet the particular tastes or requirements of consumers. The success of our new products depends on our ability to accurately anticipate the tastes and dietary habits of consumers and to offer products that appeal to their preferences and fall within a price range acceptable to them. We are also required to continuously invest in new technology and processes so that, as the market for shrimps continues to grow, we will continue to adapt our product to anticipate the preferences of our customers. If we are unable to provide the quality desired by, or adapt our product to anticipate the preferences of, our customers, our growth and business may be adversely affected. Acceptance of our new product initiatives by consumers may not be as high as we anticipate. Further, our new products or our existing products may fail to appeal to the consumers, either in terms of taste or price. Our success in marketing existing products and new products depends on our ability to gain entry into key customer accounts. The impact of our reach out initiatives may not be as effective as we anticipate. In addition, we may not be able to introduce new products that are fast-growing or generate acceptable margins. To the extent we are unable to execute our strategy of continuously introducing new products, improving our portfolio of products and satisfying consumers' changing preferences, our market share and financial performance would be adversely affected.

25. An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.

We have experienced significant growth over the past five years and we have significantly expanded our operations. Our revenue from operations increased at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017, while our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends, amongst other factors, on establishing new processing facilities, expanding our existing processing capacity, and introducing new products. For further details, see the section titled “*Our Business – Strategies*” on page 143. Our ability to achieve growth will be subject to a range of factors, including, ability to identify trends and demands in the industry, competing with existing companies in our markets, continuing to exercise effective quality control, hiring and training qualified personnel and maintaining our high food-safety standards.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Our future growth also depends on expanding our sales and distribution network to enter new markets in new geographies, through different sales channels. We face increased risks when we enter new markets, either India or abroad. We may find it more difficult to hire, train and retain qualified employees. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and distributors with efficient distribution networks. As a result, the products we introduce in new markets may be more expensive to produce and/or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

Our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. There can be no assurance that we will be able to achieve our business strategy, on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

26. Any disruption in the distribution chain could have an adverse impact on our business, financial condition, cash flows and results of operations.

Our ability to manufacture, transport, and sell our products is critical to our success. Any disputes with our distributors, including disputes regarding pricing or performance, could adversely affect our ability to supply products to our customers and could materially and adversely affect our product sales, financial condition, and results of operations. In addition, any damage or disruption to our distribution chain, including third-party transportation and distribution capabilities, due to weather, natural disaster, fire or explosion, terrorism, pandemics, strikes, government action, or other reasons beyond our control or the control of our distributors, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events or to effectively manage such events if they occur could adversely affect our business or financial results.

Further, there can be no assurance that we will be successful in detecting any non-compliance by our distributors with the provisions of their agreements with us. Non-compliance by our distributors could, among other things, negatively affect our brand, demand for our products and our relationships with customers. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition, cash flows and results of operations.

27. Our business prospects and results of operations may be adversely affected if any future capacity expansion plans are not successfully implemented.

A key element of our internal organic growth strategy is to increase our processing capacity by constructing a new shrimp processing factory. Our ability to manage the construction and integration of the new processing facility depends on our administrative, financial and operational controls and procedures. We are in the process of commissioning a fourth processing facility located at Kothapatnam, Nellore which is expected to be operational by July 2018. The Kothapatnam facility plans include 7.50 acres of land and an installed capacity of 50.00 MT per day comprising block freezing and individually quick frozen. As we continue our growth by expanding our processing facilities and introducing new products, we may encounter regulatory, personnel and other difficulties that may increase our expenses, which could delay our plans or impair our ability to become profitable in these areas. A delay in the construction, commissioning or operation of future product lines, an increase in the cost of construction or future processing facilities not being as efficient as planned could have a material and adverse effect on our business and results of operations. Our inability to implement our plans to increase our processing capacities as planned could have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to make significant investment in upgrading our plant, machinery and other infrastructure at our processing facilities. There can, however, be no assurance that such modernization plans will be successfully implemented or completed or that if completed, they will result in the anticipated growth in our revenues or improvement in the results of operations we anticipate from the implementation of such initiatives. In addition, the installed capacities at our processing facilities was not fully utilised for the last three Fiscals. For details, see “*Our Business - Processing Facilities*” on page 150. We cannot assure you that we will be able to completely utilize, in part or full, the proposed expansion of the installed capacities of our manufacturing facilities as well as our contract manufacturing facilities.

28. *We rely on third parties to transport raw materials to our facilities and our products to our customers, and any disruption in our transportation arrangements or increase in transportation costs may adversely affect our business, results of operations and financial condition.*

Raw shrimp, our key raw material, is required to be transported in temperature controlled vehicles to ensure their preservation. A delay in the delivery of our raw materials to our production facilities may result in the slowdown or shutdown of our operations. Further raw shrimp has a limited shelf-life and improper storage or delay in transportation may result in spoilage. We rely on third party logistic providers, with whom we have no formal arrangements, to transport raw materials to our processing facilities and our finished products to customers. There are a limited number of such logistic providers and in the absence of formal arrangements, we are exposed to fluctuations in transportation costs. Also, if the terms offered to such logistic providers by our competitors are more favourable than those offered by us, they may decline to provide their services to us and terminate their arrangements with us. We may also be affected by transport strikes, which may affect our delivery schedules. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected.

29. *Any significant interruption in continuing operations of our processing or freezer storage facilities could have a material adverse effect on our business, results of operations, cash flows and financial condition.*

We currently own and operate three processing facilities and freezer storage facilities. These facilities are subject to the normal risks of industrial production, including equipment breakdowns, labour stoppages or disputes, shortage of skilled labour, natural disasters, directives from government agencies, water shortages, power interruptions, performance below expected levels of output or efficiency, natural disasters, obsolescence, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry.

Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Our raw material is a perishable product and consequently, any malfunction and break down of the freezer storage facility may affect the stored shrimp, and this, along with any significant impact on other raw materials could result in slow down or cessation of our operations which may adversely affect our business and prospects. Although we have not experienced any significant disruptions at our processing facilities in the past, we cannot assure you that there will not be any significant disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing and cold storage facilities, which in turn may have an adverse effect on our business, results of operations, cash flows and financial condition.

30. *Our business is dependent on the delivery of adequate and uninterrupted supply of electrical power and water at a reasonable cost and any shortage, disruption or non-availability of power and water may adversely affect our entire processing requirements and have an adverse impact on our business, results of operations and financial condition.*

We face certain risks with regard to the operation of our processing facilities in the state of Andhra Pradesh. Adequate and cost effective supply of electrical power and water is critical to our operations. Temperature control is essential in relation to, processing and preservation of raw materials and our products, which have relatively short shelf lives. We rely on the power grid for electricity for our facilities located in Andhra Pradesh. There may be power cuts in the supply provided by the state electricity board from time to time. 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. An interruption in or limited supply of electricity may result in suspension of our operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. Further, if the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins.

Our operations and facility are especially dependent on a steady and stable supply of water, and irregular or interrupted supply of water, or government intervention are factors that could adversely affect our daily operations. We currently source our water requirements from bore wells and water tankers. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations.

We cannot assure you that we will always have access to sufficient supply of power and water in the future to accommodate our requirements and planned growth. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power or water, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production. Accordingly, any increase in power costs and water costs could adversely affect our operations and financial condition.

31. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.

As of December 31, 2017, our total indebtedness was ₹ 952.06 million. Our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Under these agreements, we also require lender consents for undertaking an initial public offering of our Equity Shares including consequential corporate actions and we have obtained such consent from the relevant lender. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure or shareholding pattern, raising fresh capital or any loans; undertaking any merger, amalgamation or restructuring, utilizing loans for purposes other than those set out in the financing agreement, implementing any scheme of expansion, diversification or modification (other than incurring routine capital expenditure), disposing of any assets; taking actions that result in a change of control over us, declaring or paying dividends, making investments in other concerns and effecting any amendments in our memorandum and articles of association.

Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements;
- fluctuations in currency exchange rates may affect the cost of our borrowings; and
- we may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

32. Majority of our shrimp farms are located on leased land. In addition, certain of our office premises are also on land that is leased. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

As of December 31, 2017, our shrimp farms were spread across an aggregate of 330 acres of land, primarily comprising of leased land. Some of our business operations are being conducted on premises leased from various third parties, including Nekkanti Seetha Ramachandra Murthy and Nekkanti Venkat Lakshmi, our Promoters and we may also enter into such transactions with third parties in the future. For example, we entered into a lease agreement

for our office at Hyderabad with Nekkanti Seetha Ramachandra Murthy that is set to expire on January 31, 2019 and a lease agreement for our office at Kakinada from Nekkanti Venkat Lakshmi that is set to expire on January 31, 2019. Further, we have leased land for setting up of prawn tanks from 18 land owners in Kona village, Machilipatnam Mandal, Krishna district and one land owner in Pedapudi village in Krishna district that are set to expire in 2021 and 2023, respectively. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing farms on terms favourable to us, or at all. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may materially affect our business operations.

33. *Technology failures could disrupt our operations and adversely affect our business operations and financial performance.*

IT systems are important to our ability to manage our large production operations and distribution network and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to coordinate our operations, from planning, production scheduling and raw material ordering, vehicle loading, customer delivery, invoicing, customer relationship management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. IT interruptions and system failures could have a material and adverse effect on our ability to realise the anticipated improvements in productivity and efficiency.

34. *Our pursuit of inorganic growth opportunities such as acquisitions and joint ventures may not be successful and could result in increased costs.*

As part of our growth strategy, we look to evaluate potential opportunities to acquire businesses or establish joint ventures that would complement our existing business. However, we may not be able to identify suitable companies, consummate a transaction on terms that are favourable to us, or achieve expected returns and other benefits as a result of integration challenges. There can be no assurance that we will be able to successfully integrate the acquired businesses into our existing operations. Our acquisition strategy involves various risks and challenges, including the diversion of management's attention from our business operations; the potential loss of key employees and customers of the acquired businesses; potential disruption of business relationships with current clients; uncertainties that may impair our ability to attract, retain and motivate key personnel; issues relating to management and integration of operations; potential deficiencies in financial control and statutory compliance at the acquired companies; an increase in our expenses and working capital requirements; a failure to achieve cultural compatibility and other benefits expected from an acquisition; and exposure to unanticipated liabilities of the acquired companies. We also face various operational challenges in relation to our acquisitions. All of these factors could adversely affect our business, financial condition, results of operations and prospects. In addition, we may require additional financial resources for the successful expansion or reorganization of these recently acquired businesses and integrating their operations into our operations. An inability to raise adequate finances in a timely manner and on commercially acceptable terms for the expansion, reorganization or integration of these businesses with our existing operations could materially and adversely affect our business, results of operations and financial condition.

35. *We may not be able to adequately protect our intellectual property that is material to our business.*

Our ability to compete effectively depends in part upon protection of our rights in intellectual property rights we



have applied for. We have applied for five trademarks, including for our name, “Nekkanti Sea Foods”, logo and our brands, “Akasaka Star”, “Akasaka Special” and “Nekkanti”. Other entities may pass off their products as ours by imitating our brand name or packaging material and we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that our registrations are granted. Our use of contractual provisions, confidentiality procedures and agreements, and trademark, copyright, unfair competition, trade secret and other laws to protect our intellectual property may not be adequate to prevent unauthorised use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Whilst we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or our use of intellectual property infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, copyright or other intellectual property infringement against us could prevent us from providing our products, which could harm our business, financial condition or results of operations. In addition, a breakdown in our internal policies and procedures may lead to an unintentional disclosure of our proprietary, confidential or material non-public information, which could in turn harm our business, financial condition or results of operations.

36. *Changes in technology may affect our business by making our processing facilities or equipment less competitive or obsolete.*

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. While we have invested in, and are involved with, a number of technology and process initiatives, several technical aspects of these initiatives are still unproven and the eventual commercial outcomes cannot be assessed with any certainty. Even if we are successful with these initiatives, we may not be able to deploy them in a timely fashion. Accordingly, the costs and benefits from our investments in new technologies and the consequent effects on our financial results may vary from present expectations. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. Changes in technology and high fuel costs may make newer plants or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facility. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

37. *An inability to procure and/ or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to inherent risks, such as defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Our Company’s insurance cover as on the date of December 31, 2017 is approximately ₹ 1,076.36 million in respect of its net block of property, plant and equipment which was ₹ 823.95 million as of December 31, 2017. Consequently our Company’s insurance cover as a percentage of gross block of property, plant and equipment as of December 31, 2017 was approximately 83.21%. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our inability to procure and/or maintain adequate insurance cover in connection with our business could adversely affect our operations and

profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see “*Our Business – Insurance*” on page 155.

38. *Our Company will not receive any proceeds from the Offer for Sale portion. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*

The Offer includes an offer for sale of up to 8,000,000 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to Selling Shareholders and we will not receive any such proceeds. We propose to utilise the Net Proceeds for funding certain working requirements of our Company. For further details of the proposed objects of the Offer, please see the section “*Objects of the Offer*” on page 101. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

39. *Failure to realize anticipated benefits from various initiatives introduced to enhance productivity and improve operating efficiencies may adversely affect our business, results of operations, cash flows and financial condition.*

Our future success and profitability depend in part on our ability to reduce costs and improve efficiencies. Our productivity initiatives help fund our growth initiatives and contribute to our results of operations. We continue to implement strategic plans that we believe will position our business for future success and long-term growth by enabling us to achieve a lower cost structure and operate more efficiently in the highly competitive seafood industry. In order to capitalize on our cost reduction efforts, it will be necessary to make certain investments in our business, which may be constrained by the amount of capital investments required. In addition, it is critical that we have the appropriate personnel in place to continue to lead and execute our growth strategy. If we are unable to successfully implement our productivity initiatives, fail to implement these initiatives as timely as we anticipate, do not achieve expected savings as a result of these initiatives or incur higher than expected or unanticipated costs in implementing these initiatives, or fail to identify and implement additional productivity enhancement initiatives in the future, our business, results of operations, cash flows and financial condition may be adversely impacted.

40. *Information relating to the installed capacity and storage capacity of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*

Information relating to the installed capacity of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity. These assumptions and estimates include the period during which the processing facilities operate in a year, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Production levels typically tend to decrease with increase in value addition and lower sizes shrimps. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

41. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

Our processing facilities are located in Andhra Pradesh. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. Recently, we made significant investments for the expansion of our manufacturing capacities. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Underutilization of our processing capacities over extended periods, or significant underutilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

42. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, CRISIL Limited, to prepare an industry report titled “*Shrimp Processing Industry in India*” dated March 2018, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Book Running Lead Manager or any of our or its 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. 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.

43. Certain Promoters, Directors and key management personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Promoters, Directors and key management personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. For instance, two of our offices at Hyderabad and Kakinada are on land that is leased from our Promoters. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, and may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management – Interest of Directors*” and “*Our Promoters and Promoter Group – Interest of Promoters*” on pages 176 and 187, respectively.

44. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated. We may in the future experience negative operating cash flows.

(₹ million)

Particulars	Nine Months Ended December 31, 2017	Fiscal		
		2017	2016	2015
		(₹ million)		
Net cash flow from / (used in) from operating activities	421.99	(175.30)	545.35	403.77
Net cash flow from / (used in) investing activities	(221.67)	(443.50)	(570.73)	(13.85)
Net cash flow from / (used in) the financing activities	(167.30)	710.09	39.17	(402.85)
Net increase/(decrease) in cash and cash equivalents	33.02	91.29	13.79	(12.93)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 349.

45. Certain of our Group Companies have incurred losses in the past, which may have an adverse effect on our reputation and business.

Both our Group Companies, i.e., Vill Global Projects Private Limited and Sri Sai Srinivasa Agro Farms and Developers Private Limited have incurred losses to the extent of ₹ 0.08 million and ₹ 0.06 million, respectively in Fiscal 2017. There can be no assurance that our Group Companies will not incur losses in the future which may have an adverse effect on our reputation and business.

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

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence as well as advanced certain loans to the employee welfare trust instituted by our Company. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, the aggregate amount of such related party transactions was ₹ 38.93 million, ₹ 39.84 million, ₹ 65.69 million and ₹ 84.55 million, respectively. The percentage of the aggregate value such related party transactions to our revenue from operations in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 was 0.57%, 0.51%, 0.79% and 0.79%, respectively. For details on our related party transactions, see “*Related Party Transactions*” on page 194. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

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

As of December 31, 2017, our contingent liabilities as per Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for were as follows:

Particulars	Amount
	(₹ million)
Stand by Letter of Credit	132.09
Claims against the Company not acknowledged as debt	31.17
Bank guarantee	0.72
Corporate guarantee	8.2
Total	172.18

For further information on our contingent liabilities, see Note 40 of our Restated Consolidated Financial Statements on page 322.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

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

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. As on date, our Company has not adopted any formal dividend policy. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see “*Dividend Policy*” on page 195.

49. *Our Promoters will continue to retain majority shareholding in us after the Offer, which will allow them to exercise control over us and potentially create conflicts of interest.*

As on December 31, 2017, our Promoters and members of the Promoter Group held approximately 85.57% of the share capital of our Company, for details of their shareholding see “*Capital Structure*” on page 82 of this Draft Red Herring Prospectus. Further, our Promoters along with the other existing shareholders of our Company have entered into a shareholders' agreement dated March 8, 2018 which envisages certain transfer restrictions on the Equity Shares held by them. For details, see “*History and Certain Corporate Matters – Material Agreements – Share purchase and shareholders' agreement*” on page 166.

Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

50. Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We provide transfer, settlement and other services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

51. Some of our corporate records are not traceable.

Certain of the Company's corporate records and prescribed regulatory filings with the RoC, including: (a) return of allotment required to be filed with the RoC in relation to bonus issue of 450,200 equity shares of the Company on October 1, 1993; (b) shareholders' resolution and form filings in relation to the issue of 1,000 equity shares of the Company on November 29, 1991; and of 5,000 equity shares of the Company on April 19, 1986; and board resolutions authorising the rights issues; (c) form filings required to be made with the RoC recording the shareholders' resolution authorizing the issue of 212,600 equity shares of the Company on March 26, 1986; and (d) form filings in relation to the re-appointment of Nagesh Motamarri as a whole time director on April 1, 2015 were not traceable. Despite having conducted a thorough search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents. Accordingly for such matters, we have relied on other documents, including minutes of meetings of the board of directors and shareholders and statutory registers of members for such matters. We cannot assure you that these form filings and corporate records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

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

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

Sr. No.	Promoter	Cost of Acquisition (₹)
1.	Nekkanti Seetha Ramachandra Murty	0.49
2.	Nekkanti Venkata Lakshmi	0.06
3.	Nekkanti Seetha Ramachandra Murty HUF	0.05

53. We have issued Equity Shares during the last one year at a price that may be below the Offer Price.

During the last one year we have issued Equity Shares at a price that may be lower than the Offer Price as detailed in the following table.

Date of allotment	Number of equity shares	Face value (₹)	Issue / buy-back price per equity share (₹)	Nature of consideration	Nature of transaction
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Date of allotment	Number of equity shares	Face value (₹)	Issue / buy-back price per equity share (₹)	Nature of consideration	Nature of transaction
December 31, 2017	54,112,000	2	-	Bonus	Allotment pursuant to bonus issuance of four Equity Share for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company

For further details, see the section titled “*Capital Structure*” on page 82.

External Risk Factors

54. Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business.

Our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

The annual rate of inflation was at 2.84% (provisional) for the month of January, 2018 (over January 2017) as compared to 3.58% (provisional) for the previous month and 4.26% during the corresponding month of 2017. (Source: *Index Numbers of Wholesale Price in India, Review for the month of January 2018, published on February 15, 2018 by Government of India, Ministry of Commerce and Industry*) Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

56. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares. India’s economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India’s foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

57. *Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.*

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

58. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.*

The Restated Financial Statements as of and for the financial years ended 2017, 2016, 2015, 2014 and 2013 and as of and for the nine months ended December 31, 2017, included in this Draft Red Herring Prospectus have been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, we have presented reconciliation from Indian GAAP to Ind AS. See "*Financial Statements*" on page 196. Except as otherwise provided in the Restated Financial Statements with respect to 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 the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

In addition, our Restated Financial Statements may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

59. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

60. *The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.*

The goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules ("GAAR"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i)

creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

Further, the GoI 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, effective from April 1, 2016. ICDS 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.

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

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

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

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

62. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, as amended (the “**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services in any manner, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way, or directly or

indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance of or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be liable to punishment.

On March 4, 2011, the Government issued and brought into force the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 under the Competition Act with effect from June 1, 2011 which sets out the mechanism for implementation of the merger control regime in India. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operation and prospects.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

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

We are incorporated under the laws of India and all of our Promoters, Directors, Key Management Personnel and senior management personnel reside in India. Majority of our assets, and the assets of certain of our Promoter, Directors, key management personnel and other senior management, are also located in India. In addition, the regulatory regime of our various international territories may have similar restrictions on enforcement of foreign judgments. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedures, 1908 (the “Civil Code”). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment.

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

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

Our Articles and 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 bank 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 bank or corporate entity in another jurisdiction.

65. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

66. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, 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 long-term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Bill, 2018, proposes to tax such long term capital gains exceeding ₹ 0.1 million arising from sale of Equity Shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially exempt or exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon the sale of the Equity Shares.

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

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

68. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.*

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

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

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

70. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Selling Shareholders or Promoters or significant shareholders may adversely affect the trading price of the Equity Shares.*

After the completion of the Offer, our Promoters, Selling Shareholders and significant shareholders will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, our significant shareholders may dispose of, sell or otherwise transfer a part or whole of their shareholding in our Company. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares or that our shareholders will not dispose of, sell or otherwise transfer Equity Shares held by them.

71. *The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.*

Indian securities markets may be more volatile than and not comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

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

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages

prior to the 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 who have voted 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 us 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. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

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

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

Prominent Notes:

- Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] million, comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,500 million[^] by our Company and an Offer for Sale of up to 8,000,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●] % of the post-Offer paid-up capital of our Company.

[^]Our Company in consultation with the BRLM, and subject to approval of our shareholders, may undertake a Pre-IPO Placement of up to 4,500,000 Equity Shares for cash consideration aggregating up to ₹ 2,500 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC, and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of 10% of the post-Offer paid-up equity share capital of our Company being offered to the public.

- As at December 31, 2017, the net worth of our Company was ₹ 3,323.94 million and ₹ 3,320.94 million, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements.
- As at December 31, 2017 our net asset value per Equity Share was ₹ 49.14 and ₹ 49.10 on standalone and consolidated basis, respectively, as per our Restated Financial Statements.
- The average cost of acquisition per Equity Share by our Promoters and Other Selling Shareholders are as follows:

Name of the Promoter/ Other Selling Shareholder	Average cost of acquisition per Equity Share (in ₹)
Nekkanti Seetha Ramachandra Murty	0.49
Nekkanti Venkata Lakshmi	0.06
Nekkanti Seetha Ramachandra Murty (HUF)	0.10
Atluri Sreeram	0.02

Nekkanti Venkat Rao	0.25
Nekkanti Rajeswari	0.05
Atluri Sirisha	0.05
Nekkanti Subba Rayudu	0.05
Nekkanti Mahesh	0.74
Atluri Murali Krishna	Nil
Nekkanti Anjana	0.40
Meka Durga	0.05
Atluri Venkata Lakshmi	0.10

The average cost of acquisition has been calculated by taking an average of the amounts paid by our Promoters or Other Selling Shareholders to acquire such Equity Shares.

- None of our Group Companies have any business or other interests in our Company.
- For details of transactions entered into by our Company with our Subsidiaries and Group Companies in the Fiscal Year 2017, and the cumulative amounts involved in such transactions see “*Related Party Transactions*” on page 194.
- Our Company has not changed its name in the last three years preceding the date of this Draft Red Herring Prospectus.
- There are no financing arrangements pursuant to which the members of Promoter Group, the directors of our Promoters, our Directors and/ or their relatives have financed the purchase of Equity Shares or Preference Shares by any other person during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
- BRLM has submitted a due diligence certificate with SEBI. Investors may contact the BRLM, for any complaints pertaining to this Offer.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Unless noted otherwise, the information in this section is obtained or extracted from “Shrimp Processing Industry in India” dated March 2018 prepared and issued by CRISIL Limited (the “CRISIL Report”) on our request. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

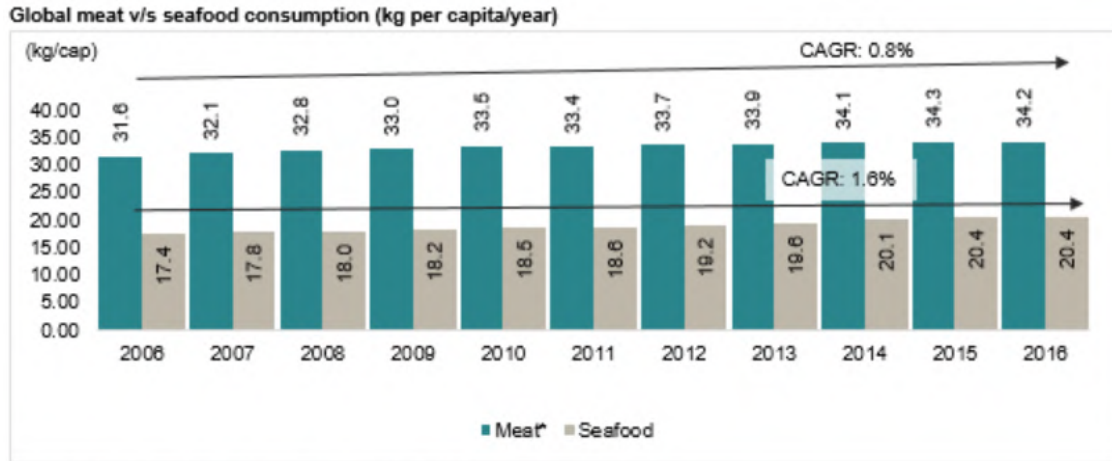
The CRISIL Report contains the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (“CRISIL”) has taken due care and caution in preparing this report (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 entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no 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. Nekkanti Sea Foods Limited 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 Ltd (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.”

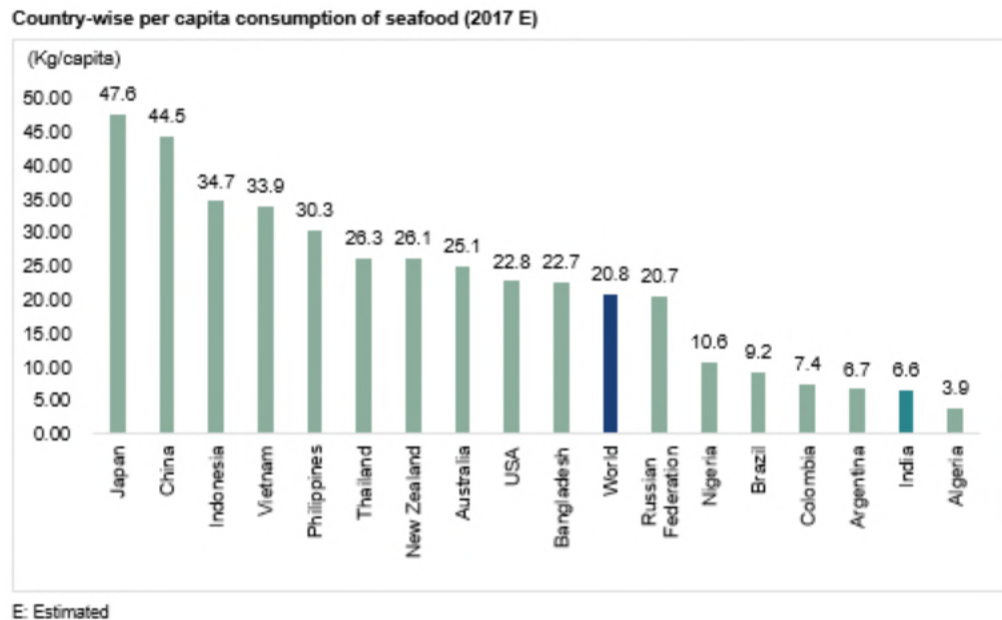
OVERVIEW OF GLOBAL SEAFOOD INDUSTRY

Global per capita seafood consumption to reach approximately 22 kilogram (“kg”) by 2026

Global seafood consumption has grown at a compounded annual growth rate (“CAGR”) of 1.6% over 2006 to 2016, higher than meat (which includes bovine, poultry, pig meat and sheep meat) which grew at a CAGR of 0.8% during the same period. Global demand for seafood has risen because of rising population and incomes, availability of a variety of fish, and high protein content.



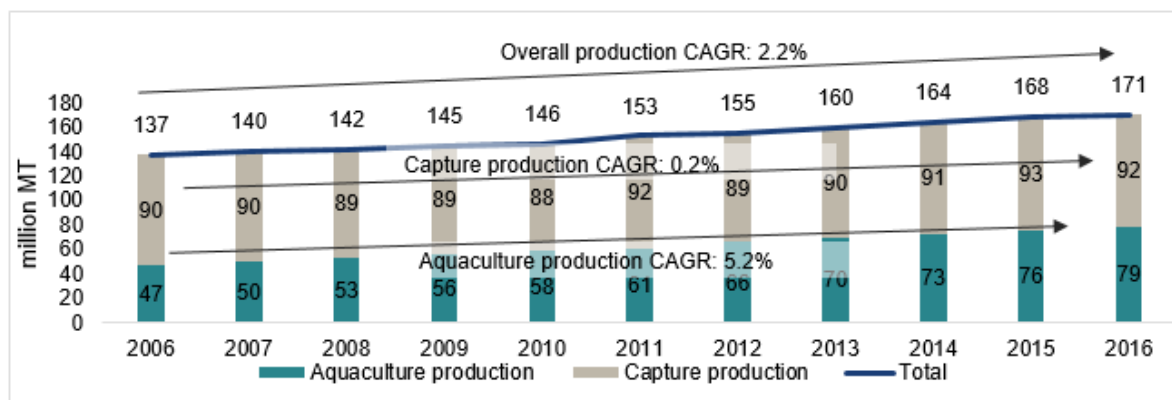
In terms of per capita consumption, Organisation for Economic Co-operation and Development (“OECD”) countries (25.39 kg) and Asia (24.71 kg) topped the chart, while Africa and Latin America were at the bottom as per the provisional estimates of 2017. Per capita seafood consumption for India stands at a mere 6.64 kg in 2017, indicating considerable potential for further growth.



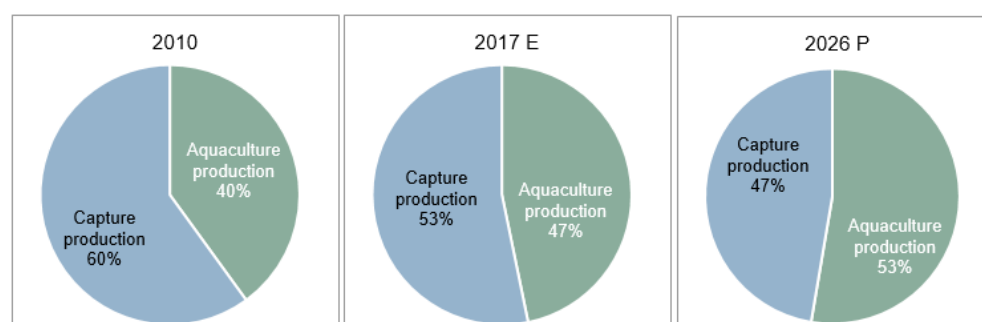
Aquaculture gains share; capture fisheries remains stagnant

Overfishing, or exploitation of seafood stock exceeding the maximum sustainable yield level, has resulted in stagnation in capture fisheries over the past 10 years. Within capture fisheries, the share of marine capture, which expanded continuously to reach a peak level of 86.4 million MT in 1996, has been on a declining trend. Based on Food and Agriculture Organization (“FAO”) analysis, the share of fish stocks within biologically sustainable levels has declined from 90% in 1974 to 68.6% in 2013. This indicates that 31.4% of global fish stocks were estimated to be over-fished, *i.e.*, biologically unsustainable, thereby increasing the importance of aquaculture in meeting global seafood demand. During 2006 and 2016, while the global aquaculture production grew at 5.2% CAGR, capture fisheries rose at a 0.2% CAGR. Consequently, during the corresponding period, the share of aquaculture in overall seafood industry increased by approximately 1,200 bps from 34% in 2006 to 46% in 2016. Going forward, the trend is expected to continue as per the OECD-FAO agricultural outlook 2017-2026 report, thereby increasing the share of aquaculture to 53% by 2026. However, as per the OECD-FAO report, capture fisheries is expected to remain stagnant (at approximately 92 million MT similar to 2016 level) during following decade (2017 to 2026).

Trend and outlook on capture fisheries and aquaculture production



Share of capture fisheries and aquaculture production globally



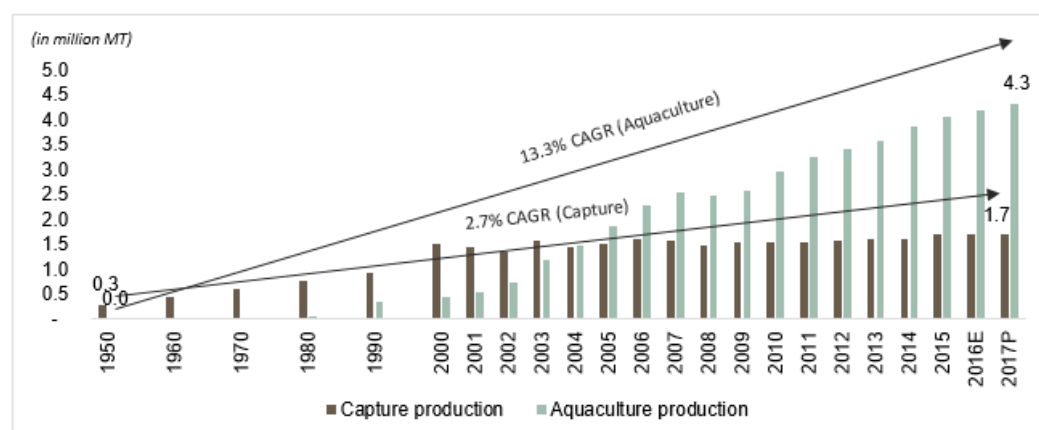
E: Estimated; P: Projected

Trends and forecasts in global shrimp production patterns

Aquaculture production overtook capture production during the last decade

Shrimp production in 2017 was the highest-ever production recorded. Among the types of production, aquaculture method of shrimp production has steadily increased due to improved quality of feed, higher raw material availability, better disease management, government support for aquaculture for shrimps, developing new markets and higher realisation for produce.

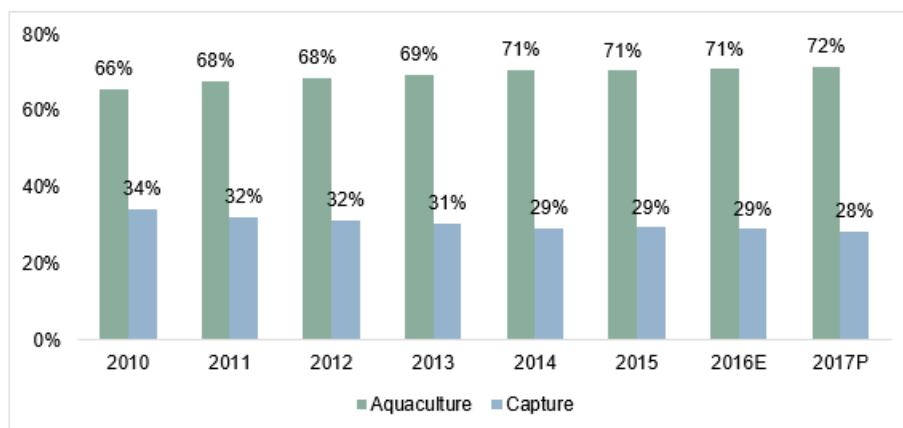
Aquaculture and capture method for shrimps and prawns



E: Estimated; P: Projected

The share of aquaculture shrimp production stood at 72% of the global shrimp production in 2017 growing at a CAGR of 5.5% between 2010 and 2017. However, growth of capture shrimp production grew at a comparatively slower rate of 1.6% CAGR during the corresponding period.

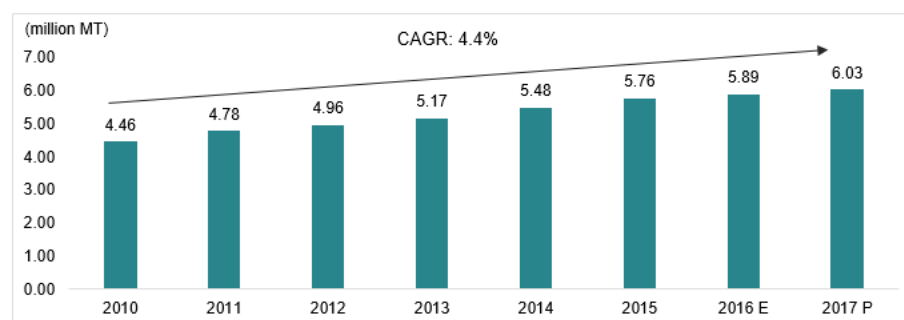
Aquaculture and capture shrimp production



Global shrimp production estimated at its highest level in 2017

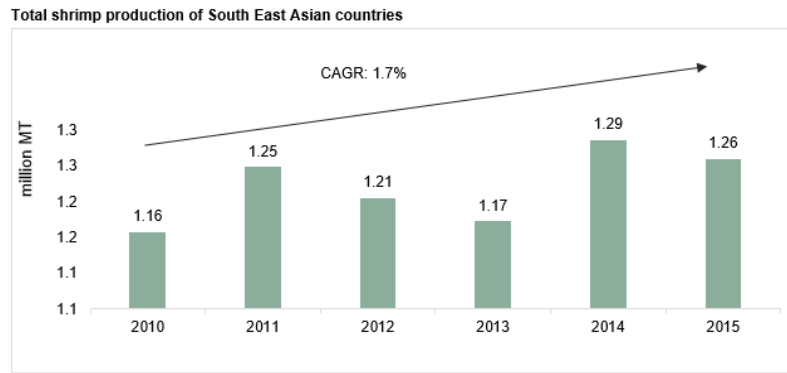
Shrimp production in 2017 is estimated at its highest ever recorded levels of approximately 6.0 million MT. Growth in global shrimp production during 2010 to 2017 (projected) is expected at a CAGR of 4.4%. With the disease which affected areas of South East Asia and some parts of India and China in fiscal 2014 expected to gradually subside, growth is expected to be robust in the coming years.

Global shrimp production



Trends and forecasts in shrimp production patterns across major regions

Shrimp production in south-east Asia increased at a CAGR of 1.7% during 2010 and 2015



Shrimp production in Thailand was negatively impacted due to the ‘Early Mortality Syndrome’ (“EMS”) disease outbreak, leading to shrimp production levels in the south-east Asian region dropping during 2012 and 2013. However, production recovered during 2014 and 2015 to reach pre-EMS levels, led largely by Indonesia which remained insulated by the disease outbreak and managed to gain significant share in the region’s shrimp production. Vietnam has also managed to gain share in the region’s shrimp production during 2014 and 2015.

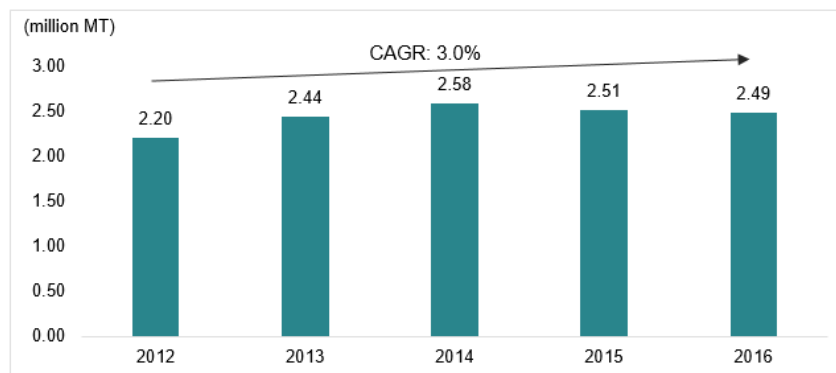
Trends in export and imports of shrimp, including value-added products globally

Developed countries are dependent on imports for shrimp

Global exports of shrimps including value added products has risen at a CAGR of 3% between 2012 and 2016 in volume terms from 2.2 million MT in 2012 to 2.5 million MT in 2016. However, the growth of global shrimps exports rose at a CAGR of 4.8% during 2012 and 2016 from 18.4 billion USD in 2012 to 22.3 billion USD in 2016.

Developed countries such as the United States, Japan and the European Union are highly dependent on imports of fishery products, as they are not self-sufficient in meeting their domestic requirement. South-east Asian countries such as Thailand source seafood products from countries such as India, add value and re-export to countries in the west, thereby earning better margins. China is one of the largest importers as well as exporters of these products.

Global export of shrimp and prawns (volume)



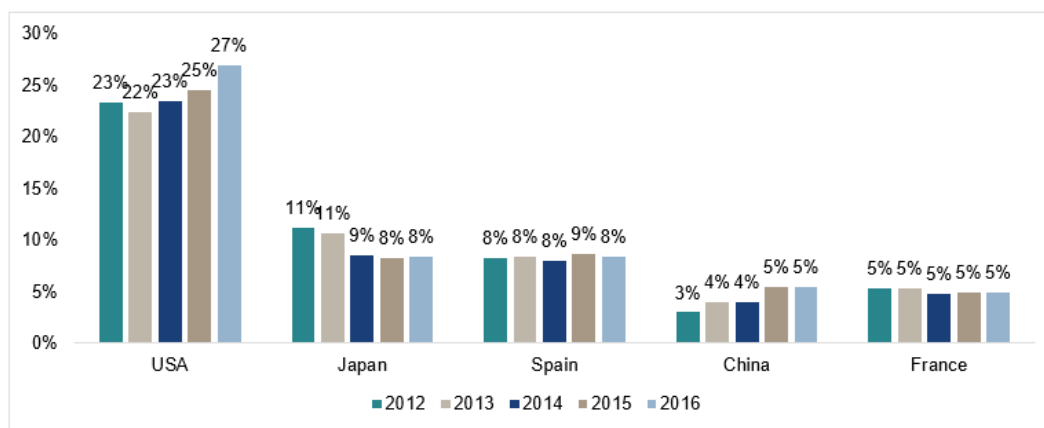
Note: Data includes products classified under the HS codes 030613, 030616, 030617, 030622, 030626, 030627, 160520, 160524 and 160529

Year	Market Size (USD Bn)
2012	18.42
2013	21.06
2014	24.37
2015	20.71
2016	22.25

CAGR: 4.8%

Rising demand for aquaculture products such as shrimp and tuna has helped the United States in maintaining the pole position. Japan, which was once the largest importer, now occupies a distant second, after being overtaken by the United States. Factors such as declining demand, especially from the youth, coupled with weaker currency (the yen depreciated 6.7% to 121 versus the dollar in 2015), has made imports expensive in Japan.

Percentage share of top five countries importing shrimp and prawns (volume)

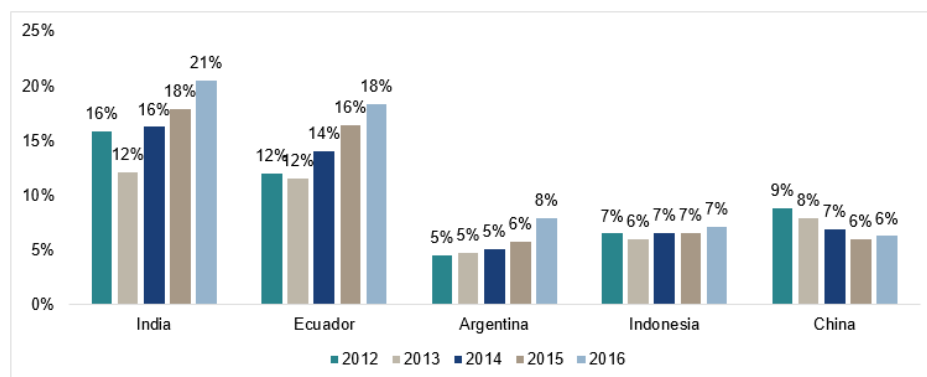


Note: Data includes products classified under the HS codes 020612, 020616, 020617, 020622, 020626 and 020627 under the UNCOMTRADE

The rising demand for shrimp is met by top exporting countries such as India, Ecuador, Argentina, Indonesia and China, accounting for 60% (in volume terms as of 2016) of total shrimp exports. India's share in the total shrimp exports to the world increased approximately 500 bps from 16% to 21% between 2010 and 2015. Advantage of tropical weather, availability of long coastline and brackish water, improved farming techniques, entrepreneurial nature of farmers, backward and forward integration supporting shrimp aquaculture and government backing for setting up aquaculture farms have helped India ramp up its production and gain significant share in the exports market. Global events such as gulf oil spill, incidence of diseases in aquaculture farms in south-east Asia impacting

yield coupled with depreciation of the Indian rupee versus the dollar are also some reasons adding to the popularity of India as a major shrimp-exporting region.

Percentage share of top five countries exporting shrimps and prawns (volume)



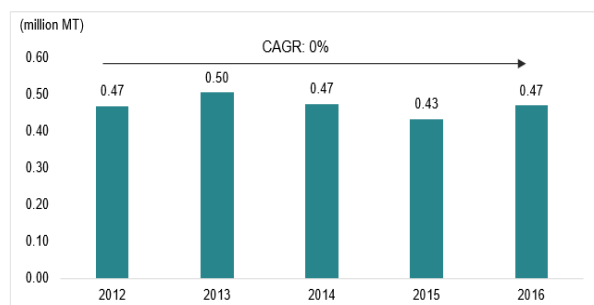
Note: Data includes products classified under the HS codes 030613, 030616, 030617, 030623, 030626 and 030627 under the UNCOMTRADE.

Value-added products (“VAP”)

Global exports of value added shrimps remain range bound between 2012 to 2016

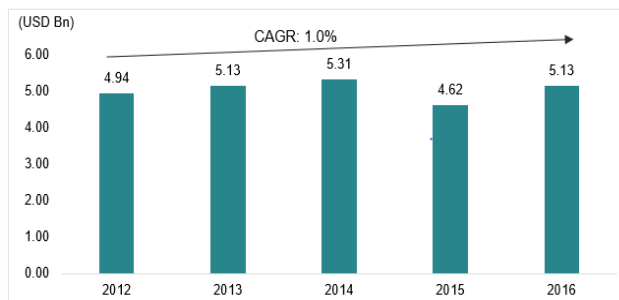
At the global level, exports of value added shrimps have remained range bound during the period 2012 to 2016. The export of value added shrimps in volume terms stood at 0.47 million MT during 2016 versus 0.47 million MT in 2012. In value terms, the export of value added shrimps globally stood at 5.13 billion USD, a CAGR of 1%, as against 4.94 billion USD in 2012.

Global export of value-added shrimp and prawns (volume)



Note: Data includes products classified under the HS codes 160520, 160521 and 160529 under the UNCOMTRADE.

Global export of value-added shrimp and prawns (value)



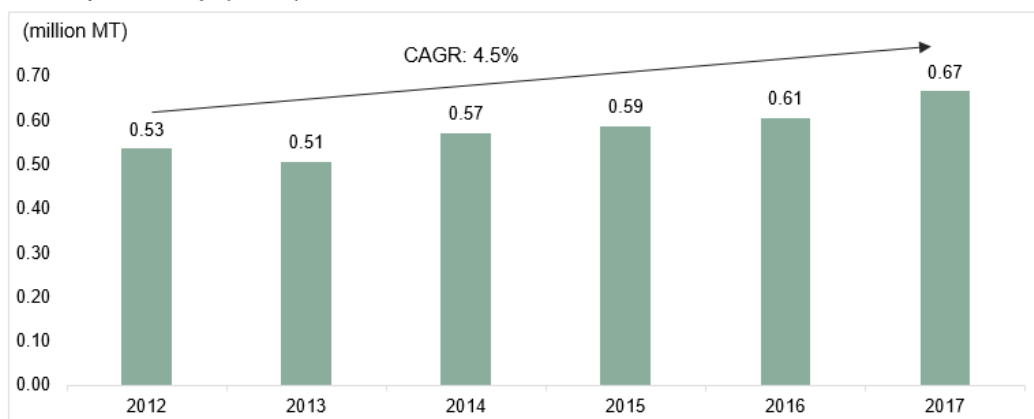
Note: Data includes products classified under the HS codes 160520, 160521 and 160529 under the UNCOMTRADE.

Trends in imports of shrimps to the United States

United States’ imports of shrimps in value terms increased at CAGR of 8% over 2012 and 2017

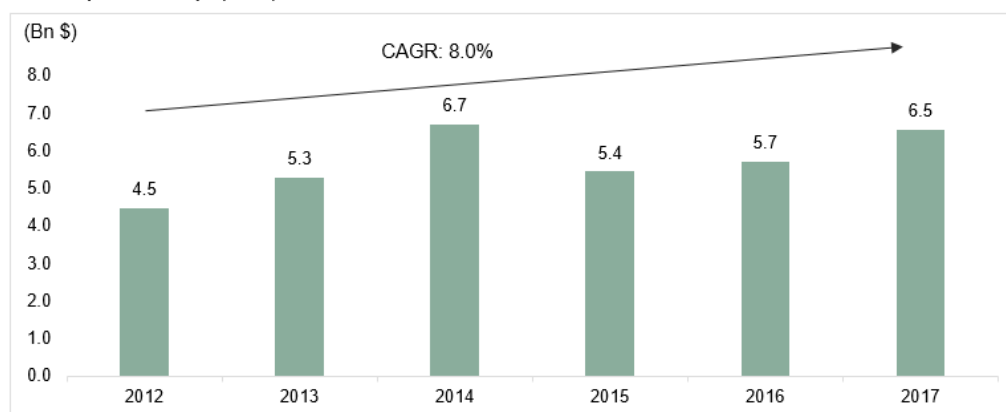
In volume terms, United States imported 0.67 million MT of shrimps from the world during 2017. The quantity of imports increased at CAGR of 4.5% from 0.53 million MT in 2012 to 0.67 million MT during 2017.

USA's import of shrimps (volume)



In value terms, the United States imports shrimps worth USD 6.5 billion in 2017. The value of imports increased at CAGR of 8% during 2012 to 2017 from USD 4.5 billion in 2012 to USD 6.5 billion in 2017.

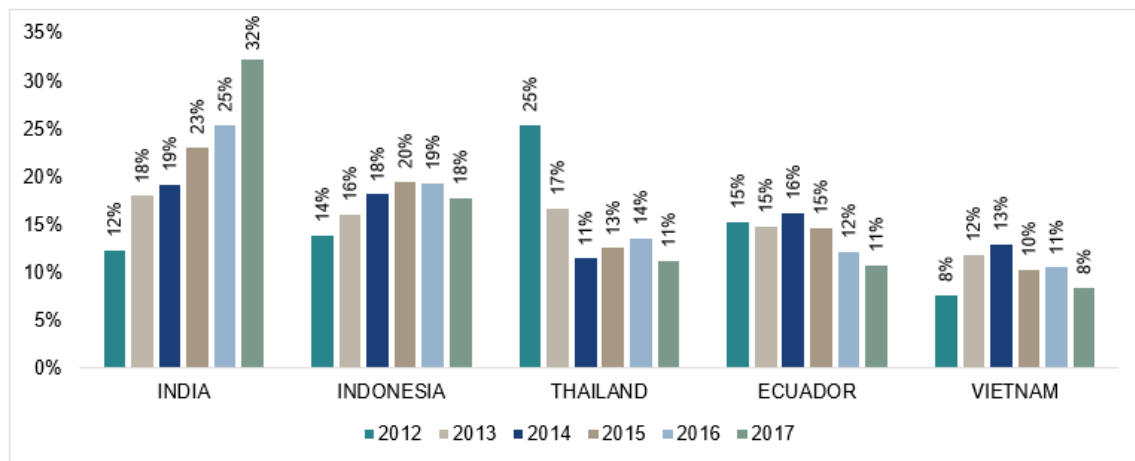
USA's import of shrimps (value)



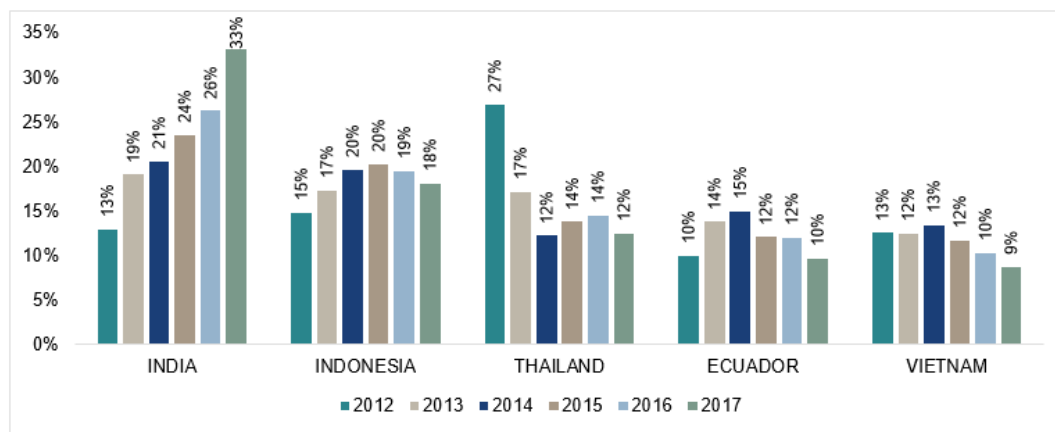
India is a key exporter of shrimps to the United States in volume and value terms as of 2017

Top five countries exporting shrimps to the United States in 2017 were India, Indonesia, Thailand, Ecuador and Vietnam by both volume as well as value. These five countries account for approximately 80% share by volume and approximately 82% share by value as of 2017. India holds the top position accounting for 32% share by volume and 33% by value during 2017. India has depicted the highest CAGR of 27% between 2012 and 2017 in shrimp exports to the USA followed by Indonesia at a CAGR of 10% during the same period.

Percentage share of top five countries exporting shrimps to USA (volume)

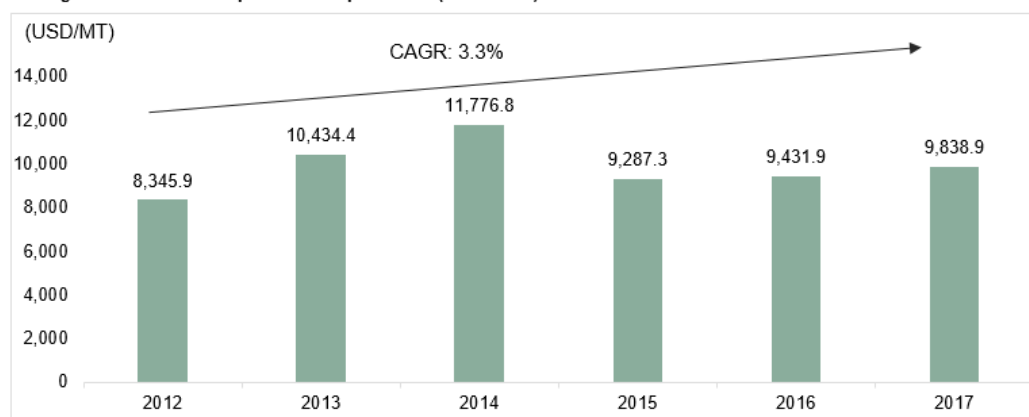


Percentage share of top five countries exporting shrimps to USA (value)



Average realisations from shrimp imports in the United States has grown at CAGR 3.3% during 2012 to 2017

Average realizations on imported shrimps to USA (in USD/MT)

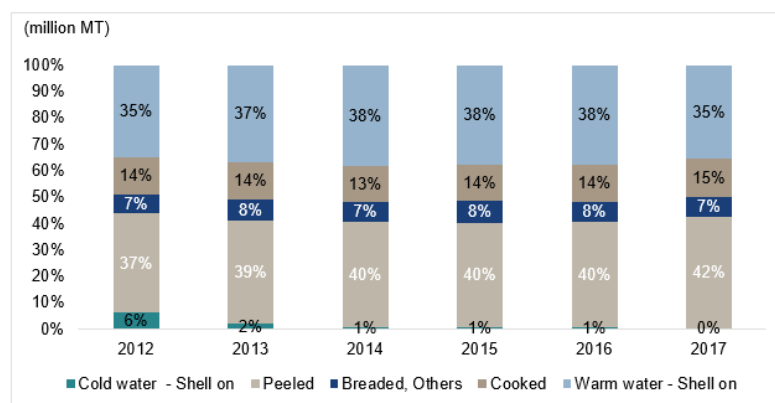


The United States market is moving towards value-added products

The United States market is slowly moving towards value-addition in shrimp imports, with peeled category enjoying the highest share at 42% in volume and value terms as of 2017. While cold-water shell-on shrimp products have reduced to negligible quantities, share of warm-water shell-on shrimp products, imported mainly from Asian and south-east Asian countries has maintained a strong share of 35% in volume and value terms during 2017. Average

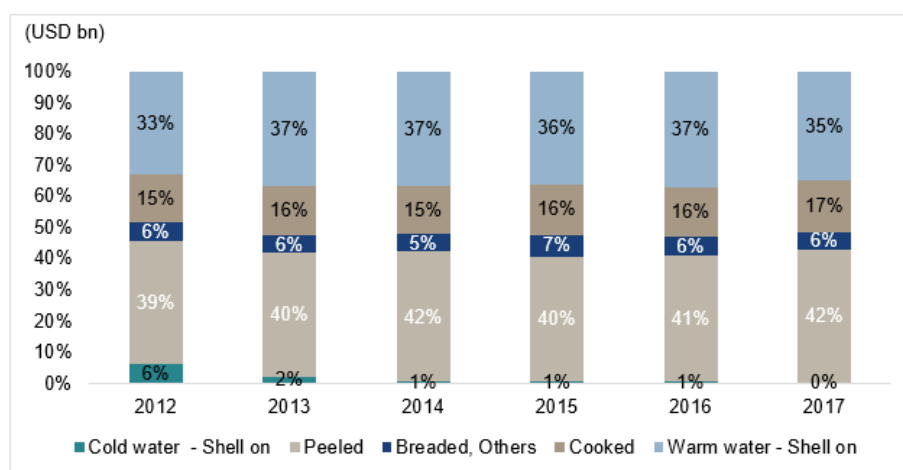
realisations were the highest for cooked category at USD 11,254 per MT during 2017 followed closely by cold-water shell-on category at USD 11,091 per MT for the same period. The warm-water shell-on category, with average realisations of USD 9,661 per MT grew at CAGR 4.1% during 2012 and 2017.

Trends in product-type (volume-in million MT)



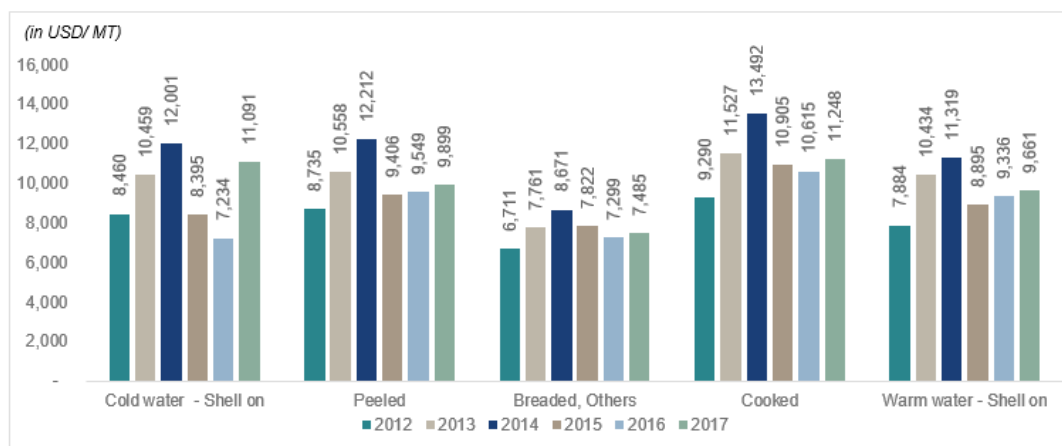
Note: Cold water shell-on includes fresh and frozen; warm water shell-on includes frozen, salted, dried and in brine; Peeled includes fresh, frozen, salted, dried and in brine; Cooked includes frozen in ATC and other preparations; Breaded, others includes breaded frozen, canned, prepared dinners in ATC and prepared dinners not in ATC

Trends in product-type (value-in USD billion)



Note: Cold water shell-on includes fresh and frozen; warm water shell-on includes frozen, salted, dried and in brine; Peeled includes fresh, frozen, salted, dried and in brine; Cooked includes frozen in ATC and other preparations; Breaded, others includes breaded frozen, canned, prepared dinners in ATC and prepared dinners not in ATC

Trends in realization by product-type (in USD/ MT)



Note: Cold water shell-on includes fresh and frozen; warm water shell-on includes frozen, salted, dried and in brine; Peeled includes fresh, frozen, salted, dried and in brine; Cooked includes frozen in ATC and other preparations; Breaded, others includes breaded frozen, canned, prepared dinners in ATC and prepared dinners not in ATC

SUMMARY OF BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors affecting our Results of Operations” on pages 17 and 349, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 196.

Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Nekkanti Sea Foods Limited on a consolidated basis and references to “the Company” or “our Company” refers to Nekkanti Sea Foods Limited on a standalone basis.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Shrimp Processing Industry in India” dated March 2018 (the “CRISIL Report”) prepared and issued by CRISIL Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are among India’s leading processors and exporters of processed frozen shrimp products with over three decades of operations (*Source: CRISIL Report*). We have been consistently profitable since incorporation and have declared dividends for more than 25 years of our operations. We serve customers in the packaged food industry, food service companies and distributors catering to the retail segment with a focus on exports to the United States and Europe.

In Fiscal 2017, we had a volume share in the Indian shrimp industry of 2.49% with a value share of 3.31% of the total exports in such periods (*Source: Based on information derived from the CRISIL Report*). Our revenues from operations have grown at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. In comparison, India’s shrimp exports grew at a CAGR of 15% over fiscal 2013 and 2017 (*Source: CRISIL Report*).

As of the date of this Draft Red Herring Prospectus, we own and operate three processing facilities located along the coastal belt of Andhra Pradesh. Andhra Pradesh is India’s leading farmed shrimp producer by far, accounting for more than two-thirds of Indian farmed shrimp production in 2016 - 2017 (*Source: CRISIL Report*). Our processing facilities have been accredited by leading global certification bodies including Best Aquaculture Practices (“**BAP**”), Aquaculture Stewardship Council (“**ASC**”), British Retail Consortium (“**BRC**”) and International Feature Standard (“**IFS**”). We are also in the process of commissioning another processing facility located at Kothapatnam, Nellore, which is expected to be operational by July 2018. Our processing facilities are also approved by the customers who source their shrimp products from us, and certified by various regulatory bodies, including the Export Inspection Agency, the Marine Products Exports Development Authority and United States Food and Drug Administration. We source raw shrimp used in our processing facilities from third party farms, as well as our ASC certified shrimp farms spread across 330 acres.

Our products are broadly classified into the following four categories, based on extent of processing required for such products:

Shell-on Products. These products include head-on shell-on shrimps and headless shell-on shrimps. In Fiscal 2017 and in the nine months ended December 31, 2017, shell-on products accounted for 9.71% and 10.32%, respectively, of our revenue from operations in such periods.

Peeled Products. These products are ready-to-cook range of shrimp, and include raw shell-on easy peel, raw peeled deveined tail-on and raw peeled deveined tail-off shrimps. In Fiscal 2017 and in the nine months ended December 31, 2017, peeled products accounted for 80.39% and 76.19%, respectively, of our revenue from operations in such periods.

Cooked Products. These products are ready-to-eat range of shrimp and include cooked easy peel, cooked peeled deveined tail-on and cooked peeled deveined tail-off products. In Fiscal 2017 and in the nine months ended December 31, 2017, cooked products accounted for 7.85% and 12.80%, respectively, of our revenue from operations in such periods.

Breaded and Other Products. Breaded shrimps are value-added products that involve additional processing, such as coating with breadcrumbs and frying before being individually quick frozen (“IQF”). Other products include butterfly, skewered and Nobashi shrimp products. In Fiscal 2017 and in the nine months ended December 31, 2017, breaded and other products accounted for 2.05% and 0.69%, respectively, of our revenue from operations in such periods.

Our products are frozen using individual quick freezing or block freezing technology. Our IQF products represented 88.67% and 89.31% of our revenue from operations in Fiscal 2017 and in the nine months ended December 31, 2017, respectively.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 our revenue from operations were ₹ 6,860.94 million, ₹ 7,741.50 million, ₹ 8,302.07 million and ₹ 10,747.60 million, respectively. Our EBITDA was ₹ 812.61 million, ₹ 556.03 million, ₹ 944.01 million and ₹ 1,817.33 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017. Our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million, respectively in such periods.

Competitive Strengths

We believe that the following are our primary competitive strengths:

Our position as a leading processor and exporter of value added shrimps

We are among India’s leading processors and exporters of processed frozen shrimp products with over three decades of operations (*Source: CRISIL Report*). In Fiscal 2013, we exported 5,468.75 MT of shrimp products while our export of such products increased to 10,716.02 MT in Fiscal 2017. Our market share in relation to exports of shrimp products was 1.95% and 2.49% in Fiscal 2013 and 2017, respectively (*Source: Based on information derived from the CRISIL Report*). Of the total processed shrimp exported from India to the United States, our market share in overall exports was 6.81% and in value-added products was 9.35% in 2017 (*Source: Based on information derived from the CRISIL Report*).

The table below sets forth the contribution of value-added products to our revenue from operations in the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine Months ended December 31, 2017
Value	85.03%	90.83%	90.29%	89.68%
Volume	84.25%	90.60%	87.77%	87.11%

Our processing facilities have been accredited with various certifications relating to quality and health and safety standards. We were the first company to be certified by the Aquaculture Stewardship Council in India for our shrimp farms. Our processing facilities have been accredited by leading global certification bodies including BAP, ASC, BRC and IFS. We have increased our total installed processing plant capacity (comprising block frozen and IQF and cooked) from 60.00 MT per day as of March 31, 2015 to 110.40 MT per day as of December 31, 2017. We follow sustainable sourcing practices by interacting with shrimp farmers and educating them on measures to increase yield and realization. The use of chemicals and antibiotics and feed ingredients used by farmers is reviewed by our internal audit teams, while we have laboratory facilities at each of our processing facilities to ensure the quality of

shrimps we process. We were awarded the second highest export performance of frozen shrimp for fiscal 2015 at the 20th India International Seafood Show, 2016 in Visakhapatnam.

We believe that our large processing capacity, sourcing network, certified processing capabilities and customer focus have enabled us to scale up our operations while maintaining the quality of our shrimp products. We have been able to penetrate the United States and European markets that are believed to have high standards for manufacturing, social and environmental compliance and food safety and traceability standards. As a result, our revenues from operations have grown at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. In comparison, India's shrimp exports grew at a CAGR of 15% over fiscal 2013 and 2017 (*Source: CRISIL Report*).

Strong product and market mix

Our product portfolio includes a wide variety of value-added shrimps with a strong focus on the United States. Our products include shell-on and value-added products such as peeled, cooked as well as breaded and other products including butterfly, skewered and Nobashi shrimp.

The United States is the largest importer of shrimp products globally. In value terms, the import of shrimps to the United States was worth US\$ 6.5 billion in 2017. The value of imports in the United States increased at CAGR of 8% between 2012 to 2017 from US\$ 4.5 billion in 2012 to US\$ 6.5 billion in 2017. Value-added shrimp products accounted for 62%, 62% and 64% in 2015, 2016 and 2017, respectively. (*Source CRISIL Report*) We have a strong focus on export of value-added shrimp products to major consumer markets, in particular the United States. Our exports to the United States in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 accounted for 79.91%, 92.01%, 87.64% and 89.71%, respectively, of our total exports. We have a strong focus on value-added products in the United States market indicated by our product mix focus towards value-added products compared to the overall market. Value-added products exported by our Company to the United States accounted for 89.05%, 92.51%, 94.17% and 92.94% in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively.

We believe that our realization from sales in the United States is higher than the industry average primarily because of our focus on value-added products. (*Source: Based on information derived from the CRISIL Report*) The table below sets forth our realization rates per MT (i.e. our revenue from operations from exports to the United States divided by total volume of shrimp product sales into the United States) in comparison to the overall United States shrimp import realization rates in the periods indicated:

(US\$/MT)

Particulars	2015	2016	2017
Our exports to the United States	10,647.10	11,181.19	11,596.74
Overall shrimp imports by the United States [#]	9,287	9,432	9,839

Source: CRISIL Report

Established customer base and strong relationships

We have long established relationships with our key customers. We have developed direct relationships with leading packaged food players such as Rich Products Corporation, High Liner Foods and King & Prince Seafood. We are the exclusive supplier from India to Rich Products Corporation, a United States multinational food corporation. In addition, we have been selected as a strategic supplier for Rich Products Corporation for a period of five years commencing in 2018. We are also one of the largest shrimp suppliers from India to High Liner Foods Incorporated for the past five years and a key partner for their aquaculture business. In the retail segment, Eastern Fish Company has been our customer for 15 years, through whom our products are supplied to leading supermarkets in the United States and Europe. In the food services segment, we were the largest supplier in 2016 and 2017 from India to Arista Industries Inc. and have been packing shrimp products for its various brands, including Portico Bounty. In India, we have entered into a strategic arrangement with Barbeque Nation Hospitality Limited to act as an exclusive supplier of processed frozen shrimp in India until 2020.

We believe the sale of our products to premium customers in the United States has strengthened our position in the shrimp processing industry. The table below sets forth our realization rates per MT from the export of our shell-on,

peeled and cooked products to the United States compared to the realization rates for overall imports to the United States of similar products in 2017:

(US\$/MT)

Particulars	Shell-on	Peeled	Cooked
Our exports to the United States	10,496.12	11,523.99	12,920.71
Overall shrimp imports by the United States [#]	9,661	9,899	11,248

[#] Source: CRISIL Report

Our customers implement stringent quality checks in the selection of suppliers. For example, our customers require that the processing facilities from where shrimp is sourced are certified by various regulatory authorities such as, the Export Inspection Agency and the United States Food and Drug Administration. We believe that our ability to meet customers' stringent quality requirements and delivery schedules, maintain our relationship as a key supplier, and develop long-term relationships with many of our key customers, enables us to continue to retain business from our customers. In Fiscal 2017 and in the nine months ended December 31, 2017, revenue from operations from our top five customers was ₹ 5,314.16 million and ₹ 6,671.04 million, respectively, representing 64.01% and 62.07%, respectively, of our revenue from operations in such periods. We believe that our established customer base has been instrumental in our success to date, and will be an integral driver for future growth.

Strategically located processing facilities

As of the date of this Draft Red Herring Prospectus, we own and operate three processing facilities located along the coastal belt of Andhra Pradesh. Andhra Pradesh is India's leading farmed shrimp producing state, accounting for more than two-thirds of Indian farmed shrimp production in 2016 - 2017 (Source: CRISIL Report). Being located in the state of Andhra Pradesh provides us with a significant advantage. Andhra Pradesh's 974 kilometer long coastline provides access to 1.24 million hectares of brackish water, which has helped Andhra Pradesh set up a large number of aquaculture farms and has provided a boost to the shrimp industry since 2009 (Source: CRISIL Report). Our processing facility in Marikavalasa is located in close proximity to the Vishakhapatnam port. We are also in the process of adding another processing facility in Kothapatnam that is in close proximity to the Krishnapatnam port. The location of our facility in close proximity to the port ensures lower transportation costs. Our facilities at Ethakota and J Thimmapuram are located close to the shrimp farms operated by us and also benefit from the large network of third party shrimp farms in the region. Our strategically located processing facilities ensure adequate and cost-effective supply of shrimps, our primary raw material, as well as transportation of finished products, thereby enabling us to leverage economies of scale. We also benefit from favourable policies implemented by the government of Andhra Pradesh.

Consistent track record of financial performance

We have over the years maintained a consistent track record of financial performance. We believe that our focus on value-added products, quality and sustainable sourcing model, certified operations and customer focus have resulted in the significant growth in our business.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 our revenue from operations were ₹ 6,860.94 million, ₹ 7,741.50 million, ₹ 8,302.07 million and ₹ 10,747.60 million, respectively. Our revenue from operations have increased at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. We have been consistently profitable since incorporation and have declared dividends for more than 25 years of our operations. Our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively. In addition, our EBITDA was ₹ 812.61 million, ₹ 556.03 million, ₹ 944.01 million and ₹ 1,817.33 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively. In Fiscal 2015, 2016 and 2017, Return on Average Capital Employed was 65.60%, 32.34% and 38.50% respectively, while Return on Net Worth was 36.19%, 18.52% and 24.71% respectively.

Experienced and dedicated management team

We benefit from the experience of our Promoters and the senior management team who have extensive knowledge in shrimp procurement, processing and marketing activities. Our Promoters are actively involved in our operations, and along with our senior management have been instrumental in implementing our growth strategies and expanding our business through various initiatives including broadening our distribution channel, and increasing our product sales.

Members of our Board and other key operating personnel possess extensive operating and industry experience. Our Chairman and Whole-time Director, Nekkanti Seetha Ramachandra Murty has over four decades of experience in the aquaculture business and has contributed significantly to our growth. Nekkanti Venkat Rao, Managing Director has been responsible for the overall performance of our Company, including developing and implementing strategic plans. Nekkanti Mahesh, Joint Managing Director and Whole-time Director has been leading our Company's efforts in capacity expansion, production and human resource management and has been associated with our Company since 2010. Motamarri Nagesh, Director has been with our Company for 25 years and is responsible for finance and accounting in addition to banking, taxation and auditing functions. We believe that the vision and extensive experience of our management team, coupled with our in-depth industry knowledge and understanding of the market through our daily operations, are essential to our success.

Business Strategies

Consolidate our market share by moving up the value chain

Overall global imports of shrimps in 2016 were valued at US\$ 22.25 billion with higher value-added products like prepared or cooked, breaded and other shrimps accounting for US\$ 5.13 billion. The value of global import of raw frozen shrimp products (that includes raw shell-on and raw peeled products) in 2013, 2014, 2015 and 2016 was US\$ 15.93 billion, US\$ 19.06 billion, US\$ 16.09 billion and US\$ 17.12 billion, respectively. The value of global import of prepared or cooked and breaded shrimp products in 2013, 2014, 2015 and 2016 was US\$ 5.13 billion, US\$ 5.31 billion, US\$ 4.62 billion and US\$ 5.13 billion, respectively. Although India is the largest exporter of shrimps in the world, and had an overall value share of approximately 21% in 2016, value of exports of prepared or cooked, breaded and other shrimps from India accounted for only US\$ 0.25 billion representing approximately 5% of the global imports of similar products. (Source: CRISIL Report)

We believe we are well positioned to address the market opportunity in the export of value-added frozen shrimps, particularly the value-added products such as prepared or cooked, breaded and other shrimps which involve better margins. We continue to focus on the value-added shrimp market and customer requirements in this segment. Consistent with our overall business strategy, we continue to increasingly focus on value-added products and intend to further move up the value chain with market and client specific strategies.

The table below sets forth the relative proportion of revenue from operations from our different product segments in the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine Months ended December 31, 2017
Raw frozen shrimp [#]	94.59%	92.94%	90.10%	86.51%
Prepared or cooked and breaded shrimp	5.41%	7.06%	9.90%	13.49%

[#]Includes raw shell-on and raw peeled products

We intend to consolidate our position across our three principal market segments, *i.e.*, packaged food companies, food services and retail. We intend to leverage our existing relationships with players within each of these segments and grow our market share, particularly focusing on value-added products.

We continue to develop strategic association with select client accounts to grow our share of value-added products and consolidate our market position across the various segments. In the packaged foods segment, we are exclusive suppliers to Rich Products Corporation, a U.S. multinational food company. In addition, we have been selected by Rich Products Corporation as a strategic supplier for a period of five years commencing in 2018 and intend to engage closely with them to further develop our value-added processing capabilities. We are also one of the largest

shrimp suppliers from India to High Liner Foods Incorporated for the past five years and a key partner for their aquaculture business. In the food services segment, we were the largest supplier in 2016 and 2017 from India to Arista Industries Inc. and have been packing shrimp products for its various brands, including Portico Bounty. In the retail segment, we have been one of the major suppliers from India in the last five years to Eastern Fish Company LLC for sale of products in leading supermarkets in the United States and European Union. In order to address customer requirements, we have increased our total installed processing capacity (comprising block frozen and IQF and cooked) from 60.00 MT per day as of March 31, 2015 to 110.40 MT per day as of December 31, 2017. We plan to further increase our processing capacity by commissioning an additional processing facility at Kothapatnam, Nellore, with an installed processing capacity (comprising block freezing and IQF) of 50.00 MT per day in Fiscal 2019.

Expand our presence in the domestic market

The market in India for organized seafood, and shrimps in particular, is at a very nascent stage. The annual per capita consumption of seafood for the entire population in India is estimated at 6.6 kilograms compared to 20.8 kilograms per capita of the global average (*Source: CRISIL Report*). We intend to leverage the significant growth potential in the Indian seafood market and cater to the growing demand for shrimp. The Indian seafood market is currently predominantly served by wet or fresh supply. We intend to target the out-of-home consumption segment, in particular premium food service companies. We have entered into a strategic arrangement with Barbeque Nation Hospitality Limited, a large restaurant chain in India, as an exclusive supplier for their shrimp requirements. As part of this arrangement, we are also entitled to co-brand our products, with the option to display our brand on restaurant menus operated by Barbeque Nation. Consistent with our focus on increasing awareness about our products at the end consumer level, we intend to further grow our brand and increase our presence in the Indian market with similar strategic arrangements. We intend to leverage such increased brand awareness to eventually launch our own branded products for retail customers in India.

Focus on value chain integration

We intend to selectively expand into other parts of the shrimp processing value chain based on the requirements of our customers. We believe that such selective expansion will allow us to augment our current value proposition. As part of our strategy, we intend to operate additional shrimp farms with ASC and BAP certification to cater to the premium market segment in the United States and Europe. We also intend to set up hatcheries to enable us to better control our supply chain. We believe that these measures will enhance our ability to deliver quality products and meet the stringent quality and traceability requirements of our customers in the premium market segment. We believe that an increased presence across the value chain will enable us to further improve our overall realization rates as well as profitability.

Pursue strategic inorganic growth opportunities

We continue to evaluate strategic inorganic growth opportunities in India and in international markets, consistent with our strategy to further grow and develop our market share and product portfolio. We will pursue opportunities where such acquisitions or arrangements will add value to our business, stakeholders and customers. These inorganic growth opportunities may include acquisitions, joint ventures, strategic partnerships as well as acquisition of brands and / or processing facilities. We continue to target strategic acquisition opportunities that will enable increased access to customers and enable us to consolidate our market position with an extensive sales and distribution network.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements as of and for the fiscal years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017, and nine months ended December 31, 2017. These financial statements have been prepared in accordance with Ind AS, applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations, and are presented in “*Financial Statements*” on page 196.

The consolidated summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto and in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 349.

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RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(All figures in ₹ million)

Particulars		As at December 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
I	ASSETS						
1	Non-current assets						
	Property, plant and equipment	919.53	950.38	257.27	245.24	230.24	168.90
	Intangible assets	2.48	1.78	-	-	-	-
	Capital work in progress	36.76	39.51	428.86	3.60	7.71	14.62
	Investment property	2.64	2.64	2.64	2.64	2.64	2.64
	Financial assets						
	Investments	178.05	388.91	236.75	195.29	238.89	213.49
	Other financial assets	22.54	28.21	43.88	51.37	7.77	6.68
	Other non-current assets	192.48	154.38	168.49	91.51	22.94	27.92
	Total non-current assets	1,354.48	1,565.81	1,137.89	589.65	510.19	434.25
2	Current assets						
	Inventories	1,680.93	1,664.64	544.75	934.15	414.96	241.83
	Financial assets						
	Trade receivables	980.43	167.64	177.76	34.81	566.29	67.10
	Cash and cash equivalents	104.49	42.79	24.22	10.92	23.85	2.58
	Bank balances other than above	26.08	17.86	30.86	15.18	11.58	10.69
	Other financial assets	53.03	21.33	6.18	15.71	9.26	6.92
	Other current assets	614.05	218.53	154.60	274.01	185.66	94.04
	Total current assets	3,459.01	2,132.79	938.37	1,284.78	1,211.60	423.16
	Total Assets	4,813.49	3,698.60	2,076.26	1,874.43	1,721.79	857.41
II	EQUITY AND LIABILITIES						
1	Equity						
	Equity share capital	135.28	27.06	27.06	13.53	6.76	6.76
	Other equity	3,188.66	2,134.57	1,589.11	1,313.70	850.26	524.96
	Total equity	3,323.94	2,161.63	1,616.17	1,327.23	857.02	531.72
2	Liabilities						
	Non-current liabilities						
	Financial liabilities						
	Borrowings	-	-	30.00	-	-	-
	Other financial liabilities	1.50	1.50	1.50	-	-	-
	Provisions	2.10	0.33	-	-	0.36	-
	Deferred tax liabilities (net)	101.16	53.11	61.35	103.10	54.46	19.59
	Other non-current liabilities	148.40	169.29	16.09	12.85	14.68	7.58
	Total non-current liabilities	253.16	224.23	108.94	115.95	69.50	27.17
3	Current liabilities						
	Financial liabilities						
	Borrowings	832.06	1,059.61	250.11	186.91	547.83	216.78
	Trade payables	285.44	212.34	65.80	186.63	232.06	74.21
	Provisions	91.50	0.19	1.81	40.89	6.87	0.49
	Other current liabilities	27.39	40.60	33.43	16.82	8.51	7.04
	Total current liabilities	1,236.39	1,312.74	351.15	431.25	795.27	298.52
	Total liabilities	1,489.55	1,536.97	460.09	547.20	864.77	325.69
	Total Equity and Liabilities	4,813.49	3,698.60	2,076.26	1,874.43	1,721.79	857.41

RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS

(All figures in ₹ million)

Particulars		For the nine months ended December 31, 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
	Continuing Operations						
	Income						
1	Revenue from operations	10,747.60	8,302.07	7,741.50	6,860.94	5,862.62	2,967.79
2	Other income	109.27	99.47	56.13	80.31	7.99	33.42
3	Total income (1+2)	10,856.87	8,401.54	7,797.63	6,941.25	5,870.61	3,001.21
4	Expenses						
	Cost of materials consumed	7,716.81	7,211.34	5,652.75	5,624.44	4,705.49	2,311.45
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(33.87)	(1,100.55)	433.01	(521.88)	(165.17)	(25.72)
	Employee benefits expense	55.99	43.72	35.06	21.57	18.80	15.12
	Depreciation and amortisation expense	151.03	142.48	48.65	45.68	35.62	28.50
	Other expenses	1,311.70	1,299.92	1,120.11	1,002.50	742.60	469.85
	Finance costs	83.31	76.42	48.39	43.64	32.10	20.64
	Total expenses (4)	9,284.97	7,673.33	7,337.97	6,215.95	5,369.44	2,819.84
5	Profit before exceptional items and tax (3-4)	1,571.90	728.21	459.66	725.30	501.17	181.37
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax from continuing operations (5-6)	1,571.90	728.21	459.66	725.30	501.17	181.37
8	Income tax expense						
	(i) Current tax	350.97	181.12	204.97	201.11	137.06	58.81
	(ii) Deferred tax charge (credit)	48.89	(7.64)	(41.96)	48.64	35.14	3.34
9	Profit for the year (7-8)	1,172.04	554.73	296.65	475.55	328.97	119.22
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
10	Remeasurement of post-employment benefit obligations	(2.44)	(1.72)	0.62	(0.58)	(0.77)	(0.23)
11	Income tax relating to these items	0.84	0.60	(0.21)	-	0.26	0.07
12	Restated profit /(loss) for the year (9+10+11)	1,170.44	553.61	297.06	474.97	328.46	119.06
13	Earnings per share						
	Basic earnings per share	17.30	8.18	4.39	7.02	4.86	1.76
	Diluted earnings per share	17.30	8.18	4.39	7.02	4.86	1.76

RESTATED STANDALONE STATEMENT OF CASH FLOWS

(All figures in ₹ million)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
A Cash flow from Operating Activities						
Profit before income tax	1,571.90	728.21	459.66	725.30	501.17	181.37
Adjustments for						
Depreciation and amortisation expense	151.03	142.48	48.65	45.68	35.62	28.5
(Profit) on sale of fixed asset	(0.63)	0.61	-	(0.11)	(0.54)	(18.35)
Fair Value changes of investments considered to profit and loss	(15.43)	-	-	-	-	0
Interest received	(25.40)	(26.28)	(25.95)	(1.76)	(2.47)	(3.16)
Finance costs	83.31	76.42	48.39	43.64	32.10	20.64
MTM (gain) on forward contract	(31.70)	(15.15)	(2.47)	(6.45)	-	(10.49)
Change in operating assets and liabilities	1,733.08	906.29	528.28	806.30	565.88	198.51
(Increase)/ decrease in other financial assets	(26.03)	0.52	17.02	(50.05)	(3.43)	(7.51)
(Increase)/ decrease in inventories	(16.29)	(1,119.89)	389.40	(519.19)	(173.13)	(29.70)
(Increase)/ decrease in trade receivables	(812.79)	10.12	(142.95)	531.48	(499.19)	44.08
(Increase)/ decrease in other assets	(424.45)	(95.70)	96.20	(157.77)	(91.62)	(24.23)
Increase/ (decrease) in provisions and other liabilities	(33.28)	158.97	22.26	5.52	7.40	(5.32)
Increase/ (decrease) in trade payables	73.12	146.54	(120.83)	(45.43)	157.85	(33.09)
Cash generated from operations	493.36	6.85	789.38	570.86	(36.24)	142.74
Less: Income taxes paid (net of refunds)	(261.16)	(182.74)	(244.05)	(167.09)	(130.68)	(62.66)
Net cash from/ (used in) operating activities (A)	230.20	(175.89)	545.33	403.77	(166.92)	80.08
B Cash flows from Investing Activities						
Purchase of PPE (including changes in CWIP)	(127.67)	(404.24)	(540.00)	(55.83)	(85.48)	(79.97)
Sale proceeds of PPE (including changes in CWIP)	3.19	0.90	-	0.26	1.77	24.99
(Purchase)/ disposal proceeds of Investments	226.29	(152.16)	(41.46)	43.60	(25.40)	(58.20)
(Investments in)/ Maturity of fixed deposits with banks	(8.22)	13.00	(15.68)	(3.60)	(0.89)	(1.23)
Interest income	23.21	26.87	25.94	1.72	2.41	2.98
Net cash from/ (used in) investing activities (B)	116.80	(515.63)	(571.20)	(13.85)	(107.59)	(111.43)
C Cash flows from Financing Activities						
Proceeds from issue of equity share capital (net of share application money)	-	-		0.01	-	-
Proceeds from/ (repayment of) long term borrowings	-	(30.00)	30.00	-	-	(0.39)
Proceeds from/ (repayment of) short term borrowings	(227.55)	809.50	63.20	(360.92)	331.05	41.21
MTM gain/(loss) on forward contract	31.70	15.15	2.47	6.45	-	10.49
Finance costs	(83.31)	(76.42)	(48.39)	(43.64)	(32.10)	(20.64)
Dividend paid	(6.76)	(6.76)	(6.76)	(4.06)	(2.71)	(2.71)
Tax on dividend	(1.38)	(1.38)	(1.35)	(0.69)	(0.46)	(0.44)
Net cash from/ (used in) financing activities (C)	(287.30)	710.09	39.17	(402.85)	295.78	27.52
D Net increase (decrease) in cash and cash equivalents (A+B+C)	61.70	18.57	13.30	(12.93)	21.27	(3.83)
Cash and cash equivalents at the beginning of the financial year	42.79	24.22	10.92	23.85	2.58	6.41
Cash and cash equivalents at end of the year	104.49	42.79	24.22	10.92	23.85	2.58
Notes: 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements"						
2. Components of cash and cash equivalents						
Balances with banks						
- in current accounts	74.49	40.18	17.23	8.71	20.10	1.03
- in EEFC Account	28.93	1.90	4.71	1.60	3.21	0.84
- in Treasury bank savings accounts	-	-	-	-	-	0
Cash on hand	1.07	0.71	2.28	0.61	0.54	0.71
	104.49	42.79	24.22	10.92	23.85	2.58

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(All figures in ₹ million)

	Particulars	As at Dec 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
I	ASSETS						
1	Non-current assets						
	Property, plant and equipment	921.92	950.47	257.36	245.24	230.24	168.90
	Intangible assets	2.48	1.78	-	-	-	-
	Capital work in progress	202.54	43.64	429.99	3.60	7.71	14.62
	Investment Property	2.64	2.64	2.64	2.64	2.64	2.64
	Financial assets						
	Investments	41.04	239.67	220.90	181.96	226.99	202.04
	Other financial assets	29.60	32.09	43.88	51.37	7.77	6.68
	Other non-current assets	515.24	301.57	168.49	91.51	22.94	27.92
	Total non-current assets	1,715.46	1,571.86	1,123.26	576.32	498.29	422.80
2	Current assets						
	Inventories	1,680.93	1,664.64	544.75	934.15	414.96	241.83
	Financial assets						
	Trade receivables	980.43	167.64	177.76	34.81	566.29	67.10
	Cash and cash equivalents	149.02	116.00	24.71	10.92	23.85	2.58
	Bank balances other than above	26.08	17.86	30.86	15.18	11.58	10.69
	Other financial assets	53.03	21.33	6.18	15.71	9.26	6.92
	Other current assets	614.05	218.51	154.60	274.01	185.66	94.04
	Total current assets	3,503.54	2,205.98	938.86	1,284.78	1,211.60	423.16
	Total Assets	5,219.00	3,777.84	2,062.12	1,861.10	1,709.89	845.96
II	EQUITY AND LIABILITIES						
1	Equity						
	Equity share capital	135.28	27.06	27.06	13.53	6.76	6.76
	Other equity	3,185.66	2,118.81	1,574.91	1,300.37	838.36	513.51
	Non-controlling interest	88.04	88.98	0.04			
	Total equity	3,408.98	2,234.85	1,602.01	1,313.90	845.12	520.27
	Liabilities						
2	Non-current liabilities						
	Financial liabilities						
	Borrowings	120.00	-	30.00	-	-	-
	Other financial liabilities	1.50	1.50	1.50	-	-	-
	Provisions	2.10	0.33	-	-	0.36	-
	Deferred tax liabilities (net)	101.16	53.11	61.35	103.10	54.46	19.59
	Other non-current liabilities	298.40	169.29	16.09	12.85	14.68	7.58
	Total non-current liabilities	523.16	224.23	108.94	115.95	69.50	27.17
3	Current liabilities						
	Financial liabilities						
	Borrowings	832.06	1,059.61	250.11	186.91	547.83	216.78
	Trade payables	334.76	216.74	65.82	186.63	232.06	74.21
	Provisions	91.50	0.19	1.81	40.89	6.87	0.49
	Other current liabilities	28.54	42.22	33.43	16.82	8.51	7.04
	Total current liabilities	1,286.86	1,318.76	351.17	431.25	795.27	298.52
	Total liabilities	1,810.02	1,542.99	460.11	547.20	864.77	325.69
	Total Equity and Liabilities	5,219.00	3,777.84	2,062.12	1,861.10	1,709.89	845.96

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All figures in ₹ million)

Particulars		For the nine months ended on December 31, 2017	For the year ended at March 31,				
			2017	2016	2015	2014	2013
	Continuing Operations						
	Income						
1	Revenue from operations	10,747.60	8,302.07	7,741.50	6,860.94	5,862.62	2,967.79
2	Other income	109.27	99.57	56.13	80.31	7.99	33.42
3	Total income (1+2)	10,856.87	8,401.64	7,797.63	6,941.25	5,870.61	3,001.21
	Expenses						
	Cost of materials consumed	7,716.81	7,211.34	5,652.75	5,624.44	4,705.49	2,311.45
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(33.87)	(1,100.55)	433.01	(521.88)	(165.17)	(25.72)
	Employee benefits expense	55.99	43.72	35.06	21.57	18.80	15.12
	Depreciation and amortisation expense	151.06	142.48	48.65	45.68	35.62	28.50
	Other expenses	1,314.08	1,302.57	1,120.11	1,002.50	742.60	469.85
	Finance costs	83.31	76.42	48.39	43.64	32.10	20.64
	Total expenses(4)	9,287.38	7,675.98	7,337.97	6,215.95	5,369.44	2,819.84
5	Profit before exceptional items and tax(3-4)	1,569.49	725.66	459.66	725.30	501.17	181.37
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax from continuing operations(5-6)	1,569.49	725.66	459.66	725.30	501.17	181.37
8	Income tax expense						
	i)Current tax	350.97	181.12	204.97	201.11	137.06	58.81
	ii)Deferred tax charge (credit)	48.89	(7.64)	(41.96)	48.64	35.14	3.34
9	Profit for the year(7-8)	1,169.63	552.18	296.65	475.55	328.97	119.22
10	Share of loss from associates accounted for using equity method	14.23	(0.03)	(0.87)	(1.43)	(0.45)	(2.28)
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
11	Remeasurement of post-employment benefit obligations	(2.44)	(1.72)	0.62	(0.58)	(0.77)	(0.23)
12	Income tax relating to these items	0.84	0.60	(0.21)	-	0.26	0.07
13	Restated profit/(loss) for the year(9+10+11+12)	1,182.26	551.03	296.19	473.54	328.01	116.78
14	Total comprehensive income attributable to						
	Owners of the company	1,183.20	552.05	296.19	473.54	328.01	116.78
	Non-controlling interest	(0.94)	(1.02)	-	-	-	-
15	Earnings per share as restated						
	Basic	17.49	8.16	4.38	7.00	4.85	1.73
	Diluted	17.49	8.16	4.38	7.00	4.85	1.73

Weighted average ordinary shares have been adjusted with retrospective effect from F.Y 2012-13 for the bonus issue made in F.Y 2014-15, 2015-16, 2017-18 and split of ordinary shares in FY 2017-18.

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All figures in ₹ million)

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
A Cash flow from Operating Activities						
Profit before income tax	1,569.49	725.66	459.66	725.30	501.17	181.37
Adjustments for						
Profit/(loss) attributable to non-controlling interest	0.94	1.02				
Depreciation and amortisation expense	151.06	142.48	48.65	45.68	35.62	28.5
(Profit) on sale of fixed asset	(0.63)	0.61	-	(0.11)	(0.54)	(18.35)
Fair Value changes of investments considered to profit and loss	(15.43)	-	-	-	-	-
Interest received	(25.40)	(26.28)	(25.95)	(1.76)	(2.47)	(3.16)
Finance costs	83.31	76.42	48.39	43.64	32.10	20.64
MTM (gain) on forward contract	(31.70)	(15.15)	(2.47)	(6.45)	-	(10.49)
	1,731.64	904.76	528.28	806.30	565.88	198.51
Change in operating assets and liabilities						
(Increase)/ decrease in other financial assets	(29.21)	(3.36)	17.02	(50.05)	(3.43)	(7.51)
(Increase)/ decrease in inventories	(16.29)	(1,119.89)	389.40	(519.19)	(173.13)	(29.70)
(Increase)/ decrease in trade receivables	(812.79)	10.12	(142.95)	531.48	(499.19)	44.08
(Increase)/ decrease in other assets	(424.47)	(95.70)	96.20	(157.77)	(91.62)	(24.23)
Increase/ (decrease) in provisions and other liabilities	116.25	160.59	22.26	5.52	7.40	(5.32)
Increase/ (decrease) in trade payables	118.02	150.92	(120.81)	(45.43)	157.85	(33.09)
Cash generated from operations	683.15	7.44	789.40	570.86	(36.24)	142.74
Less: Income taxes paid (net of refunds)	(261.16)	(182.74)	(244.05)	(167.09)	(130.68)	(62.66)
Net cash from/ (used in) operating activities (A)	421.99	(175.30)	545.35	403.77	(166.92)	80.08
B Cash flows from Investing Activities						
Purchase of PPE (including changes in CWIP)	(467.22)	(554.41)	(541.22)	(55.83)	(85.48)	(79.97)
Sale proceeds of PPE (including changes in CWIP)	3.19	0.90	-	0.26	1.77	24.99
(Purchase)/ disposal proceeds of Investments	228.29	(18.80)	(39.81)	43.60	(25.40)	(58.20)
(Investments in)/ Maturity of fixed deposits with banks	(8.22)	13.00	(15.68)	(3.60)	(0.89)	(1.23)
Interest income	23.23	26.87	25.94	1.72	2.41	2.98
Non-controlling interest	(0.94)	88.94	0.04			
Net cash from/ (used in) investing activities (B)	(221.67)	(443.50)	(570.73)	(13.85)	(107.59)	(111.43)
C Cash flows from Financing Activities						
Proceeds from issue of equity share capital (net of share application money)	-	-	-	-	-	-
Proceeds from/ (repayment of) long term borrowings	120.00	(30.00)	30.00	-	-	(0.39)
Proceeds from/ (repayment of) short term borrowings	(227.55)	809.50	63.20	(360.91)	331.05	41.21
MTM gain/(loss) on forward contract	31.70	15.15	2.47	6.45	-	10.49
Finance costs	(83.31)	(76.42)	(48.39)	(43.64)	(32.10)	(20.64)
Dividend paid	(6.76)	(6.76)	(6.76)	(4.06)	(2.71)	(2.71)
Tax on dividend	(1.38)	(1.38)	(1.35)	(0.69)	(0.46)	(0.44)
Net cash from/ (used in) financing activities (C)	(167.30)	710.09	39.17	(402.85)	295.78	27.52
D Net increase (decrease) in cash and cash equivalents (A+B+C)	33.02	91.29	13.79	(12.93)	21.27	(3.83)
Cash and cash equivalents at the beginning of the financial year	116.00	24.71	10.92	23.85	2.58	6.41
Cash and cash equivalents at end of the year	149.02	116.00	24.71	10.92	23.85	2.58
Notes:						
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".						
2. Components of cash and cash equivalents						
Balances with banks						
- in current accounts	118.97	113.31	17.23	8.71	20.10	1.03
- in EEFC Account	28.93	1.90	4.71	1.60	3.21	0.84
- in Treasury bank savings accounts	-	-	-	-	-	0
Cash on hand	1.12	0.79	2.77	0.61	0.54	0.71
	149.02	116.00	24.71	10.92	23.85	2.58

THE OFFER

The following table summarises the Offer details:

Offer⁽¹⁾	Up to [●] Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
<i>Fresh Issue⁽¹⁾</i>	Up to [●] Equity Shares aggregating up to ₹ 2,500 million [^]
<i>Offer for Sale⁽²⁾ by:</i>	
Nekkanti Venkata Lakshmi	Up to 4,265,000 Equity Shares aggregating up to ₹ [●] million
Nekkanti Seetha Ramachandra Murty (HUF)	Up to 1,800,000 Equity Shares aggregating up to ₹ [●] million
Atluri Sreeram	Up to 557,070 Equity Shares aggregating up to ₹ [●] million
Nekkanti Venkat Rao	Up to 489,660 Equity Shares aggregating up to ₹ [●] million
Nekkanti Rajeswari	Up to 212,900 Equity Shares aggregating up to ₹ [●] million
Atluri Sirisha	Up to 144,300 Equity Shares aggregating up to ₹ [●] million
Nekkanti Subba Rayudu	Up to 141,930 Equity Shares aggregating up to ₹ [●] million
Nekkanti Mahesh	Up to 137,200 Equity Shares aggregating up to ₹ [●] million
Atluri Murali Krishna	Up to 94,620 Equity Shares aggregating up to ₹ [●] million
Nekkanti Anjana	Up to 74,520 Equity Shares aggregating up to ₹ [●] million
Meka Durga	Up to 70,970 Equity Shares aggregating up to ₹ [●] million
Atluri Venkata Lakshmi	Up to 11,830 Equity Shares aggregating up to ₹ [●] million
<i>The Offer consists of:</i>	
A. QIB Portion⁽³⁾	[●] Equity Shares
<i>Of which:</i>	
Anchor Investor Portion*	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>Of which:</i>	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion⁽³⁾	Not less than [●] Equity Shares
C. Retail Portion⁽³⁾	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	67,640,000 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of this Offer	See “Objects of the Offer” on page 101 for details of the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

* Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see “Offer Procedure” on page 412.

[^] Our Company, in consultation with the BRLM, and subject to the approval of our shareholders, is considering a private placement of up to 4,500,000 Equity Shares for cash consideration aggregating up to ₹ 2,500 million, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of 10% of the post-Offer paid-up Equity Share capital of our Company being offered to the public.

⁽¹⁾ The Offer has been authorised by a resolution of our Board dated January 19, 2018 and by a special resolution of our shareholders passed at the EGM held on February 14, 2018.

⁽²⁾ The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Number of Equity Shares offered in the Offer for Sale (up to)	Date of consent
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Selling Shareholder	Number of Equity Shares offered in the Offer for Sale (up to)	Date of consent
Nekkanti Venkata Lakshmi	4,265,000	March 7, 2018
Nekkanti Seetha Ramachandra Murty (HUF)	1,800,000	March 7, 2018
Atluri Sreeram	557,070	March 7, 2018
Nekkanti Venkat Rao	489,660	March 7, 2018
Nekkanti Rajeswari	212,900	March 7, 2018
Atluri Sirisha	144,300	March 7, 2018
Nekkanti Subba Rayudu	141,930	March 7, 2018
Nekkanti Mahesh	137,200	March 7, 2018
Atluri Murali Krishna	94,620	March 7, 2018
Nekkanti Anjana	74,520	March 7, 2018
Meka Durga	70,970	March 7, 2018
Atluri Venkata Lakshmi	11,830	March 7, 2018
Total		8,000,000 Equity Shares

Each of the Selling Shareholders, severally and not jointly, confirm that their portions of the Offered Shares are eligible to be offered for sale in accordance with the SEBI ICDR Regulations and have been held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

- (3) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids. Any reduction in the Offer for Sale component would be proportionately reduced in proportion to the Equity Shares being offered by them. For further details, see “Offer Structure” on page 407.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 with the name ‘Nekkanti Sea Foods Private Limited’ on September 14, 1983 at Hyderabad. Subsequently, pursuant to a special resolution of our shareholders dated March 15, 1986, our Company was converted into a public limited company, and a fresh certificate of incorporation consequent to change of status was issued by the then Registrar of Companies, Andhra Pradesh on March 21, 1986. For further details, see “*History and Certain Corporate Matters*” on page 163.

RoC Registration Number: 004128

Corporate Identity Number: U05005AP1983PLC004128

Registered Office

Nekkanti Sea Foods Limited
D.No.15-1-37/6, G-1, Jayaprada Apartments
Nowroji Road, Maharaniipeta
Visakhapatnam – 530 002

For details of change in the registered office of our Company, see “*History and Certain Corporate Matters – Changes in the registered office*” on page 163.

Corporate Office

Nekkanti Sea Foods Limited
D. No. 3-16/3, Ocean Drive Layout
Gudlavanipalem, Opposite Bhulokamatha Temple
Sagar Nagar
Visakhapatnam – 530 045
Tel.: +91 891 2526 971
Fax: +91 891 2567 504
Website: www.nekkantiseafoods.com

Address of the Registrar of Companies

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

Board of Directors

The following table sets out the details regarding our Board:

Name	Designation	DIN	Address
Nekkanti Seetha Ramachandra Murty	Chairman and Whole-time Director	01815294	H.No.7-5-117/3, Plot No.70, Near Panduranga Swami Temple, Pandurangapuram, Visakhapatnam – 530 003
Nekkanti Venkat Rao	Managing Director and Chief Executive Officer	01791149	Plot No. 70, Pandurangapuram, Visakhapatnam – 530 003
Nekkanti Mahesh	Joint Managing Director and Whole-time Director	08056796	H.No.7-5-117/3, Plot No.70, Near Panduranga Swami Temple, Pandurangapuram, Visakhapatnam – 530 003
Motamarri Nagesh	Whole-time Director and Chief Financial Officer	00871361	Flat No. 9, Vindhya Apartments, Radhakrishna Nagar, Seethammadhara, North Extension Layout, Visakhapatnam – 530 013
Kolli Venkateswara Rao	Independent Director	01705092	Flat No. 301, Heritage Apartment, East Point Colony, Visakhapatnam – 530 017
Dinesh Bahl	Independent Director	01007282	S-462, Greater Kailash, Part-II, New Delhi – 110 048
Popuri Adeyya Chowdary	Independent Director	02936505	8-3-833/55, Phase I, Kamalapuri Colony, Khairatabad, Hyderabad 500 073

Name	Designation	DIN	Address
Malineni Sobha	Independent Director	02385781	3 Siddhivinayak Society, Karve Road, Pune – 411 038

For brief profiles and further details of our Directors, see “*Our Management*” on page 171.

Chief Financial Officer

Motamarri Nagesh (our Whole-time Director) is the Chief Financial Officer of our Company. His contact details are as follows:

Nekkanti Sea Foods Limited
D.No.15-1-37/6, G-1, Jayaprada Apartments
Nowroji Road, Maharanipeta
Visakhapatnam – 530 002
Tel.: +91 891 252 6971
Fax: +91 891 256 7504
E-mail: cfo@nekkantiseafoods.com

Company Secretary and Compliance Officer

Chandra Kanta Nayak is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Nekkanti Sea Foods Limited
D.No.15-1-37/6, G-1, Jayaprada Apartments
Nowroji Road, Maharanipeta
Visakhapatnam – 530 002
Tel.: +91 891 252 6971
Fax: +91 891 256 7504
E-mail: cs@nekkantiseafoods.com

Selling Shareholders

The Selling Shareholders in the Offer are:

1. Nekkanti Venkata Lakshmi
2. Nekkanti Seetha Ramachandra Murty (HUF)
3. Atluri Sreeram
4. Nekkanti Venkat Rao
5. Nekkanti Rajeswari
6. Atluri Sirisha
7. Nekkanti Subba Rayudu
8. Nekkanti Mahesh
9. Atluri Murali Krishna
10. Nekkanti Anjana
11. Meka Durga
12. Atluri Venkata Lakshmi

Investor Grievances

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

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

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

For all Offer related queries and for redressal of complaints, investors may also write to the BRLM.

Book Running Lead Manager

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower

Rahimtullah Sayani Road

Opposite Parel ST Bus Depot, Prabhadevi

Mumbai 400 025, India

Tel.: + 91 22 3982 5541

Fax: +91 22 3980 4315

E-mail: nekkanti.ipo@motilaloswal.com

Investor grievance E-mail: moiaplredressal@motilaloswal.com

Website: www.motilaloswalgroup.com

Contact person: Keyur Desai/ Kristina Dias

SEBI Registration No.: INM000011005

Statement of responsibilities of the BRLM

The responsibilities of the BRLM for various activities in this Offer are as follows:

Sr. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of offer documents including memorandum containing salient features of the offer documents. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the offer documents and RoC filing.
3.	Co-ordinating for all statutory advertisements and other publicity material, including non-statutory/ corporate advertisement and brochures
4.	Appointment of intermediaries, namely, the Registrar, the advertising agency, Bankers to the Offer, printers, etc.
5.	Marketing strategy for domestic and international institutions including banks, mutual funds, etc., finalizing the list and division of investors for one to one meetings, in consultation with the Company, and finalizing the investor meeting schedules.
6.	Non-Institutional and retail marketing of the Offer, which will include <i>inter alia</i> , formulating marketing strategies, preparation of publicity budget, finalizing media and public relations 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.
7.	Co-ordination with Stock Exchanges for book building software, Bidding terminals and mock trading.
8.	Managing the book and finalization of pricing, in consultation with the Company.

-
9. The post Bidding 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-Offer activities for the Offer involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar and Bankers to the Offer, SCSBs and the bank(s) handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company and the Selling Shareholders.
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Syndicate Members

[●]

Legal Counsel to the Company and the BRLM as to Indian Law

Luthra & Luthra

Law Offices

1st and 9th Floors

Ashoka Estate

Barakhamba Road

New Delhi 110 001, India

Tel.: +91 11 4121 5100

Fax: +91 11 2372 3909

International Legal Counsel to the Underwriters

Squire Patton Boggs Singapore LLP

10 Collyer Quay

#03-01/03 Ocean Financial Centre

Singapore 049315

Tel.: +65 6922 8668

Fax: +65 6922 8650

Registrar to the Offer

Karvy Computershare Private Limited

Karvy Selenium Tower B

Plot 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad 500 032, India

Tel.: +91 40 6716 2222

Fax: +91 40 2343 1551

E-mail: einward.ris@karvy.com

Investor Grievance E-mail: nekkantisea.ipo@karvy.com

Website: <https://karisma.karvy.com>

Contact Person: M. Murali Krishna

Banker(s) to the Offer / Escrow Collection Bank(s) / Refund Bank(s) / Public Offer Account Bank

[●]

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or such other websites as

updated from time to time. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders and Designated Intermediaries, refer to the above-mentioned link.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and <http://www.nseindia.com>, respectively, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Collection Centres, 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>, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Collection Centres, including details such as name and contact details, 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>, respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time.

Statutory Auditors to our Company

J V S L & Associates

Plot No: 443-A-22

Road No. 86, Jubilee Hills

Hyderabad 500 096

Tel.: +91 40 2354 2996

Fax: +91 40 2354 2933

E-mail: jv9009@gmail.com

ICAI Firm Registration Number: 015002S

Peer Review Certificate Number: 010715

Banker to our Company

State Bank of India

Commercial Branch

D. No. 43-29-54/8

Balaji Metro Chambers

Dondaparthi

Vishakapatnam 530 016

Tel.: +91 891 2555 585
Fax: +91 891 2555 584/ 87
E-mail: sbi.14407@sbi.co.in
Website: www.sbi.co.in
Contact Person: B. Ugendar, Chief Manager & RM

Grading of the Offer

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

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of Red Herring Prospectus in accordance with Regulation 16 of SEBI ICDR Regulations.

Expert

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

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Auditors namely J V S L & Associates, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports, both dated March 7, 2018 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, and (b) certificate dated March 7, 2018 on the statement of tax benefits available to the Company and its shareholders, which have been included in this Draft Red Herring Prospectus.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Appraising Entity

None of the objects for which the Offer proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

Trustees

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

Book Building Process

“Book building” refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid lot will be decided by our Company in consultation with the BRLM, and advertised in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office is located), each with wide circulation, respectively, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- (1) our Company;
- (2) the Selling Shareholders;
- (3) the BRLM;

- (4) the Syndicate Members;
- (5) the Registrar to the Offer;
- (6) the Escrow Collection Banks;
- (7) the SCSBs;
- (8) the CDPs;
- (9) the RTAs; and
- (10) the Registered Brokers.

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale in proportion to the total number of Equity Shares offered by respective Selling Shareholder. For further details, see “*Offer Structure*” and “*Offer Procedure*” on pages 407 and 412 respectively.

All potential Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

For further details, see “*Offer Structure*” and “*Offer Procedure*” on pages 407 and 412 respectively.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see “*Offer Procedure*” on page 412;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Draft Red Herring Prospectus, the Red Herring Prospectus and in the respective form;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “*Offer Procedure*” on page 412). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants’ verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;

- Ensure the correctness of your PAN, DP ID and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client ID;
- Ensure correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will have to be submitted to the Designated Intermediaries in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission of the ASBA Forms to the Designated Intermediaries to ensure that the ASBA Form submitted by the ASBA Bidders is not rejected.
- Bids by all Bidders (except Anchor Investors) shall be submitted only through the ASBA process.

For further details, see the “Offer Procedure” on page 412.

Illustration of Book Building Process and Price Discovery Process

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

For an illustration of the Book Building Process and price discovery process, see “Offer Procedure – Part B – General Information Document for Investing in Public Issues – Basis of Allocation - Illustration of the Book Building and Price Discovery Process” on page 447.

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

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. 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 each of the Underwriters will be several and subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

The above-mentioned is indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations given 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 are registered as brokers with the Stock Exchanges.

The Board of Directors/ IPO Committee, 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 the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(In ₹, except share data)			
		Aggregate nominal value	Aggregate value at Offer Price
(A)	AUTHORISED SHARE CAPITAL		
	125,000,000 Equity Shares	250,000,000	-
(B)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	67,640,000 Equity Shares	135,280,000	-
(C)	PRESENT OFFER		
	Offer of up to [●] Equity Shares ^(a)	[●]	[●]
	Comprising:		
	Fresh Issue of up to [●] Equity Shares [^]	[●]	2,500,000,000
	Offer for Sale of up to 8,000,000 Equity Shares by the Selling Shareholders ^(b)	16,000,000	[●]
(D)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares	[●]	-
(E)	SHARE PREMIUM ACCOUNT		
	Before the Offer		Nil
	After the Offer*		[●]

[^] Our Company, in consultation with the BRLM, and subject to the approval of our Shareholders, is considering a private placement of up to 4,500,000 Equity Shares for cash consideration aggregating up to ₹ 2,500 million, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of 10% of the post-Offer paid-up Equity Share capital of our Company being offered to the public.

* To be included upon determination of the Offer Price.

- (a) The Offer has been authorised by a resolution of our Board dated January 19, 2018, and by a special resolution of our Shareholders passed at the EGM held on February 14, 2018.
- (b) Please see "The Offer" on page 71 for details of consents provided by the Selling Shareholders for their respective portions of the Offer for Sale.

Each of the Selling Shareholders, severally and not jointly, confirm that their portion of the Offered Shares are eligible to be offered for sale in accordance with the SEBI ICDR Regulations and have been held for a period of at least one year prior to the date of this Draft Red Herring Prospectus (or have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the date of this Draft Red Herring Prospectus out of free reserves and/or share premium of our Company existing at the end of the previous Fiscal Year preceding the date of this Draft Red Herring Prospectus).

Changes in our Authorised Share Capital

For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters - Amendments to our Memorandum of Association" on page 164.

Notes to Capital Structure

1. Share Capital History

History of equity share capital of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of allotment/ completion of buy- back	Number of equity shares	Face value (₹)	Issue / buy- back price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
October 29, 1983	50,000	10	10	Cash	Allotment ⁽¹⁾	50,000	500,000
March 26, 1986	212,600	10	10	Cash	Preferential allotment ⁽²⁾	262,600	2,626,000
April 19, 1986	5,000	10	10	Other than Cash	Preferential allotment ⁽³⁾	267,600	2,676,000
September 24, 1987	50,000	10	10	Cash	Rights issue ^{*(4)}	317,600	3,176,000
September 27, 1988	82,400	10	10	Cash	Rights issue ^{*(5)}	400,000	4,000,000
March 31, 1990	49,200	10	10	Cash	Rights issue ^{*(6)}	449,200	4,492,000
November 29, 1991	1,000	10	10	Cash	Preferential allotment ⁽⁷⁾	450,200	4,502,000
October 1, 1993	450,200	10	-	Bonus	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., September 30, 1993 through capitalisation of ₹ 4,502,000 out of the general reserves of the Company. ⁽⁸⁾	900,400	9,004,000
November 27, 2009	(224,000)	10	100	-	Buy-back ⁽⁹⁾	676,400	6,764,000
March 31, 2015	676,400	10	-	Bonus	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 11, 2015 through capitalisation of ₹ 6,764,000 standing to the credit of the reserves and surplus account of the Company. ⁽¹⁰⁾	1,352,800	13,528,000
February 29, 2016	1,352,800	10	-	Bonus	Allotment pursuant to bonus issuance of one equity	2,705,600	27,056,000

Date of allotment/ completion of buy- back	Number of equity shares	Face value (₹)	Issue / buy- back price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
					share for every one equity share held on the record date, i.e., February 1, 2016 through capitalisation of ₹ 13,528,000 standing to the credit of the reserves and surplus account of the Company. ⁽¹¹⁾		

Pursuant to a resolution of our Shareholders dated November 23, 2017, each equity share of our Company having a face value of ₹ 10 each was split into five Equity Shares of our Company having a face value of ₹ 2 each, and accordingly, 2,705,600 equity shares of our Company having a face value of ₹ 10 each were split into 13,528,000 Equity Shares of our Company having a face value of ₹ 2 each.

December 31, 2017	54,112,000	2	-	Bonus	Allotment pursuant to bonus issuance of four Equity Shares for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company. ⁽¹²⁾	67,640,000	135,280,000
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¹¹ Based on review of returns of allotment filed with the Registrar of Companies for the respective allotments and the certified true copies of the resolutions passed by the Board for allotment of such equity shares. See "Risk Factors - Some of our corporate records are not traceable." on page 38.

⁽¹⁾ 10,000 equity shares were allotted to Nekkanti Seetha Ramachandra Murty, 5,000 equity shares were allotted to A Subba Rao, 5,000 equity shares allotted to A Rama Rao, 5,000 equity shares allotted to A Ranganayakamma, 6,000 equity shares were allotted to Atluri Venkata Lakshmi, 7,000 equity shares were allotted to B Venkat Trinath, 3,000 equity shares were issued to CLN Chowdary, 5,000 equity shares were issued to N Sreedhar Prasad, and 4,000 equity shares were allotted to Nekkanti Venkata Lakshmi. The 50,000 equity shares so allotted include one equity share each allotted to Nekkanti Seetha Ramachandra Murty and Atluri Subba Rao, respectively, pursuant to subscription to the MoA.

⁽²⁾ 18,000 equity shares were allotted to Nekkanti Seetha Ramachandra Murty, 12,000 equity shares were allotted to Nekkanti Venkata Lakshmi, 15,000 equity shares were allotted to Atluri Subba Rao, 1,500 equity shares were allotted to Atluri Venkateswara Rao, 2,000 equity shares were allotted to Atluri Rama Rao, 2,000 equity shares were allotted to Atluri Srilakshmi, 2,000 equity shares were allotted to Atluri Motilal, 5,000 equity shares were allotted to Atluri Venkata Sunanda, 2,500 equity shares were allotted to Atluri Nanda Kishore, 5,000 equity shares were allotted to Lavu Vinaya Sundari, 2,500 equity shares were allotted to Lavu Satyanarayana, 2,000 equity shares were allotted to Paladugu Nagesh, 2,000 equity shares were allotted to Paladugu Venkata Ramesh, 600 equity shares were allotted to Sarvepalli Nalini, 5,000 equity shares were allotted to Kaza Lakshmi Narayana, 2,500 equity shares were allotted to Kaza Annapurna Devi, 2,500 equity shares were allotted to Kaza Seshu Kumar, 5,000 equity shares were allotted to Kaza Lakshmi Kishore, 5,000 equity shares

were allotted to Tummala Sudha, 5,000 equity shares were allotted to V Azad, 5,000 equity shares were allotted to Gundimeda Sudhakar, 5,000 equity shares were allotted to M Padmavathi, 3,000 equity shares were allotted to Adusimilli Jitendra Prasad, 12,000 equity shares were allotted to Burugapalli Venkata Trinath, 5,000 equity shares were allotted to Nekkanti Sridhar Prasad, 5,000 equity shares were allotted to ASM Rao, 8,000 equity shares were allotted to Burugapalli Surya Chandra Uma Maheswara Rao, 7,500 equity shares were allotted to Nekkanti Rajaswar, 7,500 equity shares were allotted to Nekkanti Veera Raju, 3,500 equity shares were allotted to Kadha Sathya Savithri, 6,000 equity shares were allotted to Thota Sree Ram Mohan Rao, 20,000 equity shares were allotted to Burugapalli Surya Rao, 10,000 equity shares were allotted to Burugapalli Uma Devi, 10,000 equity shares were allotted to Burugapalli Ammaji, and 8,000 equity shares were allotted to Atluri Venkata Lakshmi.

- (3) Based on review of the certified true copy of the resolution passed by the Board dated April 19, 1986 and return of allotment filed with the Registrar of Companies, 5000 equity shares were allotted to ASM Rao. See "Risk Factors - Some of our corporate records are not traceable." on page 38.
- (4) 7,500 equity shares were allotted to Nekkanti Seetha Ramachandra Murty, 3,500 equity shares were allotted to Nekkanti Subba Rayudu, 3,500 equity shares were allotted to Burugapalli Venkata Trinath, 3,000 equity shares were allotted to Burugapalli Surya Chandra Uma Maheswara Rao, 3,000 equity shares were allotted to Atluri Venkata Lakshmi, 2,500 equity shares were allotted to N Ammayamma, 3,000 equity shares were allotted to Nekkanti Venkata Lakshmi, 3,500 equity shares were allotted to B Surya Rao, 3,000 equity shares were allotted to ASM Rao, 4,000 equity shares were allotted to Kaza Lakshmi Kishore, 3,500 equity shares to K Manikyamba, 1,500 equity shares were allotted to A Subba Rao, 2,500 equity shares were allotted to AV Rao, 2,500 equity shares were allotted to A Padmavathi, 1,500 equity shares were allotted to Atluri Motilal, 1,000 equity shares were allotted to Atluri Nanda Kishore, and 1,000 equity shares were allotted to Atluri Venkata Sunanda.
- (5) 14,500 equity shares were allotted to Nekkanti Seetha Ramachandra Murty, 9,800 equity shares were allotted to Nekkanti Venkata Lakshmi, 1,700 equity shares were allotted to Nekkanti Mahesh, 2,500 equity shares were allotted to Nekkanti Venkat Rao, 2,500 equity shares were allotted to Burugapalli Ammaji, 2,500 equity shares were allotted to Burugapalli Venkat Trinath, 5,000 equity shares were allotted to Burugapalli VR Krishna, 4,300 equity shares were allotted to Burugapalli Venkata Lakshmi, 1,500 equity shares were allotted to Nekkanti Rajeswari, 2,100 equity shares were allotted to Nekkanti Sirisha, 2,150 equity shares were allotted to Nekkanti Anjana, 2,500 equity shares were allotted to Nekkanti Subba Rayudu, 3,000 equity shares were allotted to Kolli Durga, 3,000 equity shares were allotted to ASM Rao, 2,000 equity shares were allotted to Kaza Lakshmi Kishore, 2,000 equity shares were allotted to Kaza Manikyamba, 1,000 equity shares were allotted to Kaza Ramanatham, 2,000 equity shares were allotted to Kaza Janaki Devi, 1,500 equity shares were allotted to Atluri Motilal, 500 equity shares were allotted to Atluri Venkata Sunanda, 500 equity shares were allotted to Atluri Nanda Kishore, 1,000 equity shares were allotted to Lavu Vinaya Sundari, 4,350 equity shares were allotted to Atluri Subba Rao, 2,500 equity shares were allotted to Atluri Padmavathi, 2,000 equity shares were allotted to Atluri Ranganayakamma, 1,000 equity shares were allotted to Atluri Venkateswara, 500 equity shares were allotted to Atluri Sri Lakshmi, 2,000 equity shares were allotted to CLN Chowdary, 1,000 equity shares were allotted to Atluri Venkata Lakshmi, and 1,500 equity shares were allotted to Nekkanti Veerajau.
- (6) 5,600 equity shares were allotted to Bhogavalli Subba Rao, 1,000 equity shares were allotted to Burgapalli VR Krishna, 6,650 equity shares were allotted to Burgapalli Surya Rao, 7,000 equity shares were allotted to Burgapalli V Trinath, 2,000 equity shares were allotted to Atluri Venkata Lakshmi, 5,000 equity shares were allotted to Nekkanti Seetha Ramachandra Murthy, 2,000 equity shares were allotted to Tummala SR Mohan Rao, 1,700 equity shares were allotted to Nekkanti Venkat Rao, 1,000 equity shares were allotted to Nekkanti Anjana, 4,000 equity shares were allotted to Nekkanti Sirisha, 2,500 equity shares were allotted to Nekkanti Venkat Lakshmi, 3,000 equity shares were allotted to Atluri Padmavathi, 2,000 equity shares were allotted to Atluri Sree Lakshmi, 2,000 equity shares were allotted to Atluri Subba Rao, 3,000 equity shares were allotted to Atluri Venkateswara Rao, and 750 equity shares were allotted to Burgapalli Vijaya Lakshmi.
- (7) Based on review of the certified true copy of the resolution passed by the Board dated November 29, 1991, 1000 equity shares were allotted to Atluri Venkata Lakshmi. See "Risk Factors - Some of our corporate records are not traceable." on page 38.
- (8) Bonus issue of 450,200 equity shares pursuant to capitalisation of ₹4,502,000 out of the general reserves of our Company.
- (9) Pursuant to a special resolution of our Shareholders dated September 18, 2009, 224,000 equity shares of ₹10 each were bought back from 15 Shareholders for a total consideration of ₹22,400,000.
- (10) Bonus issue of 676,400 equity shares pursuant to capitalisation of ₹6,764,000 standing to the credit of the reserves and surplus account of our Company.
- (11) Bonus issue of 1,352,800 equity shares pursuant to capitalisation of ₹13,528,000 standing to the credit of the reserves and surplus account of our Company.
- (12) Bonus issue of 54,112,000 Equity Shares pursuant to capitalisation of ₹108,224,000 standing to the credit of the reserves and surplus account of our Company.

2. Shares issued for consideration other than cash or through bonus

Details of equity shares issued for consideration other than cash or through bonus are as follows:

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to the Company
April 19, 1986	5,000	10	10	Preferential allotment	ASM Rao	-
October 1, 1993	450,200	10	-	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e.,	Existing Shareholders of the Company as on September 30, 1993.	-

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to the Company
				September 30, 1993 through capitalisation of ₹ 4,502,000 out of the general reserves of the Company.		
March 31, 2015	676,400	10	-	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 11, 2015 through capitalisation of ₹ 6,764,000 standing to the credit of the reserves and surplus account of the Company.	Existing Shareholders of the Company as on February 11, 2015.	-
February 29, 2016	1,352,800	10	-	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 1, 2016 through capitalisation of ₹ 13,528,000 standing to the credit of the reserves and surplus account of the Company.	Existing Shareholders of the Company as on February 1, 2016.	-
December 31, 2017	54,112,000	2	-	Allotment pursuant to bonus issuance of four Equity Shares for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company.	Existing Shareholders of the Company as on December 30, 2017.	-

3. Issue of equity shares in the last two years

For details on the issue of equity shares by our Company in the last two preceding years, see “Notes to Capital Structure - Share Capital History – History of equity share capital of our Company” on page 82.

4. History of build-up, Promoters' contribution and lock-in of Promoters' shareholding

a) Build-up of Promoters' shareholding in our Company

Set forth below is the build-up of the equity shareholding of our Promoters since incorporation of our Company:

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per equity share (₹)	% of the pre-Offer share capital [^]	% of the post-Offer share capital
Nekkanti Seetha Ramachandra Murty	October 29, 1983	Allotment	10,000*	Cash	10	10	0.07	[●]
	March 26, 1986	Preferential allotment	18,000	Cash	10	10	0.13	[●]
	September 24, 1987	Rights issue	7,500	Cash	10	10	0.06	[●]
	September 27, 1988	Rights issue	14,500	Cash	10	10	0.11	[●]
	March 31, 1990	Rights issue	5,000	Cash	10	10	0.04	[●]
	April 18, 1992	Transfer from Burugapalli Ammaji	10,000	Cash	10	10	0.07	[●]
	April 18, 1993	Transfer from Burugapalli Ammaji	2,500	Cash	10	10	0.02	[●]
	October 1, 1993	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., September 30, 1993 through capitalisation of ₹ 4,502,000 out of the general reserves of the Company.	67,500	-	10	-	0.50	[●]
	August 18, 1995	Transfer to Nekkanti Seetha Ramachandra Murty (HUF)	90,000	Cash	10	10	0.67	[●]
	January 11, 1996	Transfer from Kakarla Varalakshmi	5,600	Cash	10	10	0.04	[●]
	January 11, 1996	Transfer from Kakarla Varalakshmi	5,600	Cash	10	10	0.04	[●]
	December 20, 1996	Transfer from Thota Sree Ram Mohana Rao	16,000	Cash	10	10	0.12	[●]
	December 27, 1997	Transfer from Nekkanti Veera Raju	18,000	Cash	10	10	0.13	[●]

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per equity share (₹)	% of the pre-Offer share capital [^]	% of the post-Offer share capital
	February 22, 2000	Transfer from Atluri Venkata Lakshmi by way of gift.	10,000	-	10	-	0.07	[●]
	March 23, 2005	Transfer from Burugapalli S Umamaheswara Rao	22,000	Cash	10	10	0.16	[●]
	December 31, 2009	Transfer from Atluri Subba Rao	55,700	Cash	10	10	0.41	[●]
	March 31, 2015	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 11, 2015 through capitalisation of ₹ 6,764,000 standing to the credit of the reserves and surplus account of the Company.	177,900	-	10	-	1.32	[●]
	February 29, 2016	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 1, 2016 through capitalisation of ₹ 13,528,000 standing to the credit of the reserves and surplus account of the Company.	355,800	-	10	-	2.63	[●]

Pursuant to a resolution of our Shareholders dated November 23, 2017, each equity share of our Company having a face value of ₹ 10 was split into five Equity Shares of our Company having a face value of ₹ 2 each, and accordingly, 711,600 equity shares of our Company having a face value of ₹ 10 each were split into 3,558,000 Equity Shares of our Company having a face value of ₹ 2 each.

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per equity share (₹)	% of the pre-Offer share capital^	% of the post-Offer share capital
	December 31, 2017	Allotment pursuant to bonus issuance of four Equity Shares for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company.	14,232,000	-	2	-	21	[●]
Subtotal			17,790,000				26.30	[●]
Nekkanti Venkata Lakshmi	October 29, 1983	Allotment	4,000	Cash	10	10	0.03	[●]
	March 26, 1986	Preferential allotment	12,000	Cash	10	10	0.09	[●]
	September 24, 1987	Rights issue	3,000	Cash	10	10	0.02	[●]
	September 27, 1988	Rights issue	9,800	Cash	10	10	0.07	[●]
	March 31, 1990	Rights issue	2,500	Cash	10	10	0.02	[●]
	October 1, 1993	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., September 30, 1993 through capitalisation of ₹ 4,502,000 out of the general reserves of the Company.	31,300	-	10	-	0.23	[●]
	May 23, 1995	Transfer from Burugapalli Venkata Ramakrishna	12,000	Cash	10	10	0.09	[●]
	June 14, 1999	Transfer from Atluri Sreeramulu Madhusudana Rao by way of gift	8,000	-	10	-	0.06	[●]

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per equity share (₹)	% of the pre-Offer share capital [^]	% of the post-Offer share capital
	February 22, 2000	Transfer from Atluri Venkata Lakshmi by way of gift.	10,000	-	10	-	0.07	[●]
	December 31, 2009	Transfer from BV Trinadh by way of gift.	32,000	-	10	-	0.24	[●]
	December 31, 2009	Transfer from BV Trinadh by way of gift.	32,000	-	10	-	0.24	[●]
	December 31, 2009	Transfer from Nekkanti Sreedhar	20,000	Cash	10	10	0.15	[●]
	December 31, 2009	Transfer from Atluri Padmavathy	8,000	Cash	10	10	0.06	[●]
	October 29, 2012	Transfer from Nekkanti Mahesh by way of gift	60,300	-	10	-	0.45	[●]
	March 31, 2015	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 11, 2015 through capitalisation of ₹ 6,764,000 standing to the credit of the reserves and surplus account of the Company.	244,900	-	10	-	1.81	[●]
	February 29, 2016	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 1, 2016 through capitalisation of ₹ 13,528,000 standing to the credit of the reserves and surplus account of the Company.	489,800	-	10	-	3.62	[●]

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per equity share (₹)	% of the pre-Offer share capital^	% of the post-Offer share capital
Pursuant to a resolution of our Shareholders dated November 23, 2017, each equity share of our Company having a face value of ₹ 10 was split into five Equity Shares of our Company having a face value of ₹ 2 each, and accordingly, 979,600 equity shares of our Company having a face value of ₹ 10 each were split into 4,898,000 Equity Shares of our Company having a face value of ₹ 2 each.								
	December 31, 2017	Allotment pursuant to bonus issuance of four Equity Shares for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company.	19,592,000	-	2	-	29	[●]
Subtotal			24,490,000				36.21	[●]
Nekkanti Seetha Ramachandra Murty (HUF)	August 18, 1995	Transfer from Nekkanti Seetha Ramachandra Murty (HUF)	90,000	Cash	10	10	0.67	[●]
	March 31, 2015	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 11, 2015 through capitalisation of ₹ 6,764,000 standing to the credit of the reserves and surplus account of the Company.	90,000	-	10	-	0.67	[●]

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	Number of equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per equity share (₹)	% of the pre-Offer share capital [^]	% of the post-Offer share capital
	February 29, 2016	Allotment pursuant to bonus issuance of one equity share for every one equity share held on the record date, i.e., February 1, 2016 through capitalisation of ₹ 13,528,000 standing to the credit of the reserves and surplus account of the Company.	180,000	-	10	-	1.33	[●]
Pursuant to a resolution of our Shareholders dated November 23, 2017, each equity share of our Company having a face value of ₹ 10 was split into five Equity Shares of our Company having a face value of ₹ 2 each, and accordingly, 360,000 equity shares of our Company having a face value of ₹ 10 each were split into 1,800,000 Equity Shares of our Company having a face value of ₹ 2 each.								
	December 31, 2017	Allotment pursuant to bonus issuance of four Equity Shares for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company.	7,200,000	-	2	-	10.6	[●]
Subtotal			9,000,000				13.31	[●]

* Inclusive of one equity share allotted to Nekkanti Seetha Ramachandra Murty pursuant to subscription to the MoA.

[^] Percentage of pre-Offer share capital for transactions prior to November 23, 2017 has been adjusted for split of each equity share having face value ₹ 10 of our Company was split into five Equity Shares of our Company of face value of ₹ 2 each.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such equity shares.

b) Shareholding of our Promoters and the members of our Promoter Group

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

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	% of the pre-Offer share capital	No. of Equity Shares	% of post-Offer share capital
Promoters					
1.	Nekkanti Seetha Ramachandra Murty	17,790,000	26.30	[●]	[●]
2.	Nekkanti Venkata Lakshmi	24,490,000	36.21	[●]	[●]
3.	Nekkanti Seetha Ramachandra Murty (HUF)	9,000,000	13.31	[●]	[●]
Subtotal (A)		51,280,000	75.81	[●]	[●]
Promoter Group					
1.	Nekkanti Venkat Rao	4,140,000	6.12	[●]	[●]
2.	Nekkanti Mahesh	1,160,000	1.71	[●]	[●]
3.	Nekkanti Subba Rayudu	1,200,000	1.77	[●]	[●]
4.	Atluri Venkata Lakshmi	100,000	0.15	[●]	[●]
Subtotal (B)		6,600,000	9.76	-	-
Total Promoter & Promoter Group (A+B)		57,880,000	85.57	[●]	[●]

All Equity Shares held by our Promoters are in dematerialised form.

c) Details of Promoters' contribution locked in for three years

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Promoters' Contribution").

Nekkanti Venkata Lakshmi and Nekkanti Seetha Ramachandra Murty (HUF) have, pursuant to their letters each dated March 7, 2018, given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares locked-in	Date of transaction [#]	Face value (₹)	Allotment/ Acquisition price (₹)	Nature of transaction	% of the pre-Offer share capital	% of the fully diluted post-Offer Capital
Nekkanti Venkata Lakshmi	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Nekkanti Seetha Ramachandra Murty (HUF)	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]					[●]	[●]

Our Promoters have confirmed to the Company and the BRLM that the Equity Shares that will be locked in towards Promoters' Contribution were allotted to them pursuant to a bonus issue and no loans or financial assistance from any bank or financial institution were availed by them for acquisition of such Equity Shares.

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

The Equity Shares that will be locked-in towards Promoters' Contribution are not, and will not be, ineligible under Regulation 33 of the SEBI ICDR Regulations. In particular, these Equity Shares do not, and shall not, consist of:

- (i) Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) bonus shares issued out of revaluations reserves or unrealised profits or against equity shares which are otherwise ineligible for computation of promoters' contribution;
- (ii) Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) Equity Shares issued to the Promoters in the last one year preceding the date of this Draft Red Herring Prospectus upon conversion of a partnership firm; and
- (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

5. *Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, the other members of our Promoter Group or our Directors or their immediate relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.*

Except as disclosed in “- History of build-up, Promoters’ contribution and lock-in of Promoters’ shareholding - Build-up of Promoters’ shareholding in our Company” and in “- History of equity share capital of our Company” on pages 87 and 82, respectively, our Promoters, the other members of our Promoter Group or our Directors or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

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

In addition to the Promoters’ Contribution which shall be locked in as above, the entire pre-Offer equity share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoters’ Contribution), shall be locked in for a period of one year from the date of Allotment, except the Equity Shares which are transferred as part of the Offer for Sale. Any unsubscribed portion of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale would also be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoters and other members of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of 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. The Equity Shares held by persons other than the Promoters prior to the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in the hands of the transferee, compliance with the provisions of the Takeover Regulations.

The Equity Shares held by our Promoters which are locked-in as per Regulation 36 of the SEBI ICDR Regulations for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that: (i) such pledge of the Equity Shares is one of the terms of the sanction of the loan and (ii) if the Equity Shares are locked-in as Promoters’ Contribution, then in addition to the requirement in (i) above, such Equity 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 Offer.

7. *Lock-in of Equity Shares Allotted to Anchor Investors*

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

8. *Lock-in of Equity Shares pursuant to shareholders’ agreement dated March 8, 2018*

In accordance with the shareholders’ agreement dated March 8, 2018 (the “**Agreement**”), the existing Shareholders of the Company, as on the date of filing this Draft Red Herring Prospectus, have agreed to lock-in (i) any Equity Shares held by them during the lock-in period applicable to such Equity Shares pursuant to the SEBI ICDR Regulations; and (ii) any Equity Shares held by them which are not subject to lock-in restrictions under the SEBI

ICDR Regulations or that become free from such lock-in restrictions at any time, until the expiry of two years from the date on which the Equity Shares are listed on a recognised stock exchange. Upon expiry of the lock-in period as stipulated in the Agreement, the Equity Shares held by the Shareholders shall be freely transferable, in accordance with applicable law.

For details of the Agreement, see “*History and Certain Corporate Matters – Material Agreements – Share purchase and shareholders’ agreement*” on page 166.

9. Our shareholding pattern

The table below represents the Equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Numb er of Share holder s (III)	No. of fully paid up Equity Shares held (%) (IV)	No. of Partl y paid -up equit y shar es held (V)	No. of shar es unde rlyin g Dep osito ry Rece ipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Sharehol ding as a % of total no. of shares (calculat ed 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 Underly ing Outstan ding converti ble securitie s (includ ing Warran ts) (X)	Shareholdin g 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 dematerialised form (XIV)
								No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class	Class	Total	Total as a % of (A+B+C)							
								Equity	NA									
(A)	Promoter and Promoter Group	7	85.57	-	-	57,880,000	85.57	57,880,000	-	57,880,000	85.57	-	85.57	-	-	8,895,000*	15.37%	57,880,000
(B)	Public	6	14.43	-	-	9,760,000	14.43	9,760,000	-	9,760,000	14.43	-	14.43	-	-	-	-	2,400,000
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	13	100	-	-	67,640,000	100	67,640,000	-	67,640,000	100	-	100	-	-	8,895,000*	13.15%	60,280,000

* Through its letter dated March 1, 2018, the SBI has, among other things, indicated that 355,800 equity shares of our Company having a face value of ₹ 10 each were pledged in its favour. SBI has further indicated that such pledged equity shares would amount to 1,779,000 Equity Shares (having a face value of ₹ 2 each), in light of the split in the face value of the equity shares of our Company. Taking into account the bonus issue of Equity Shares dated December 31, 2017, the number of the aforesaid pledged Equity Shares should increase to 8,895,000 Equity Shares. For details of the split in face value of the Company's equity shares and the subsequent bonus issue, see "- History of equity share capital of our Company." on page 82.

10. Shareholding of our Directors and Key Management Personnel in our Company

Other than as set forth below, none of the Directors and Key Management Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus:

Name	No. of Equity Shares	% of pre-Offer share capital
Directors		
Nekkanti Seetha Ramachandra Murty*	17,790,000	26.30
Nekkanti Venkat Rao	4,140,000	6.12
Nekkanti Mahesh	1,160,000	1.71
Key Management Personnel (other than covered above)		
Nekkanti Subba Rayudu	1,200,000	1.77
Total	33,290,000	49.21

*Nekkanti Seetha Ramachandra Murty is also the karta of Nekkanti Seetha Ramachandra Murty (HUF), which holds 9,000,000 Equity Shares as on the date of this Draft Red Herring Prospectus, amounting to 13.31% of the pre-Offer share capital of the Company.

11. As on the date of this Draft Red Herring Prospectus, our Company has 13 Shareholders.

12. Top 10 Shareholders

(a) As on the date of this Draft Red Herring Prospectus and as on the date 10 days prior to filing of the Draft Red Herring Prospectus:

Our top 10 Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus and as on the date 10 days prior to filing of this Draft Red Herring Prospectus are as follows:

Sr. No.	Shareholder	Number of Equity Shares held	% of the Equity Share capital
1.	Nekkanti Venkata Lakshmi	24,490,000	36.21
2.	Nekkanti Seetha Ramachandra Murty	17,790,000	26.30
3.	Nekkanti Seetha Ramachandra Murty (HUF)	9,000,000	13.31
4.	Atluri Sreeram	4,710,000	6.96
5.	Nekkanti Venkat Rao	4,140,000	6.12
6.	Nekkanti Rajeswari	1,800,000	2.66
7.	Atluri Sirisha	1,220,000	1.80
8.	Nekkanti Subba Rayadu	1,200,000	1.77
9.	Nekkanti Mahesh	1,160,000	1.71
10.	Atluri Murali Krishna	800,000	1.18
	Total	66,310,000	98.02

(b) As on two years prior to filing of this Draft Red Herring Prospectus:

Our top 10 Shareholders and the number of equity shares held by them as on the date two years prior to filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of equity shares held	% of the equity share capital
1.	Nekkanti Venkata Lakshmi	979,600	36.21
2.	Nekkanti Seetha Ramachandra Murty	711,600	26.30
3.	Nekkanti Seetha Ramachandra Murty (HUF)	360,000	13.31
4.	Atluri Sreeram	188,400	6.96
5.	Nekkanti Venkat Rao	165,600	6.12
6.	Nekkanti Rajeswari	72,000	2.66
7.	Atluri Sirisha	48,800	1.80
8.	Nekkanti Subba Rayadu	48,000	1.77
9.	Nekkanti Mahesh	46,400	1.71
10.	Atluri Murali Krishna	32,000	1.18

S. No.	Shareholder	Number of equity shares held	% of the equity share capital
	Total	2,652,400	98.02

For details relating to the cost of acquisition of Equity Shares by the Promoters, see “*Risk Factors – Prominent Notes*” on page 45.

13. The details of Equity Shares issued by our Company in the last one year preceding the date of filing of this Draft Red Herring Prospectus which may have been issued at a price lower than the Offer Price are as follows:

S. No.	Name of allottees	Whether allottee belongs to Promoter Group	Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share	Reason for allotment
1.	Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty, Nekkanti Seetha Ramachandra Murty (HUF), Atluri Sreeram, Nekkanti Venkat Rao, Nekkanti Rajeswari, Atluri Sirisha, Nekkanti Subba Rayadu, Nekkanti Mahesh, Atluri Murali Krishna, Nekkanti Anjana, Meka Durga, Atluri Venkata Lakshmi	Yes (namely, Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty, Nekkanti Seetha Ramachandra Murty (HUF), Nekkanti Subba Rayudu, Atluri Venkata Lakshmi, Nekkanti Venkat Rao, and Nekkanti Mahesh).	December 31, 2017	54,112,000	2	-	Allotment pursuant to bonus issuance of four Equity Shares for every one Equity Share held on the record date, i.e., December 30, 2017 through capitalisation of ₹ 108,224,000 standing to the credit of the reserves and surplus account of the Company.

14. Our Company, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of the Company.
15. Neither the BRLM and nor its associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLM and its affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.
16. No person connected with the Offer, including, but not limited to the BRLM, the Syndicate Members, our Company, the Selling Shareholders, our Subsidiaries, the Directors, the Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
17. Our Company has not issued any Equity Shares out of its revaluation reserves.
18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

19. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
20. Except for the Fresh Issue, our Company presently does not intend or propose or is under negotiation or consideration to alter the capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.
21. Except for the Pre-IPO Placement (if any) and 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 the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
22. Except as disclosed below, none of the Equity Shares held by the Promoters and other members of our Promoter Group are pledged or otherwise encumbered.

Name of Promoter	Name of Lender	Number of pledged Equity Shares
Nekkanti Seetha Ramachandra Murty	SBI	8,895,000*

* Through its letter dated March 1, 2018, the SBI has, among other things, indicated that 355,800 equity shares of our Company having a face value of ₹ 10 each were pledged in its favour. SBI has further indicated that such pledged equity shares would amount to 1,779,000 Equity Shares (having a face value of ₹ 2 each), in light of the split in the face value of the equity shares of our Company. Taking into account the bonus issue of Equity Shares dated December 31, 2017, the number of the aforesaid pledged Equity Shares should increase to 8,895,000 Equity Shares. For details of the split in face value of the Company's equity shares and the subsequent bonus issue, see "History of equity share capital of our Company." on page 82.

23. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, other members of our Promoter Group, our Directors or their relatives may have financed the purchase of securities of our Company by any other person.
24. Except to the extent of Equity Shares offered by Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty (HUF), Nekkanti Mahesh, Nekkanti Subba Rayudu, Nekkanti Venkat Rao and Atluri Venkata Lakshmi in the Offer for Sale, our Promoters and members of our Promoter Group will not submit Bids, or otherwise participate in this Offer.
25. The Offer is being made in terms of Rule 19(2)(b) of the SCRR. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer 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 Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. The number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer 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 Offer Price. For details, see "Offer Procedure" on page 412.

26. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.
27. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
29. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
28. Oversubscription to the extent of 10% of the Offer to the public can be retained for the purposes of rounding off to the nearest multiple of minimum Allotment lot.

OBJECTS OF THE OFFER

The Offer consists of the Fresh Issue and the Offer for Sale.

Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell an aggregate of up to 8,000,000 Equity Shares held by them, aggregating up to ₹ [●] million. Our Company will not receive any proceeds from the Offer for Sale.

Objects of the Fresh Issue

The details of the proceeds of the Fresh Issue are summarized below:

(₹ million)	
Particulars	Amount
Gross proceeds of the Fresh Issue*	2,500
(Less) Offer related expenses in relation to the Fresh Issue [#]	[●]
Net Proceeds	[●]

*Includes the proceeds, if any, received by our Company pursuant to the Pre-IPO Placement.

[#]To be finalised upon determination of the Offer Price.

After deducting the Offer related expenses in relation to the Fresh Issue, we estimate the proceeds of the Fresh Issue to be ₹ [●] million (“**Net Proceeds**”). The objects for which our Company intends to use the Net Proceeds are as follows:

1. Funding the working capital requirements of our Company; and
2. General corporate purposes.

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

Requirement of funds and proposed schedule of implementation and deployment of the Net Proceeds

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

(₹ million)			
Particulars	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in	
		Fiscal Year 2019	Fiscal Year 2020
Funding the working capital requirements of our Company	1,850	1,000	850
General corporate purposes*	[●]	[●]	[●]
Total	[●]	[●]	[●]

*To be finalised upon determination of the Offer Price. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

** The entire estimated cost is proposed to be met through the Net Proceeds.

The above-stated fund requirements are based on our internal management estimates and have not been verified by the BRLM or appraised by any bank or financial institution or any other independent agency. These are based on current conditions and business needs, and are subject to revisions in light of changes in costs, financial condition, interest rate fluctuations, business, strategy or external circumstances which may not be in our control. Our Company proposes to deploy the Net Proceeds towards the objects as indicated above. In the event the Offer is not completed in Fiscal Years 2019 and 2020, the deployment schedule will be revised. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of

our management, subject to compliance with applicable law. For further details, see the “*Risk Factors – Our Company will not receive any proceeds from the Offer for Sale portion. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*” on page 34.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, we may explore a range of options including utilising internal accruals and availing additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with applicable law.

Details of the Objects

1. *Funding the working capital requirements of our Company*

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from various banks. As on February 28, 2018, our Company has a total sanctioned limit of working capital facilities of ₹ 2,250 million and has utilised ₹ 222.55 million. For further information, see “*Financial Indebtedness*” on page 379. We propose to utilise ₹ 1,850 million from the Net Proceeds to fund the working capital requirements of our Company in Fiscal Years 2019 and 2020.

Basis of estimation of working capital requirement and estimated working capital requirement

Our Company’s current assets, current liabilities and working capital requirement and funding on the basis of the Restated Consolidated Financial Statements as at March 31, 2016, March 31, 2017 and for the nine months period ended December 31, 2017 is provided below.

(in ₹ million)

Particulars	Fiscal Year		Nine Months period ended December 31, 2017
	2016	2017	
Current Assets			
-Inventories	544.75	1,664.64	1,680.93
-Trade Receivables	177.76	167.64	980.43
Cash and Cash equivalents	24.71	116.00	149.02
-Bank balances other than above	30.86	17.86	26.08
-Other financial assets	6.18	21.33	53.03
-Other Current assets	154.6	218.51	614.05
Total Current Assets(A)	938.86	2,205.98	3,503.54
Current Liabilities			
-Trade Payables	65.82	216.74	334.76
-Provisions	1.81	0.19	91.5
-Other Current Liabilities	33.43	42.22	28.54
Total Current liabilities(B)	101.06	259.15	454.8
Net Working Capital Requirements (A)-(B)	837.80	1,946.83	3,048.74
Existing Funding Pattern			
A. Borrowings from banks, financial institution and non-banking financial companies (including bill discounting)	250.11	1,059.61	832.06
B. Internal Accruals/ Equity	587.69	887.22	2,216.68
Total	837.80	1,946.83	3,048.74

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to their resolution dated March 7, 2018 has approved the business plan for the Fiscal Years 2018, 2019 and 2020 and the projected working capital requirements for Fiscal Years 2018, 2019 and 2020 as stated below.

(in ₹ million)

Particulars	Fiscal Year		
	2018	2019	2020
Current Assets			
-Inventories	1,829.59	2,570.20	3,223.81
-Trade Receivables	604.19	849.27	1,073.55
-Cash and Bank Balances	566.33	1,250.00	1,500.00
-Bank balances other than above	17.86	17.86	17.86
-Other financial assets	21.33	21.33	21.33
-Other Current assets	739.10	1,038.91	1,313.27
Total Current Assets (A)	3,778.41	5,747.57	7,149.81
Current Liabilities			
-Trade Payables	217.43	305.44	383.11
-Provisions	93.18	130.90	218.92
-Other Current Liabilities	62.12	87.27	109.46
Total Current liabilities(B)	372.73	523.61	711.49
Net Working Capital Requirements (A)-(B)	3,405.68	5,223.96	6,438.32
Existing Funding Pattern			
A. Proceeds from the Offer	-	1,000.00	850.00
B. Borrowings from banks, financial institution and non-banking financial companies (including bill discounting)	614.69	-	-
C. Internal Accruals/Equity	2,790.99	4,223.96	5,588.32
Total	3,405.68	5,223.96	6,438.32

Holding levels

Provided below are details of the holding levels (days) considered.

Particulars	Actuals			Projected		
	March 31	March 31	December 31	March 31	March 31	March 31
	2016	2017	2017	2018	2019	2020
Inventories	27	79	66	57	57	57
Trade receivables	8	7	33	16	16	16
Short term loans and advances and other current assets	7	10	21	20	20	20
Trade payables	3	10	9	7	7	7
Other current liabilities	2	2	1	2	2	2
Provisions	0	0	4	3	3	4

Other assumptions

Inventories	<p>Inventories are built considering the lead-time required for processing, to meet the customer delivery timelines and for providing timely delivery to our customers. Inventories are expected to grow along with the growth in our business, on an absolute value basis. Our Company's days of inventory holding (calculated as closing inventories divided by annualized total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Consolidated Financial Statements, was 66 days for the Nine months ended December 31, 2017, 79 days and 27 days for Financial Years 2017 and 2016, respectively.</p> <p>Our Company expects to improve our inventory management system and reduce our inventory holding period days. Our Company has assumed the days of inventory holding period as 57 days for each of the Financial Years 2018, 2019 and 2020.</p>
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Trade Receivables	This is based on the average standard payment terms across our customers. Our Company's general credit terms vary across geographies and type of customer, and our assumptions are based on past trends. Our outstanding trade receivables (calculated as closing trade receivables divided by annualized net revenues from operations over 365 days) based on the Restated Consolidated Financial Statements, was 33 days for the Nine months ended December 31, 2017, 7 days and 8 days for Financial Years 2017 and 2016, respectively. Our Company has assumed trade receivables turnover ratio as 16 days for each of the Financial Years 2018, 2019 and 2020.
Short term loans and advances and other current assets	Short term loans and advances predominantly consist of import licenses in hand, duty drawback receivable and prepaid expenses. The days of outstanding for short term loans and advances and other current assets based on the Restated Consolidated Financial Statements (calculated as short term loans and advances, other current and non-current assets divided by annualized total revenues over 365 days) was 21 days for the nine months period ended December 31 2017, 10 days and 7 days for each of the Financial Years 2017 and 2016, respectively. Our Company has assumed days of outstanding for short-term loans and advances and other current assets as 20 days for each of the Financial Years 2018, 2019 and 2020, respectively.
Cash and Bank balances	Our Company is required to keep sufficient bank balances to facilitate the day to day business operations and to meet our non-fund based credit facilities from the banks, such as bank guarantee, margin money and letters of credit requirements etc. Such bank balance requirement is expected to grow in line with the growth in our business. In addition, working capital requirement during the peak seasons in the year will be higher than the year ending working capital requirement. Our Company is required to keep sufficient cash balance to address the growth in operations.
Trade payables	This is based on the average standard payment terms of our vendors. Our trade payables predominantly comprises of payables towards purchase of raw materials and packaging materials. Days of outstanding trade payables (calculated as trade payables divided by annualized total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Consolidated Financial Statements, was 13 days for nine months ended December 31, 2017, 10 days and 3 days for Financial Year 2017 and 2016 respectively. Our Company has assumed trade payables as 7 days of total expenses (excluding depreciation, finance cost and tax expenses) for Financial Years 2018, 2019 and 2020, respectively.
Other Current Liabilities	Our other current liabilities predominantly comprises of statutory dues. Days of outstanding other current liabilities (calculated as other current liabilities divided by annualized total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Consolidated Financial Statements, was 1 day for nine months ended December 31, 2017, 2 days and 2 days for Financial Year 2017 and 2016 respectively. Our Company has assumed trade payables as 2 days of total expenses (excluding depreciation, finance cost and tax expenses) for Financial Years 2018, 2019 and 2020, respectively.
Provisions	Our provisions predominantly comprises of provision for taxes. Days of outstanding provisions (calculated as provisions divided by annualized total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Consolidated Financial Statements, was 4 days for nine months ended December 31, 2017, 0 days and 0 days for Financial Year 2017 and 2016 respectively. Our Company has assumed trade payables as 3 days, 3 days and 4 days of total expenses (excluding depreciation, finance cost and tax expenses) for Financial Years 2018, 2019 and 2020, respectively.

We propose to utilise our existing working capital facilities and internal accruals towards our working capital requirements for the Fiscal Year 2018. Further, we proposes to utilise ₹1,000 million of the Net Proceeds in Fiscal 2019 and ₹850 million of the Net Proceeds in Fiscal 2020, towards our working capital requirements for meeting our future business requirements.

Pursuant to the certificate dated March 7, 2018, J V S L & Associates, Chartered Accountant, our statutory auditors, have compiled the working capital estimates from the Restated Consolidated Financial Statements for the Financial Years 2016, 2017 and the nine months period ended December 31, 2017 and the working capital projections as approved by the Board pursuant to its resolution dated March 7, 2018.

2. General corporate purposes

We intend to deploy the balance Net Proceeds, if any, for general corporate purposes, as may be approved by our management, including but not restricted towards strategic initiatives, corporate branding, working capital requirements, operating expenses and meeting on-going general corporate exigencies.

Our management, in accordance with the policies of our Board, will have flexibility in utilising the Net Proceeds for general corporate purposes, as mentioned above, subject to such utilization not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include fees payable to the BRLM and legal counsel, underwriting commission, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses, listing fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than listing fees, which will be paid by the Company, all other Offer related expenses shall be shared amongst the Company and the Selling Shareholders, in proportion to their respective proportion of the Equity Shares offered in the Offer, upon successful completion of the Offer. Any payments made by our Company in relation to the Offer on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to our Company on a pro-rata basis, in proportion to their respective proportion of the Offered Shares.

The estimated Offer related expenses are as under:

Sr. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer related expenses*	As a % of Offer Size*
1.	Payment to the BRLM (including brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs and brokerage, selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs ^{(1) (2) (3)}	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Others: i. Listing fees, SEBI filing fees, book building software fees and other regulatory expenses; ii. Printing and stationery expenses; iii. Advertising and marketing for the Offer; iv. Fees payable to legal counsel; and v. Miscellaneous	[●]	[●]	[●]
	Total Estimated Offer related expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Offer Price.

⁽¹⁾ SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per ASBA Form, for processing the ASBA procured by Designated Intermediaries (other than the SCSBs themselves) from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs.

⁽²⁾ Registered Brokers, RTAs and CDPs will be entitled to bidding charges/uploading charges of ₹ [●] (plus applicable service tax) per valid ASBA Form which are directly procured by them from Retail Individual Bidders and Non-Institutional Bidders, uploaded on the electronic bidding system of the Stock Exchanges and submitted to the SCSBs for processing.

⁽³⁾ Selling commission payable to Members of the Syndicate, SCSBs, RTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders would be as follows:

Portion for Retail Individual Bidders	[●] % of the Amount Allotted* (plus applicable service tax)
Portion for Non-Institutional Bidders	[●] % of the Amount Allotted* (plus applicable service tax)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges/uploading charges of ₹ [●] (plus applicable service tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

The commissions and processing fees shall be payable within [●] Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company or in accordance with the agreements / engagement letters entered into between the Company and the respective intermediaries.

For the avoidance of doubt, all of the above shall be subject to applicable Service Tax, Swachh Bharat Cess and Krishi Kalyan Cess, to the extent applicable.

Appraisal and Bridge Loans

The above fund requirements have not been appraised by any bank or financial institution. Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds

Means of Finance

The working capital requirements under our Objects will be met through the Net Proceeds to the extent of ₹1,850 million, internal accruals and bank finance. Accordingly, we confirm that we are in compliance with the 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 Net Proceeds.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee. In accordance with Section 27 of the Companies Act, 2013, we confirm that we shall not use the Net Proceeds (or any part thereof) for buying, trading or otherwise dealing in any shares of any listed company or for any investment in equity markets.

Monitoring of Utilisation of Funds

Our Company has appointed [●] as the monitoring agency for monitoring the utilization of the Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the use and application of the Net Proceeds. Additionally, the Audit Committee shall make recommendations to our Board for further action, if appropriate. Till such time as all the Offer Proceeds have been utilized in full, our Company shall prepare an annual statement, certified by our Statutory Auditors, of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, our Company will furnish a quarterly statement on deviations and variations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus, to the Audit Committee for review, and post such review, submit the statement with the Stock Exchanges in accordance with the SEBI Listing Regulations. This statement would also be published in the newspapers, after placing it before the Audit Committee and its explanation in the Directors' report in the annual report of the Company, in accordance with Regulation 47 and other applicable provisions of SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Companies, other than in normal course of business and in compliance with applicable laws.

However, certain of our Promoters, members of Promoter Group and Key Management Personnel will receive a portion of the proceeds of the Offer for Sale, in proportion to the Equity Shares being offered by them through the Offer.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue, unless authorised by our shareholders in a general meeting by way of a special resolution. Additionally, the notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act, 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English daily newspaper, one Hindi daily newspaper and one Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office of our Company is located), as per the Companies Act, 2013 and the rules framed there under. Pursuant to the Companies Act, 2013, our Promoters or controlling shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, in accordance with our Articles of Association and as prescribed by SEBI.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLM, based on the assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Bidders should see “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 139, 17 and 196, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths provide us with a competitive advantage in the Industry:

- Our position as a leading shrimp processor and exporter
- Strategically located processing facilities
- Strong product mix with focus on value-added products
- Strong relationships and established customer base
- Consistent track record of financial performance
- Experienced and dedicated management team

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements. For details, see “*Financial Statements*” beginning on page 196.

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

A. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital and face value:

On a Consolidated Basis

Period Ended	Basic & Diluted EPS ¹	
	EPS for par value of ₹ 2 per share (in ₹)	Weight
Fiscal 2015	7.00	1
Fiscal 2016	4.38	2
Fiscal 2017	8.16	3
Weighted average	6.71	
Nine months ended December 31, 2017 ²	17.49	-

Note:

1. Please refer to Note 1 of Annexure VII: Restated Consolidated Statement of Accounting Ratios for the effect of the bonus issuances and split in face value from ₹10 per Equity Share to ₹2 per Equity Share
2. Not Annualised

On a Standalone Basis

Period Ended	Basic & Diluted EPS ¹	
	EPS for par value of ₹ 2 per share (in ₹)	Weight
Fiscal 2015	7.02	1
Fiscal 2016	4.39	2
Fiscal 2017	8.18	3
Weighted average	6.72	
Nine months ended December 31, 2017 ²	17.30	-

Note:

1. Please refer to Note 1 of Annexure VII: Restated Standalone Statement of Accounting Ratios for the effect of the bonus issuances and split in face value from ₹10 per Equity Share to ₹2 per Equity Share

2. Not Annualised

Formula used for calculation of EPS is given below:

$$\text{Basic Earnings per share (₹)} : \frac{\text{Net profit as restated, attributable to owners of the company}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

$$\text{Diluted Earnings per share (₹)} : \frac{\text{Net profit as restated, attributable to owners of the company}}{\text{Weighted average number of dilutive equity shares outstanding during the year / period}}$$

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E based on the lower end of the Price Band		P/E based on the higher end of the Price Band	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Restated Consolidated Financials as at [●]	[●]	[●]	[●]	[●]
Restated Standalone Financials as at [●]	[●]	[●]	[●]	[●]

C. Industry P/E ratio

Highest P/E Ratio (x)	67.49
Lowest P/E Ratio (x)	51.56
Industry Composite P/E Ratio (x)	59.53

D. Return on Net Worth (“RoNW”)

On a Consolidated Basis

Period Ended	RoNW (%)	Weight
Fiscal 2015	36.04	1
Fiscal 2016	18.49	2
Fiscal 2017	25.73	3
Weighted average	25.04	
Nine months ended December 31, 2017 ¹	35.63	

Note 1: Not Annualised

On a Standalone Basis

Period Ended	RoNW (%)	Weight
Fiscal 2015	35.79	1
Fiscal 2016	18.38	2
Fiscal 2017	25.61	3
Weighted average	24.90	
Nine months ended December 31, 2017 ¹	35.21	

Note 1: Not Annualised

Formula used for calculation of RoNW is given below:

$$\text{Return on net worth (%) } : \frac{\text{Net profit after tax, as restated attributable to owners of the company}}{\text{Net worth as restated, including Share Capital and Reserves and surplus, as restated at the end of the year / period}}$$

E. Minimum Return on Total Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended [●]

Particulars	At Floor Price	At Cap Price
To maintain pre-Offer basic EPS		
On Consolidated basis	[●]	[●]
On Standalone basis	[●]	[●]
To maintain pre-Offer diluted EPS		
On Consolidated basis	[●]	[●]
On Standalone basis	[●]	[●]

F. Net Asset Value per Equity Share

Financial Year ended/Period ended	Consolidated (₹)	Standalone (₹)
March 31, 2015	19.42	19.62
March 31, 2016	23.68	23.89
March 31, 2017	31.72	31.96
Nine months ended December 31, 2017	49.10	49.14
Offer price	[●]	[●]
After the Offer	[●]	[●]

$$\text{Net Asset Value (NAV) per equity share (₹)} : \frac{\text{Net worth as restated, including Share Capital and Reserves and surplus, as restated at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

All calculations where the denominator includes outstanding equity shares at the end of the year have been adjusted for the aforementioned split of the face value from ₹10 per Equity Share to ₹2 per Equity Share and the bonus share issuance in the ratio of 1:1 in each of the years 2014-15 and 2015-16 and a further bonus issuance of 4 shares per equity share held in the nine month period ending December 31, 2017.

G. Comparison with Listed Industry Peers

Name of the company	Revenue from operations and other Income (₹ in million)	Face Value per Equity Share (₹)	P/E ⁴	EPS (Diluted) (₹)	Return on Net Worth (%) ⁵	Net Asset Value/ Share (₹) ⁶
Nekkanti Sea Foods Limited ¹	8,401.64	2.00	-	8.16	25.73	31.72
Peer Group						
Apex Frozen Foods Limited ²	7,096.82	10.00	67.49	10.17	25.70	39.56
Avanti Feeds Limited ³	27,544.73	2.00	51.56	47.20	33.47	141.03

Notes:

1. Based on restated consolidated financials as per IND AS of our Company for the Fiscal 2017.
2. Based on Standalone financials as per previous GAAP for the Financial Year 2017.
3. Based on Consolidated financials as per previous GAAP for the Financial Year 2017.
4. Return on Net Worth is calculated as Net Profit After Tax for the year divided by Shareholders Funds (share capital plus reserves and surplus / other equity). For the calculation of Return on Net Worth of our Company, please refer to Annexure VII: Restated Consolidated Statement of Accounting Ratios.
5. Net Asset Value per share is calculated as Shareholders Funds available to equity shareholders divided by paid-up number of equity shares of the company outstanding as on the balance sheet date. For the calculation of Net Asset Value per Share of our Company, please refer to Annexure VII: Restated Consolidated Statement of Accounting Ratios.
6. P/E figures for the peers are computed based on closing market price as on March 5, 2018 of Apex Frozen Foods Limited and Avanti feeds Limited viz. ₹ 686.40 and ₹ 2,433.60 per equity share, respectively, on BSE (available at www.bseindia.com) divided by diluted EPS based on the annual reports of respective companies.

H. The Offer Price will be [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of demand from Bidders for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 196 and 349, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.

I. Average Cost of Acquisition per Equity Share by our Promoters and Selling Shareholders

The average cost of acquisition per Equity Share by our Promoters and Other Selling Shareholders are as follows:

Name of the Promoter/ Other Selling Shareholder	Average cost of acquisition per Equity Share (in ₹)
Nekkanti Seetha Ramachandra Murty	0.49
Venkata Lakshmi Nekkanti	0.06
Nekkanti Seetha Ramachandra Murty HUF	0.10
Atluri Sreeram	0.02
Nekkanti Venkat Rao	0.25
Nekkanti Rajeswari	0.05
Atluri Sirisha	0.05
Nekkanti Subbarayudu	0.05
Nekkanti Mahesh	0.74
Atluri Murali Krishna	Nil
Nekkanti Anjana	0.40
Meka Durga	0.05
Atluri Venkata Lakshmi	0.10

The average cost of acquisition has been calculated by taking an average of the amounts paid by our Promoters or Other Selling Shareholders to acquire such Equity Shares.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Nekkanti Sea Foods Limited
D.No # 15-1-37/6, G-1, Jayaprada Apartments
Nowroji Road, Maharaniipeta
Visakhapatnam – 530002
Andhra Pradesh, India

Sub: Proposed initial public offering of equity shares of ₹ 2 each (the “Equity Shares”) of Nekkanti Sea Foods Limited (the “Company” and such offering, the “Offer”)

We, **J V S L & Associates**, the statutory auditors of the Company, report that the enclosed statement in **Annexure A**, sets forth the possible special tax benefits available to the Company and to its shareholders under the Income Tax Act, 1961, as amended, and other direct 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 provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. 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 and the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. 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:

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

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

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India, which requires us to comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1 – Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements

We also consent for the references to us as “experts” under the Companies Act, 2013, as amended, to the extent of the certification provided hereunder and included in the draft red herring prospectus of the Company (“**Draft Red Herring Prospectus**”) or in any other document in connection with the Offer.

We hereby give our consent to include this statement of tax benefits in the Draft Red Herring Prospectus and in any other document used in connection with the Offer.

Sincerely,
For J V S L & Associates
Chartered Accountants
Firm Registration Number: 015002S

J VENKATESWARLU
Partner
Membership No.: 022481

Place: Visakhapatnam

Date: 07 March 2018

Enclosed: Statement of possible special tax benefits available to the Company and to its shareholders.

Annexure A

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

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

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

Tax holiday under section 80IB of the Income Tax Act

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

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

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

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

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

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “Shrimp Processing Industry in India” dated March 2018 prepared and issued by CRISIL Limited (the “CRISIL Report”) on our request. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

The CRISIL Report contains the following disclaimer:

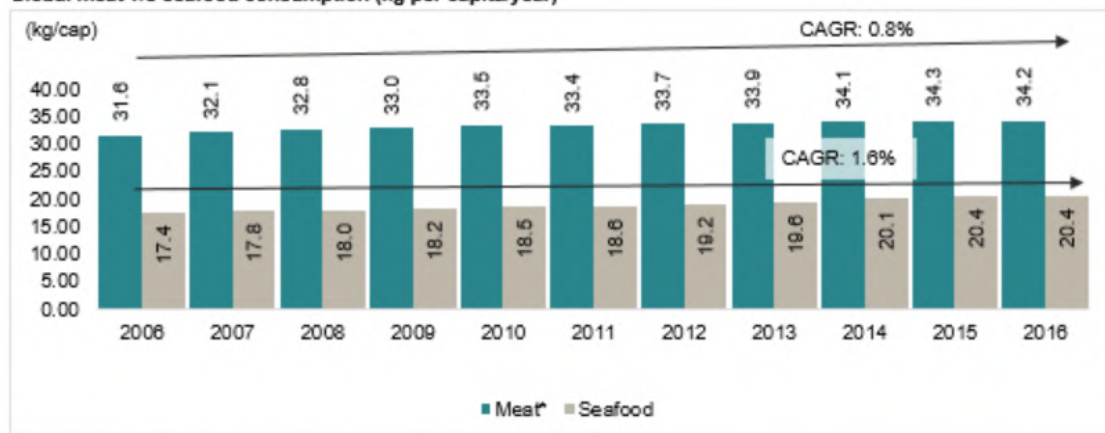
“CRISIL Research, a division of CRISIL Limited (“CRISIL”) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (“Data”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/ 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 entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no 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. Nekkanti Sea Foods Limited 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 Ltd (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.”

OVERVIEW OF GLOBAL SEAFOOD INDUSTRY

Global per capita seafood consumption to reach approximately 22 kilogram (“kg”) by 2026

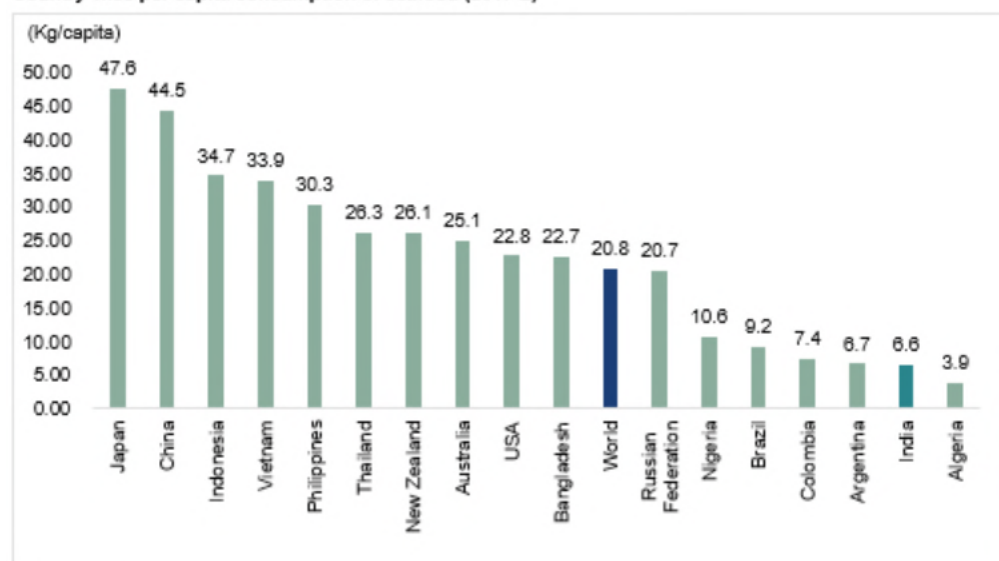
Global seafood consumption has grown at a compounded annual growth rate (“CAGR”) of 1.6% over 2006 to 2016, higher than meat (which includes bovine, poultry, pig meat and sheep meat) which grew at a CAGR of 0.8% during the same period. Global demand for seafood has risen because of rising population and incomes, availability of a variety of fish, and high protein content.

Global meat v/s seafood consumption (kg per capita/year)



In terms of per capita consumption, Organisation for Economic Co-operation and Development (“OECD”) countries (25.39 kg) and Asia (24.71 kg) topped the chart, while Africa and Latin America were at the bottom as per the provisional estimates of 2017. Per capita seafood consumption for India stands at a mere 6.64 kg in 2017, indicating considerable potential for further growth.

Country-wise per capita consumption of seafood (2017 E)

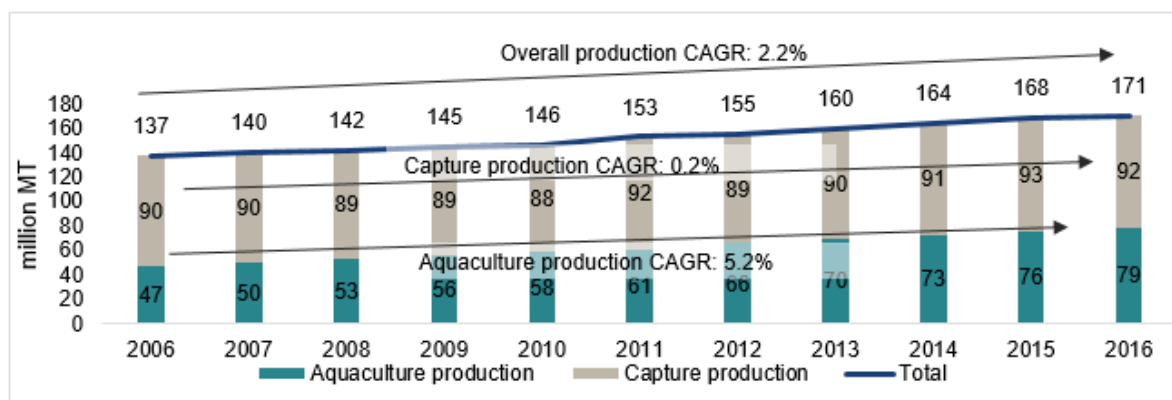


E: Estimated

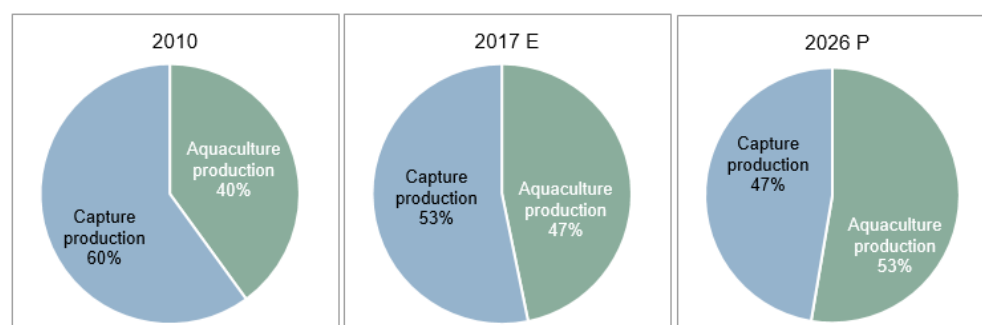
Aquaculture gains share; capture fisheries remains stagnant

Overfishing, or exploitation of seafood stock exceeding the maximum sustainable yield level, has resulted in stagnation in capture fisheries over the past 10 years. Within capture fisheries, the share of marine capture, which expanded continuously to reach a peak level of 86.4 million MT in 1996, has been on a declining trend. Based on Food and Agriculture Organization (“FAO”) analysis, the share of fish stocks within biologically sustainable levels has declined from 90% in 1974 to 68.6% in 2013. This indicates that 31.4% of global fish stocks were estimated to be over-fished, *i.e.*, biologically unsustainable, thereby increasing the importance of aquaculture in meeting global seafood demand. During 2006 and 2016, while the global aquaculture production grew at 5.2% CAGR, capture fisheries rose at a 0.2% CAGR. Consequently, during the corresponding period, the share of aquaculture in overall seafood industry increased by approximately 1,200 bps from 34% in 2006 to 46% in 2016. Going forward, the trend is expected to continue as per the OECD-FAO agricultural outlook 2017-2026 report, thereby increasing the share of aquaculture to 53% by 2026. However, as per the OECD-FAO report, capture fisheries is expected to remain stagnant (at approximately 92 million MT similar to 2016 level) during following decade (2017 to 2026).

Trend and outlook on capture fisheries and aquaculture production



Share of capture fisheries and aquaculture production globally



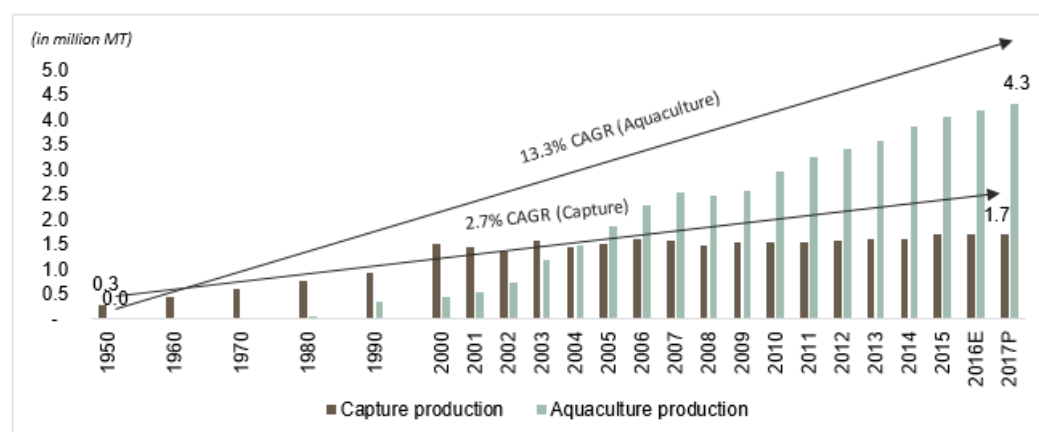
E: Estimated; P: Projected

Trends and forecasts in global shrimp production patterns

Aquaculture production overtook capture production during the last decade

Shrimp production in 2017 was the highest-ever production recorded. Among the types of production, aquaculture method of shrimp production has steadily increased due to improved quality of feed, higher raw material availability, better disease management, government support for aquaculture for shrimps, developing new markets and higher realisation for produce.

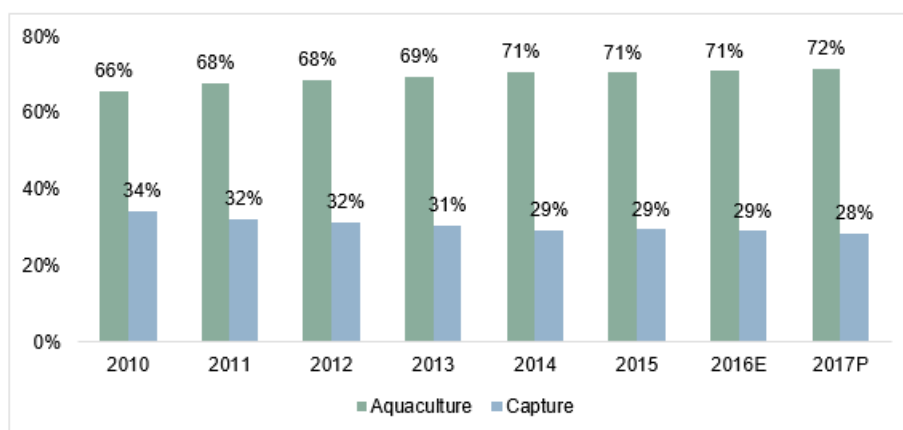
Aquaculture and capture method for shrimps and prawns



E: Estimated; P: Projected

The share of aquaculture shrimp production stood at 72% of the global shrimp production in 2017 growing at a CAGR of 5.5% between 2010 and 2017. However, growth of capture shrimp production grew at a comparatively slower rate of 1.6% CAGR during the corresponding period.

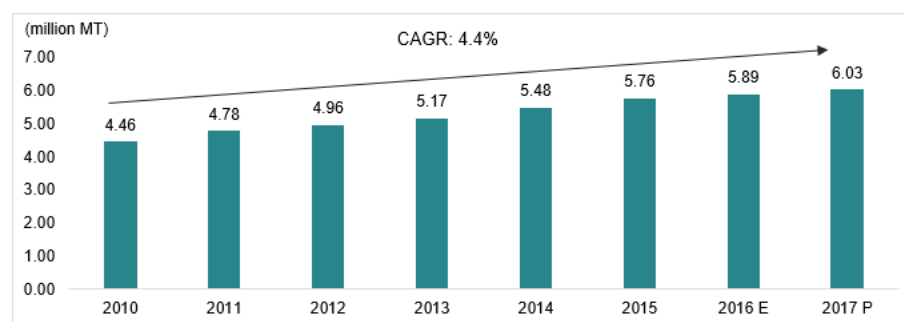
Aquaculture and capture shrimp production



Global shrimp production estimated at its highest level in 2017

Shrimp production in 2017 is estimated at its highest ever recorded levels of approximately 6.0 million MT. Growth in global shrimp production during 2010 to 2017 (projected) is expected at a CAGR of 4.4%. With the disease which affected areas of South East Asia and some parts of India and China in fiscal 2014 expected to gradually subside, growth is expected to be robust in the coming years.

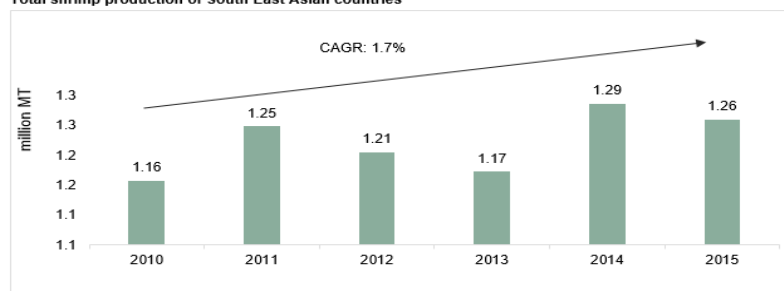
Global shrimp production



Trends and forecasts in shrimp production patterns across major regions

Shrimp production in south-east Asia increased at a CAGR of 1.7% during 2010 and 2015

Total shrimp production of South East Asian countries



Shrimp production in Thailand was negatively impacted due to the ‘Early Mortality Syndrome’ (“EMS”) disease outbreak, leading to shrimp production levels in the south-east Asian region dropping during 2012 and 2013. However, production recovered during 2014 and 2015 to reach pre-EMS levels, led largely by Indonesia which remained insulated by the disease outbreak and managed to gain significant share in the region’s shrimp production. Vietnam has also managed to gain share in the region’s shrimp production during 2014 and 2015.

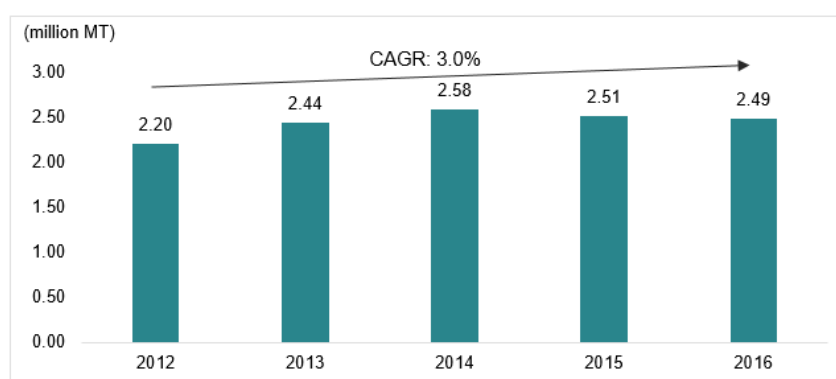
Trends in export and imports of shrimp, including value-added products globally

Developed countries are dependent on imports for shrimp

Global exports of shrimps including value added products has risen at a CAGR of 3% between 2012 and 2016 in volume terms from 2.2 million MT in 2012 to 2.5 million MT in 2016. However, the growth of global shrimps exports rose at a CAGR of 4.8% during 2012 and 2016 from 18.4 billion USD in 2012 to 22.3 billion USD in 2016.

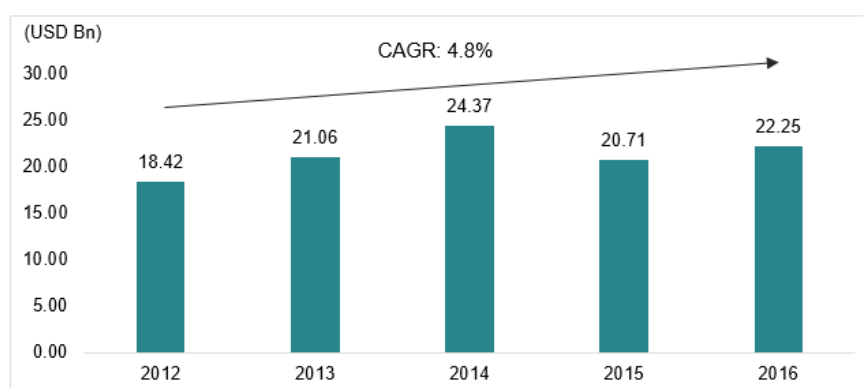
Developed countries such as the United States, Japan and the European Union are highly dependent on imports of fishery products, as they are not self-sufficient in meeting their domestic requirement. South-east Asian countries such as Thailand source seafood products from countries such as India, add value and re-export to countries in the west, thereby earning better margins. China is one of the largest importers as well as exporters of these products.

Global export of shrimp and prawns (volume)



Note: Data includes products classified under the HS codes 030643, 030646, 030647, 030673, 030676, 030677, 160520, 160534 and 160536

Global export of shrimp and prawns (value)

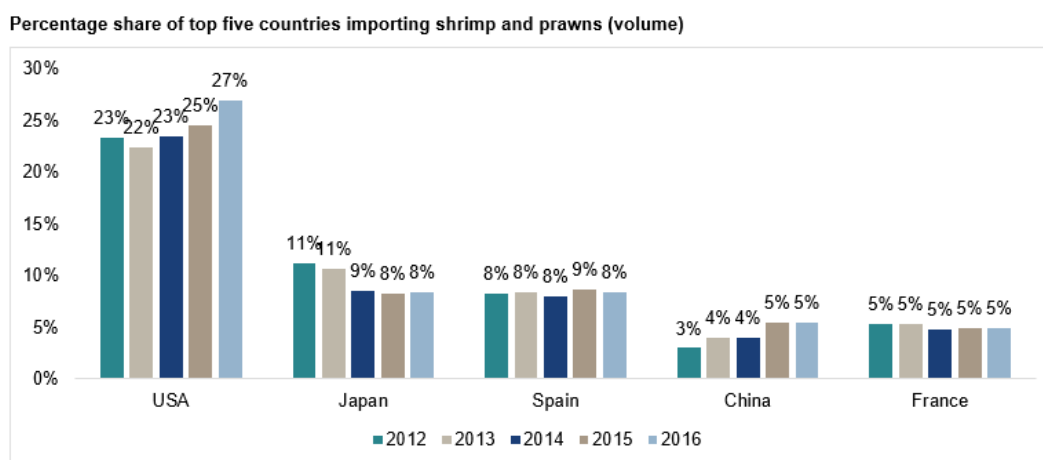


Note: Data includes products classified under the HS codes 030643, 030646, 030647, 030673, 030676, 030677, 160520, 160534 and 160536

The United States holds the top most position in importing shrimps during 2016

Rising demand for aquaculture products such as shrimp and tuna has helped the United States in maintaining the pole position. Japan, which was once the largest importer, now occupies a distant second, after being overtaken by the United States. Factors such as declining demand, especially from the youth, coupled with weaker currency (the yen depreciated 6.7% to 121 versus the dollar in 2015), has made imports expensive in Japan.

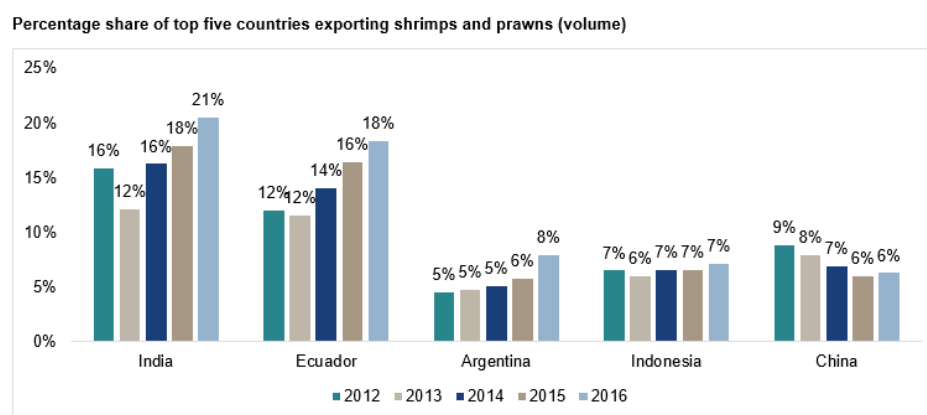
The United States, Japan, Spain, China and France are the key importing countries of shrimp products, together accounting for approximately 54% of total shrimp imports (in volume terms as of 2016). Apart from its own production, China imports from countries such as India, and re-export value-added products to markets in the United States and Europe. Also, consumption of certain species, which are not domestically produced, is on the rise in China. All these factors make the country one of the largest importers for aquaculture products.



Note: Data includes products classified under the HS codes 030613, 030616, 030617, 030623, 030626 and 030627 under the UNCOMTRADE.

India is the top exporter of shrimp globally

The rising demand for shrimp is met by top exporting countries such as India, Ecuador, Argentina, Indonesia and China, accounting for 60% (in volume terms as of 2016) of total shrimp exports. India's share in the total shrimp exports to the world increased approximately 500 bps from 16% to 21% between 2010 and 2015. Advantage of tropical weather, availability of long coastline and brackish water, improved farming techniques, entrepreneurial nature of farmers, backward and forward integration supporting shrimp aquaculture and government backing for setting up aquaculture farms have helped India ramp up its production and gain significant share in the exports market. Global events such as gulf oil spill, incidence of diseases in aquaculture farms in south-east Asia impacting yield coupled with depreciation of the Indian rupee versus the dollar are also some reasons adding to the popularity of India as a major shrimp-exporting region.



Note: Data includes products classified under the HS codes 030613, 030616, 030617, 030623, 030626 and 030627 under the UNCOMTRADE.

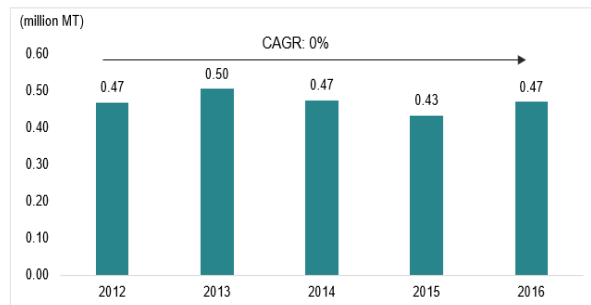
Value-added products ("VAP")

Global exports of value added shrimps remain range bound between 2012 to 2016

At the global level, exports of value added shrimps have remained range bound during the period 2012 to 2016. The export of value added shrimps in volume terms stood at 0.47 million MT during 2016 versus 0.47 million MT in

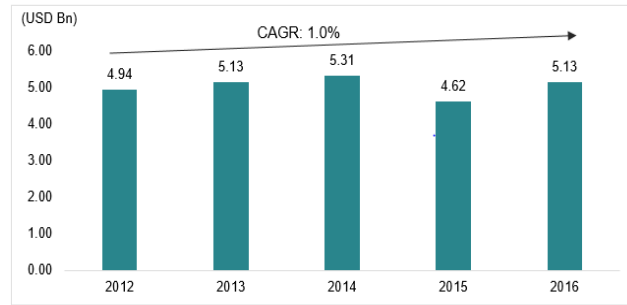
2012. In value terms, the export of value added shrimps globally stood at 5.13 billion USD, a CAGR of 1%, as against 4.94 billion USD in 2012.

Global export of value-added shrimp and prawns (volume)



Note: Data includes products classified under the HS codes 160520, 160521 and 160529 under the UNCOMTRADE.

Global export of value-added shrimp and prawns (value)



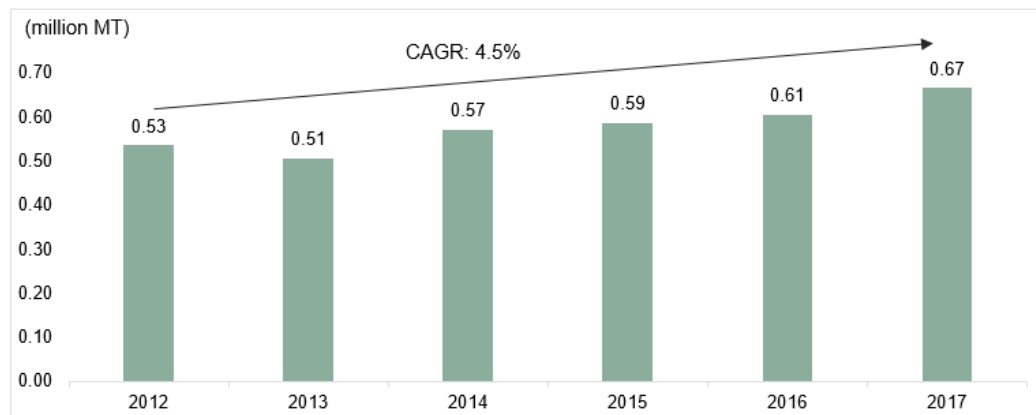
Note: Data includes products classified under the HS codes 160520, 160521 and 160529 under the UNCOMTRADE.

Trends in imports of shrimps to the United States

United States' imports of shrimps in value terms increased at CAGR of 8% over 2012 and 2017

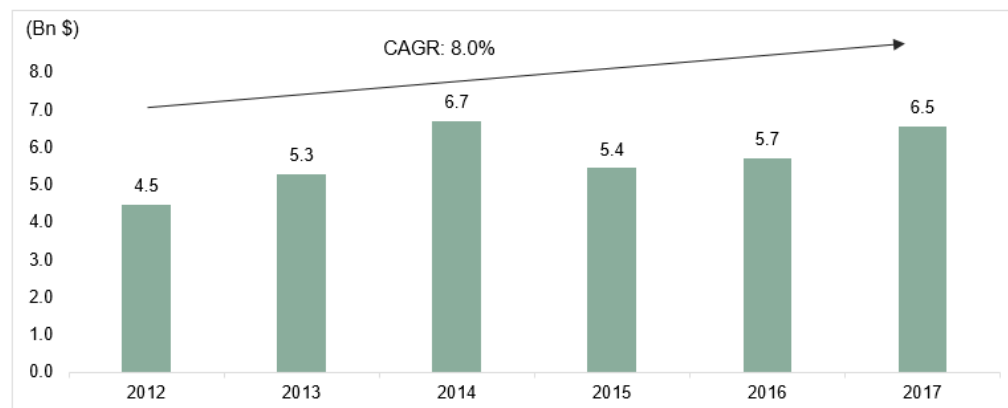
In volume terms, United States imported 0.67 million MT of shrimps from the world during 2017. The quantity of imports increased at CAGR of 4.5% from 0.53 million MT in 2012 to 0.67 million MT during 2017.

USA's import of shrimps (volume)



In value terms, the United States imports shrimps worth USD 6.5 billion in 2017. The value of imports increased at CAGR of 8% during 2012 to 2017 from USD 4.5 billion in 2012 to USD 6.5 billion in 2017.

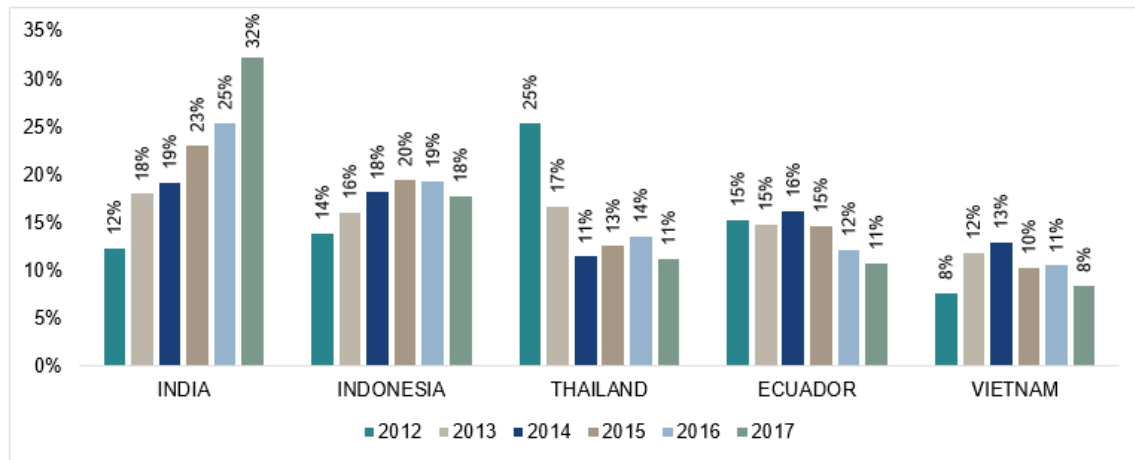
USA's import of shrimps (value)



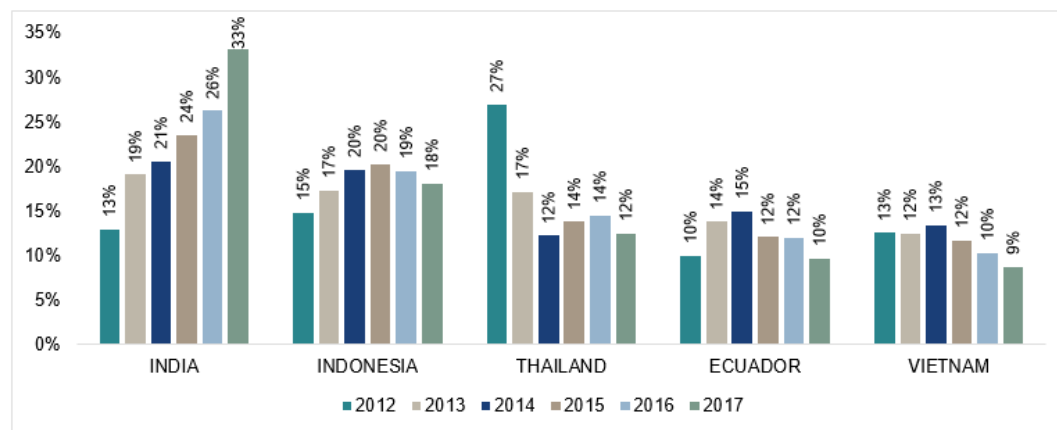
India is a key exporter of shrimps to the United States in volume and value terms as of 2017

Top five countries exporting shrimps to the United States in 2017 were India, Indonesia, Thailand, Ecuador and Vietnam by both volume as well as value. These five countries account for approximately 80% share by volume and approximately 82% share by value as of 2017. India holds the top position accounting for 32% share by volume and 33% by value during 2017. India has depicted the highest CAGR of 27% between 2012 and 2017 in shrimp exports to the USA followed by Indonesia at a CAGR of 10% during the same period.

Percentage share of top five countries exporting shrimps to USA (volume)

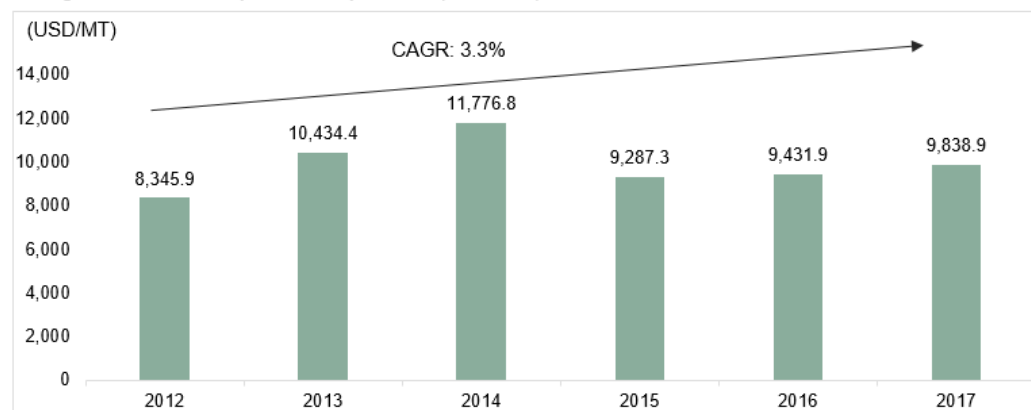


Percentage share of top five countries exporting shrimps to USA (value)



Average realisations from shrimp imports in the United States has grown at CAGR 3.3% during 2012 to 2017

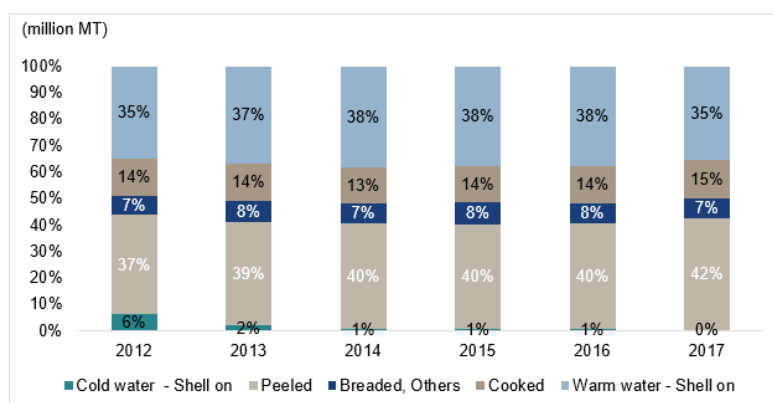
Average realizations on imported shrimps to USA (in USD/MT)



The United States market is moving towards value-added products

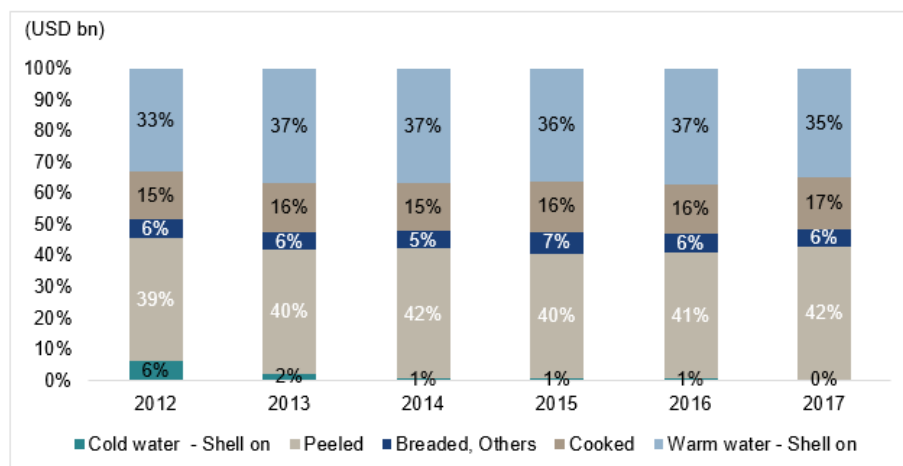
The United States market is slowly moving towards value-addition in shrimp imports, with peeled category enjoying the highest share at 42% in volume and value terms as of 2017. While cold-water shell-on shrimp products have reduced to negligible quantities, share of warm-water shell-on shrimp products, imported mainly from Asian and south-east Asian countries has maintained a strong share of 35% in volume and value terms during 2017. Average realisations were the highest for cooked category at USD 11,254 per MT during 2017 followed closely by cold-water shell-on category at USD 11,091 per MT for the same period. The warm-water shell-on category, with average realisations of USD 9,661 per MT grew at CAGR 4.1% during 2012 and 2017.

Trends in product-type (volume-in million MT)



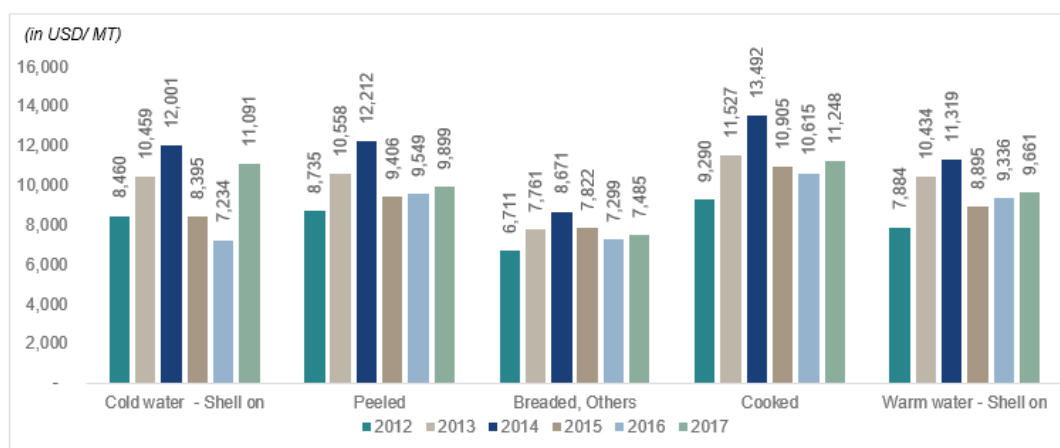
Note: Cold water shell-on includes fresh and frozen; warm water shell-on includes frozen, salted, dried and in brine; Peeled includes fresh, frozen, salted, dried and in brine; Cooked includes frozen in ATC and other preparations; Breaded, others includes breaded frozen, canned, prepared dinners in ATC and prepared dinners not in ATC

Trends in product-type (value-in USD billion)



Note: Cold water shell-on includes fresh and frozen; warm water shell-on includes frozen, salted, dried and in brine; Peeled includes fresh, frozen, salted, dried and in brine; Cooked includes frozen in ATC and other preparations; Breaded, others includes breaded frozen, canned, prepared dinners in ATC and prepared dinners not in ATC

Trends in realization by product-type (in USD/ MT)



Note: Cold water shell-on includes fresh and frozen; warm water shell-on includes frozen, salted, dried and in brine; Peeled includes fresh, frozen, salted, dried and in brine; Cooked includes frozen in ATC and other preparations; Breaded, others includes breaded frozen, canned, prepared dinners in ATC and prepared dinners not in ATC

Government regulations in key consuming countries

United States regulations the most stringent, followed by European Union

India is one of the top five exporting countries of seafood and aquaculture products (accounting for 5% share in global exports) in the world. Although shrimp continues to dominate our export basket, the Indian seafood and aquaculture industry has diversified its product range and markets. In case of exports, it becomes inevitable for Indian exporters to follow the line of international quality standards and control procedures. For example, the European Union specifies the laboratory checks that have to be carried out for shrimps and the United States is stringent about the residue limits of drugs and medication used during shrimp cultivation. Also, 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. The Japanese government imposes import quota on several seafood products to protect its domestic players from international competition. Each year the import quota is revised depending on the domestic production and domestic demand. At times, the import quota is shared between different species of aquatic animals like yellowtail, scallops and dried sardines.

Meanwhile, the United States levies an anti-dumping duty on seafood imported from countries such as China, Vietnam, Thailand and India (under a WTO agreement, a country may impose anti-dumping duty on merchandise that is determined to be imported into that country at less than fair value). The current rate of imports for 231 companies reviewed from India stands at 0.84%. The duty for other manufacturers/ exporters not included in the above mentioned list of 231 companies stands at 10.17%. The United States Department of Commerce (“USDOC”) has conducted frequent reviews of the anti-dumping duty rates on import of frozen warm-water shrimps and other seafood, and changed the duty rates after every review. In 2003, the anti-dumping duty rates were as high as 26% on some families of Indian shrimp, as the United States tried to protect its domestic market against Indian shrimp sold at throwaway prices, creating a financial threat to its domestic players. This rate was revised in 2004 to 10.2% after several administrative reviews. In 2008, after concentrated efforts put up by the Indian export industry, the rate was reduced to 1.7%. Since then, several revisions have been made to the anti-dumping duty rate levied on shrimp imports as indicated below. Lower duty indicates that there is no dumping and also helps in boosting trade.

Trend in anti-dumping duties

Federal Register (volume and publish date)	Period of review	Number of producers/ exporters covered	Margin (%)
76 FR (July 13, 2011)	February 1, 2009 – January 31, 2010	201	1.36 – 2.31
77 FR (July 11, 2012)	February 1, 2010 – January 31, 2011	184	0.13 – 2.51
78 FR (July 16, 2013)	February 1, 2011 – January 31, 2012	193	0.00 – 3.49
79 FR (August 28, 2014)	February 1, 2012 – January 31, 2013	205	1.97 – 3.01

Federal Register (volume and publish date)	Period of review	Number of producers/ exporters covered	Margin (%)
80 FR (September 10, 2015)	February 1, 2013 – January 31, 2014	211	2.63 – 3.28
81 FR, (September 13, 2016); amended 81 FR, (October 5, 2016)	February 1, 2014 – January 31, 2015	223	0.74 – 3.37
82 FR (September 18, 2017)	February 1, 2015 – January 31, 2016	231	0.84

Note: The US follows a retrospective system of assessment of antidumping duties levied. Under this system, the duty paid at the time of entry of frozen shrimp into the country is treated as a deposit. At the end of a 12-month period from February to January, an assessment proceeding called 'administrative review' ('AR') is initiated. An AR spans over 12 to 18 months depending on extensions to timelines. The rate of antidumping duty that USDOC determines at the end of an AR serves as assessment rate for the period of under review as well as new deposit rate. In an AR, if there is a large number of companies to review, USDOC will select 2 to 4 largest exporters to individually review them and assign individual rates to them; all others will be assigned a weighted average of the reviewed companies

The rates levied on India by the United States differ from that of Vietnam, Thailand and other exporting countries. During 2009, the duty rate levied on Vietnamese shrimps was approximately 26%, which was reduced to 3.6% in 2016 after multiple revisions during 2009 to 2016. Similarly, the duty rate for shrimps from Thailand was 4.5% in 2009, which now stands at 1.4% in 2016.

Some major rules governing the imports of seafood and aquaculture products

	European Union	Japan	US	China	Korea
Prior notice required by a company importing seafood products	No	A sample must be tested in Japan before importing the entire consignment	Notification required to be given to the FDA. Sample testing not required	No	Submission of import declaration form for food. Random sample testing is conducted.
Maximum residue limit of disinfectants	0-0.5 mg per kg	0-3 ppm	No residue should be there	0.05-0.3 mg per kg	Below 0.2 mg/kg
Packaging and labelling	Packing material should be corrosion-resistant and contain details of: - the country of dispatch; - identification of the establishment by its official approval number	All imported items must show the metric units of measurement, weight, and country of origin	Net weight (in pounds/ounces) - Must contain the ingredients and additives, if any, and correct nutrition information - Must specify the product of origin, if extracted or processed	Packing must be corrosion-resistant with no toxic or hazardous substances. Labels to contain the name and true nature of the product, including ingredients and additives, net weight, and unit of measurement	Requires the labeling of product name, ingredients, manufactured and expiration dates (quality retention date), net contents, identity and principle place of business, and nutrition information, as well as sanitary instructions for safe storage and warnings on the packaging and container
Laboratory checks to detect medications and drugs fed to the species	Histamine check for Scombridae and Clupeidae family Nine samples must be taken from each batch. - the mean value must not exceed 100 ppm;	Not specified	No residue of the listed 7-10 drugs or family of drugs that has been prohibited for use in fish and other aquatic species	The limit of presence of chemicals such as mercury, lead, chromium, lead and cadmium ranges from 0 to <10 mg/kg. There should be no trace of <i>malachite green</i> , <i>salmonella</i> and <i>shigella</i>	Standard of allowable residue of animal medicine should not exceed 0.2 g/kg depending upon various types of residue. There should be no trace of norfloxacin, ofloxacin and pefloxacin.
Forbidden products	Poisonous fish of Tetraodontidae, Molidae, Diodontidae, Canthigasteridae family. Fishery products containing bio toxins, ciguatera toxins or muscle paralyzing toxins	Poisonous fish and sea species	Fish and sea species that are poisonous, live fish, fertilised ova and gametes and fish containing unapproved veterinary drugs	Aquatic species that are poisonous and harmful for human consumption	Food must not contain materials noxious or harmful to human beings such as poisoned fish, agricultural products with excess pesticide residue, and radioactive or chemical materials.

	European Union	Japan	US	China	Korea
Freezing temperature for storage after processing	Not exceeding -9°C	Fish not previously frozen: < 70°F for more than 4 hours 40-70°F for more than 8 hours Fish previously frozen: < 70°F for more than 12 hours 40-70°F for more than 24 hours	0 to -10°C	0 to -4°C immediately after processing Not less than -18°C thereafter	Shall be kept below 10°C
Import quota	No	Yes. Products falling under import quota are herring, cod, yellowtail, mackerel, sardines, scallops and squid in any form	No	No	No
Anti-dumping duty levied on Indian shrimps	No	No	0.84%	No	No

Key growth drivers

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 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 due to the easy availability and larger variety of value-added products being launched in the market.

Rising disposable income. With the increasing per-capita income, demand for exotic seafood, such as oysters and shrimp, is rising. The national per-capita income of major consuming and importing countries such as the United States, Japan and the European Union has risen approximately 1% to 2% on average between 2000 and 2015.

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

Product diversification and technological advancement. Advanced technologies such as individual quick freezing and advanced canning have led to a 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 such as easy-to-open cans and 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 the United States and Canada, Japan and India, the European Union and India, and Japan and Vietnam, encourage exporting countries to access new markets and increase sales.

OVERVIEW OF THE INDIAN SHRIMP PROCESSING INDUSTRY

Evolution of shrimp processing industry in India

In the 1990s, shrimp farming grew rapidly in Asia due to the availability of technology for captive breeding of shrimp and grow-out farming. During this period, while countries such as China, Thailand and Indonesia produced Indian black tiger, India witnessed a boost in its share of production growth in Andhra Pradesh through the

acquisition of technology from these countries. However, this boom in black tiger shrimp production was cut short by the declining black tiger harvests due to the spread of diseases as well as relatively lower farm yields. 2009 was a crucial year for the Indian shrimp industry with the government allowing players to import the high-yielding pacific white leg (*L. vannamei*) shrimp for rearing in their farms. The new shrimp culture proved to be extremely successful in India due to suitable climatic and infrastructural conditions. The new species was disease resistant, offering farmers good yields in neighboring countries such as Thailand, Indonesia and China. Strengthened by this, the industry witnessed higher investments aimed at bringing domestic quality standards on par with global standards, paving the way for India to establish itself as one of the most preferred suppliers globally. Post-2009, the rise in *L. vannamei* shrimp (pacific white leg shrimp) farming in India was accompanied by a significant shortage of shrimp in the United States market due to fortuitous events such as gulf oil spill, Thai crop failure in 2013 and a persistent decline in Chinese production. All these factors boosted demand for white shrimp from India in the United States and south-east Asian markets. Currently, India, with an annual production of approximately 0.6 million MT, is the second largest shrimps producer in the world. However, it became the largest exporter to United States in 2013 and was the leading exporter in the world in 2016.

While Asian countries *viz.* China, India, Indonesia, Malaysia, Vietnam and Thailand have emerged as dominant players in the shrimp farming segment, accounting for more than two-thirds of global farmed shrimp production, India is better placed among these countries to continue its dominance on account of the following reasons:

Favorable geographic and climatic conditions: An abundant 8,118 km long coastline and potential 1.2 million hectares of brackish water have played a key role in cementing India's position as a formidable player in the global seafood industry. Additionally, suitable weather conditions (median temperatures without significant variations, lower vulnerability to floods, cyclones, storms when compared to other Asian countries) are also important factors contributing the growth, going forward.

Focus on quality: The global seafood industry is well-regulated, with shrimp processing units required to obtain various certifications and accreditations such as Best Aquaculture Practices ("BAP"), Hazard Analysis Critical Control Point ("HACCP") in order to export to global markets.

Low farm densities: Adoption of intensive and extensive cultivation methods in India has aided in the prevention of large-scale spread of diseases, ensuring quality control.

Strong institutional support: The Indian government has provided strong institutional support to the aquaculture industry through, among others, the National Fisheries Development Board ("NFDB"), Coastal Aquaculture Authority ("CAA"), Marine Products Export Development Authority ("MPEDA"). States such as Andhra Pradesh and Tamil Nadu offer a number of subsidies/ incentives for the setting up of farms, purchasing of feed, setting up of processing units and tax exemptions, thereby encouraging the spread of aquaculture in the country. Also, every single SPF broodstock imported from the United States for cultivation is mandatorily passed through the central government quarantine facility. This ensures maintenance of required quality standards. Additionally, the budget for fiscal 2019 contains a provision for extending the Kisan credit card ("KCC") to farmers in the fisheries sector to meet their working capital needs. This would extend the benefits of crop loans and interest subvention, available solely to the agriculture sector so far under KCC, to fish rearing. Further, the setting up of a Fisheries and Aquaculture Infrastructure Development Fund ("FAIDF") for the fisheries sector, and an Animal Husbandry Infrastructure Development Fund ("AHIDF") for the animal husbandry sector, have been proposed to finance the infrastructure requirement of these sectors. The total corpus of these two new funds would be ₹ 100 billion.

Disease outbreak in south-east Asian countries: The Indian aquaculture industry also benefitted from the spread of early mortality syndrome ("EMS") in the aquaculture farms of south-east Asia (major exporters of shrimp). The disease, which was detected in Chinese aquaculture farms in 2009, soon started spreading to countries such as Vietnam and Malaysia in 2011, and Thailand in 2012, impacting aquaculture farms in those countries. As aquaculture farms in that region were impacted, they imported seafood from India to fulfill their export obligations and satisfy local demand. This helped establish India's position as a key player in the global seafood industry.

Availability of processing and cold storage facilities: Considering its dependency on export markets, Indian shrimp industry has seen adoption of high-end infrastructure suitable to produce shrimps, which meet the quality standards of these export markets like United States, Europe and Japan. According to MPEDA statistics, as of February 2018, India has 536 processing facilities with a combined installed capacity of approximately 26,000 MT/ day and 287,000

MT of cold storage facilities, which allows for production and storage of export quality shrimp products. Some of the larger Indian players have also ventured into direct marketing of products to the end consumers resulting in a steady customer base for the industry.

Shrimp farming fragmented due to its labour intensive nature

Every aqua farm-producing shrimp for export is enrolled by the MPEDA. Each aqua farm is given a unique ID number recognised by its geo-coordinates through the GIS database developed by MPEDA. Shrimp farming in India is practised by small and marginal farmers. Thus, due to its labour intensive nature farmed shrimp industry is fragmented. Thus, in order to source raw shrimp throughout the year the processing player needs to build trust among the farmer and have a strong procurement network.

White leg shrimp cropping follows a year-round cropping pattern

Most states in India that produce white leg shrimp follow a year-round cropping pattern, as these shrimp are not highly dependent on weather conditions. On the other hand, for tiger shrimp, two crops are practiced in scientific farms, namely, 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 the monsoon.

Introduction of *L. vannamei* proved to be boon for Indian shrimps industry

The introduction of *L. vannamei* (white shrimp) during fiscal 2010 triggered massive expansion in farmed shrimp culture in India due to the suitable climatic and other infrastructural conditions. The average yields rose up to six to eight MT from one to two MT seen in the regime of black tiger culture. Responding to the increased white shrimp production, corresponding expansion in processing capacity also took place by way of new players entering the field while the existing players expanded their processing capacities. Farm yields and economic viability substantially increased on account of lower susceptibility to disease outbreak due to favourable climatic conditions, widespread farming area and compliance to best aquaculture practices. Significant expansion in culture area across all the coastal states also led to flourishing of feed manufacturing and processing capacities and other supply chain infrastructure. Increased compliance to emerging global standards of food production led to India emerging as the second largest producer and leading exporter in the world within a short span of time.

Market sizing for Indian shrimp industry

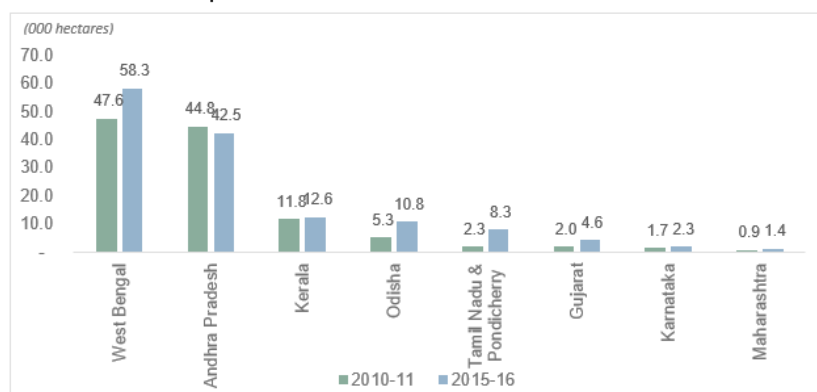
White pacific shrimp accounts for approximately 80% of the overall Indian shrimp market

Over the past few years, increase in production has contributed significantly towards seafood exports from India. In volume terms, aquaculture production stood at 500,581 MT during fiscal 2016, up 15.2% from 434,558 MT during fiscal 2015. During fiscal 2016, pacific white shrimp, with 406,018 MT of production, accounted for approximately 80% of the overall aqua production. It is estimated that pacific white shrimp production at 480,000MT to 500,000 MT in fiscal 2017 with an estimated value of ₹ 155 billion to ₹ 165 billion.

Geographic overview of production

Out of India's 36 states and union territories, only eight account for approximately 98% of national shrimp production: Andhra Pradesh, Tamil Nadu, Kerala, Karnataka, Maharashtra, Gujarat, Odisha and West Bengal. Of these eight, Andhra Pradesh is the leading farmed shrimp producer by far, accounting for more than two-thirds of Indian farmed shrimp production in fiscal 2017. The Arabian sea harvests by Maharashtra and Gujarat fisheries, meanwhile, comprise 63% of Indian wild-capture shrimp production. The state of West Bengal has the largest area under cultivation ("AUC"), followed by Andhra Pradesh and Kerala. Although, West Bengal has the largest 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.

State-wise area under aquaculture cultivation



Over a period of five fiscals from fiscal 2011 to fiscal 2016, shrimp export production from West Bengal registered a CAGR of 12.2%, compared with 35.4% for Andhra Pradesh. While Andhra Pradesh's AUC is lower than West Bengal's, production is high as players in Andhra Pradesh construct proper aquaculture farms. Further, the state's 974 km long coastline, which provides access to 1.24 million hectare ("ha") of brackish water, has helped Andhra Pradesh set up a large number of aquaculture farms, providing an improvement to the shrimp industry since 2009.

In L. vannamei segment, Andhra Pradesh leads in terms of both area under cultivation as well as export production

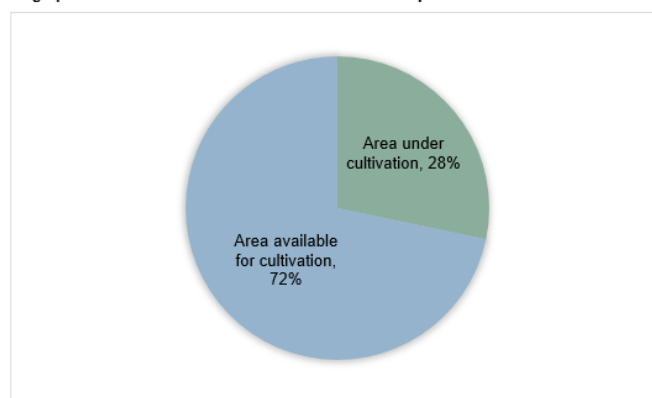
L. vannamei, farming of which started from fiscal 2010, is the largest cultured shrimp in terms of production and productivity. The export production of pacific white leg shrimp is highest from the state of Andhra Pradesh, which also has the largest AUC for white leg shrimp, followed by Tamil Nadu and Gujarat. Andhra Pradesh alone accounted for approximately two-thirds of the area under shrimp cultivation and more than 70% of the export production in India in fiscal 2016. Over a period of five fiscals from fiscal 2011 to fiscal 2016, pacific white leg shrimp export production from the state reached approximately 77% CAGR.

Andhra Pradesh is the largest producer of shrimp

In terms of the number of specific pathogen free L. vannamei farms, Andhra Pradesh attained first place in India over a relatively short period with 87 farms spread across 1,236.3 ha during fiscal 2010 to 699 farms spread across 6,159.6 ha during fiscal 2016. With 699 of these farms, Andhra Pradesh accounts for almost three-fifths of the total water spread area under specific pathogen free L. vannamei farming in India.

Andhra Pradesh has a potential area of approximately 150,000 ha suitable for shrimp farming, of which currently only approximately 42,500 ha (which is less than a third of the available area) is under use. Thus, there exists significant untapped potential of approximately 107,500 ha.

Huge potential exists in Andhra Pradesh in terms of potential area under cultivation



Competitive advantage over other states

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

Favourable government regulations. Favourable government policies support growth and development of the aquaculture industry in Andhra Pradesh, giving it a competitive edge over other states. Subsidies are 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 shrimp processing units.

Abundant brackish water. Andhra Pradesh is endowed with a long coast line of 974 km. Rivers such as Nagavali, Vamsadhara, Godavari, Krishna and 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. This is a good augury for the state as brackish water is imperative for setting up a good and productive aquaculture unit.

Pioneering position in white leg shrimp production in India. Andhra Pradesh, along with Maharashtra and Gujarat, began producing and exporting white leg shrimp in fiscal 2010 (Andhra Pradesh contributed about 96% of the production of white leg shrimp in India). In fiscal 2016, the state contributed about 73% of overall production and remains the leading state in white leg shrimp production. Since it was one of the pioneers in the production of white leg shrimp, the efficiency of units in the state is higher and so is 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 fiscal 2016, the CAA has given permission to 198 L. vannamei hatcheries and the GoI for 17 hatcheries for nauplii (shrimp larvae) rearing in facilities outside the jurisdiction of the CAA.

Adoption of better farm practices. Andhra Pradesh has seen adoption of improved farm practices, which have kept pace with needs of the fast evolving industry and ensured harvest that measure up to stringent quality standards of export markets. The entrepreneurial nature of its farmers has further helped the state consolidate its dominant position.

Andhra Pradesh account for the leading state in terms of farming and processing capacity. Andhra Pradesh alone accounts for approximately three-fifths of the total registered farms and water spread are for SPF L. vannamei farming in the country. Additionally, as per MPEDA statistics, the state also leads in terms of processing and cold storage and freezing capacities in the country. This has facilitated seamless process flow.

Trend in exports

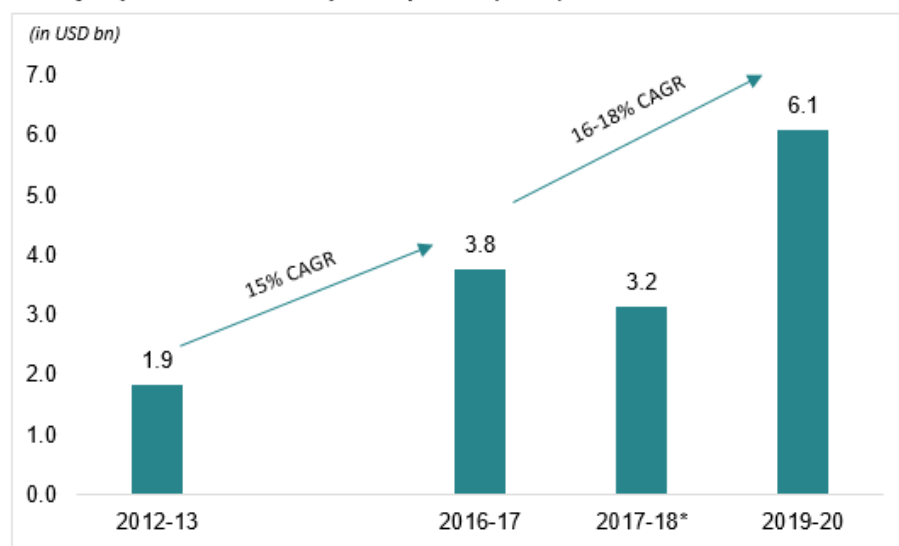
Shrimp exports expected to touch \$6.2 billion by fiscal 2020

The size of the export market for shrimps stood at \$3.8 billion in fiscal 2017, accounting for approximately 65% of the overall seafood exports from India. On the other hand, its size in volume terms was pegged at 434,484 MT, accounting for approximately 38% of the overall seafood export volumes during the year. These figures indicate the comparatively higher realisations earned by shrimps *vis-à-vis* other major Indian seafood export products. In fiscal 2017, the Indian shrimp industry witnessed a strong growth in terms of both volumes as well as realisations.

Overall shrimp exports clocked a robust approximately 16% CAGR between fiscal 2012 and fiscal 2017. During the corresponding period, volumes grew by approximately 10% while realisations grew by approximately 6%. One of the major factors aiding India's growth was the spread of the EMS disease in south-east Asian aquaculture farms. Countries such as Vietnam and Thailand which were major shrimp exporters were impacted by the spread of the disease, benefitting India. The sudden spurt in demand helped Indian exporters, who had the necessary capability and capacity to export the given quantity, thereby obtaining better realisations. Additionally, increased production of L. vannamei, sustained measures to ensure quality and increase in infrastructure facilities for production of value added products has largely aided India's exports growth.

In fiscal 2017, shrimp exports recorded a year-on-year growth of approximately 21.5% in value terms and approximately 15% in volume terms. Over the next three fiscals (fiscal 2018 to fiscal 2020), we expect shrimp exports to record approximately 16% to 18% CAGR in value terms, primarily driven by volumes. Volumes are expected to register approximately 15% to 16% CAGR. Growth in realisations, owing to rising share of value added products in the product mix, is expected to be limited by improvement in shrimp supply in the global seafood market from south-east Asian countries, following the recovery from EMS the region.

Industry exports size for shrimps and prawns (value)



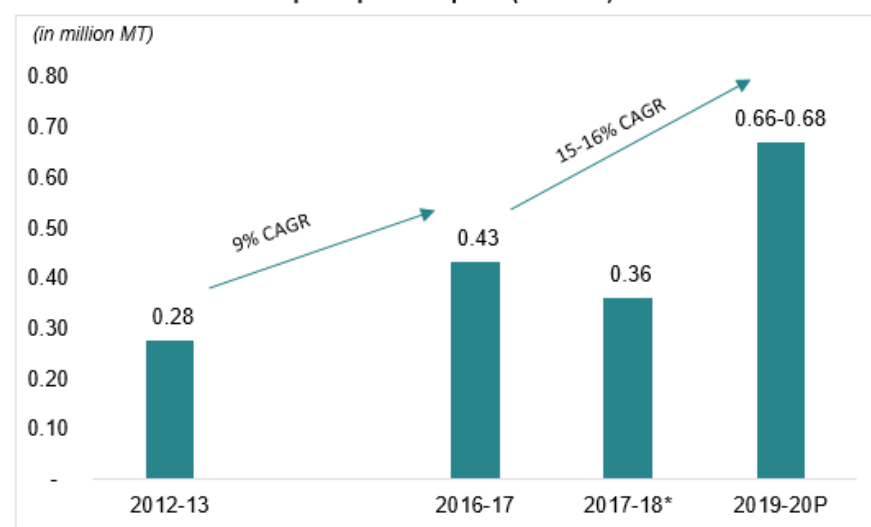
Note: P: Projected

* Data for 2017-18 is for the period of April 2017 to October 2017

HS code 0306 has been used of which shrimp and prawns account for more than ~95% in value terms for fiscal 2017

White leg shrimp account for more than 75% of total shrimp exports in volume terms. Over the last five fiscals from fiscal 2012 to fiscal 2017, the export production volumes for this species registered a robust 72% to 74% CAGR, owing to lower base. Over the next three fiscals from fiscal 2018 to fiscal 2020, on the back of rising demand for pacific white leg shrimp, we expect the overall shrimp export volumes to grow at 15% to 16% CAGR to reach 0.66-0.68 (million MT) by fiscal 2020.

Trend and outlook for shrimp and prawn exports (volumes)



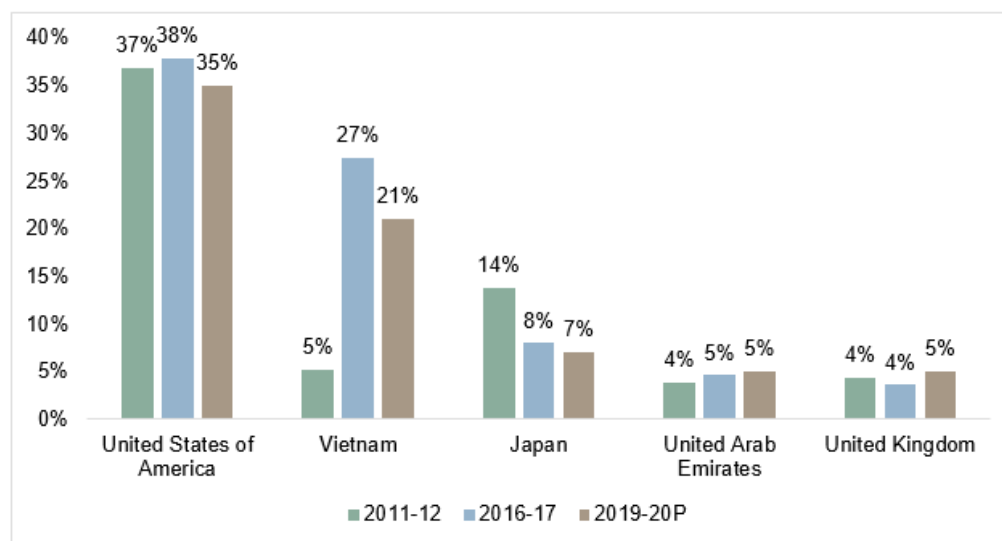
Note: P: Projected

* Data for 2017-18 is for the period of April 2017 to September 2017

HS code 0306 has been used of which shrimp and prawns account for more than ~95% in volume terms for fiscal 2017

The United States, Vietnam, Japan, the United Arab Emirates and the United Kingdom are the top five importers of Indian shrimp. Together, these countries accounted for more than 3/4 of total shrimp exports from India in fiscal 2017. The United States occupied the top position with its shrimp eating population on the rise. Exports to Vietnam rose drastically from fiscal 2015 onwards, compared with fiscal 2011, owing to the spread of the EMS disease in south-east Asia which destroyed aquaculture farms in the country. In order to fulfill its export obligations and satiate local demand, Vietnam upped imports from countries such as India.

Top five export markets for Indian shrimps and prawns (volumes)

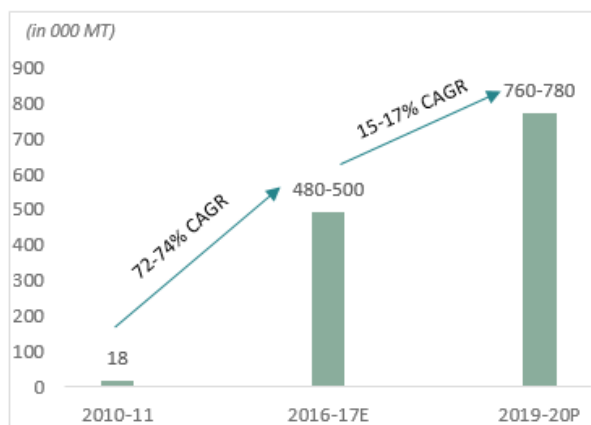


Going forward, it is expected that the demand from the United States and Vietnam will continue to rise. Although the south-east Asian countries are recovering from EMS, it will take some time for them to reach pre-EMS levels of shrimp production. Further, these countries also import seafood products from India and re-export them post value addition.

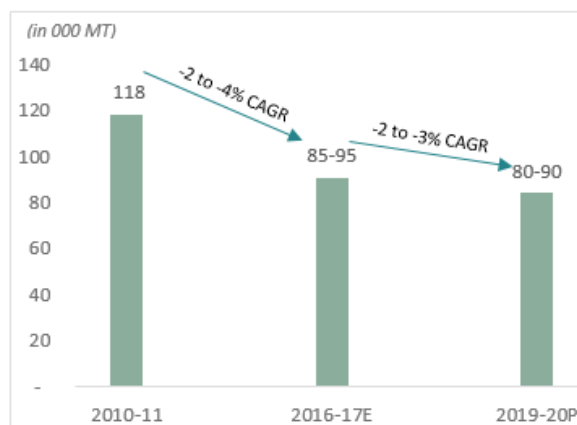
Pacific white leg shrimp production eats into tiger shrimp's share

Production of *L. vannamei* shrimp is increasing at a faster pace compared with tiger shrimp, owing to its higher yield and lower susceptibility to diseases. Between fiscal 2011 and fiscal 2017, the production for exports of white leg shrimp shot up at a CAGR of 72% to 74% to 480,000 MT to 500,000 MT, while that of black tiger shrimp plunged, declining at a CAGR of approximately 3% to 85,000 MT to 95,000 MT. By fiscal 2020, share of white leg shrimp is expected to account for over 90% of total shrimp production for exports, from 84% in fiscal 2017.

Trend and outlook for Pacific white leg shrimp production for exports (volumes)



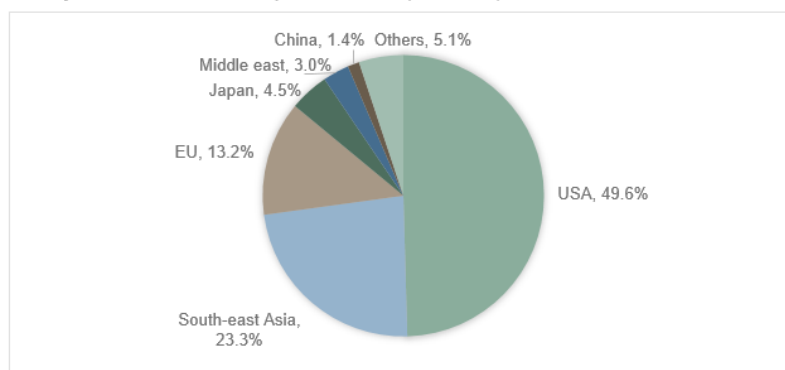
Trend and outlook for Tiger shrimp production for exports



Note: P: Projected; E: Estimated

The export of *L. vannamei* shrimp, a major seafood delicacy, grew 28.5% from 256,699 MT in fiscal 2016 to 329,766 MT in fiscal 2017. In value terms, 49.5% of total *L. vannamei* shrimp was exported to the United States, followed by 23.3% to south-east Asian countries, 13.2% to the European Union, 4.5% to Japan, 3% to the Middle East and 1.4% to China.

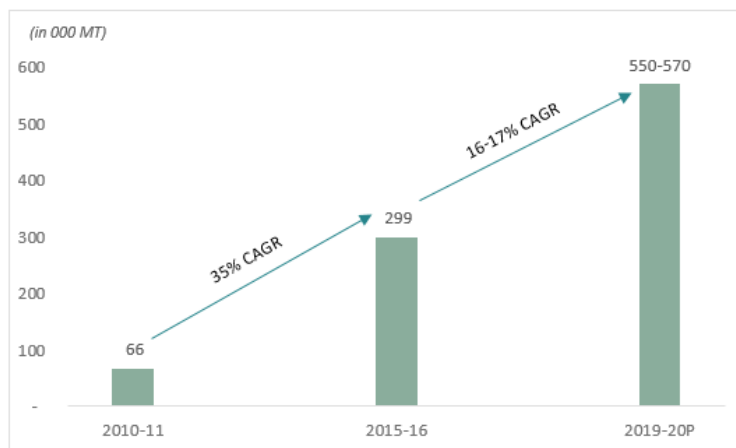
Country-wise share in value of exports from India (fiscal 2017)



Andhra Pradesh dominates shrimp exports

India's shrimp exports grew over fiscal 2011 to fiscal 2016 on the back of high growth witnessed by Andhra Pradesh during the corresponding period. During these five fiscals, the state's production for exports grew at a CAGR of approximately 35% from approximately 65,000 MT to approximately 300,000 MT. Over the next three years, it is expected that Andhra Pradesh's volumes with respect to production for exports to grow at a CAGR of 16% to 17% to 550,000 MT to 570,000 MT by fiscal 2020.

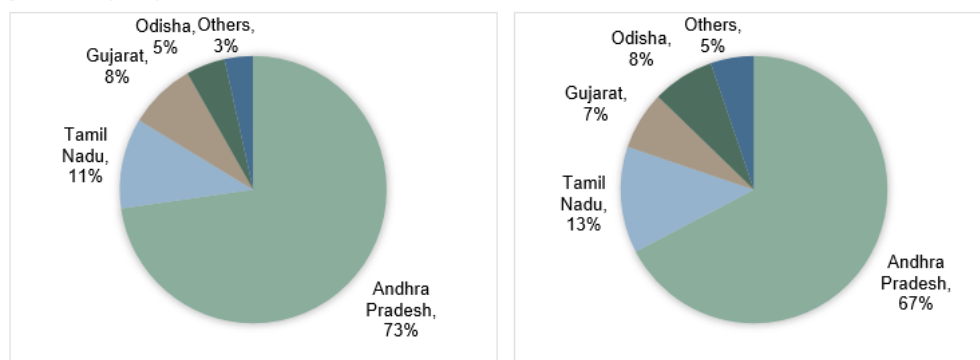
Trend and outlook for production for shrimp exports for Andhra Pradesh (volume terms)



Source: APSP

Andhra Pradesh accounts for more than three-fourth share of the overall white leg shrimp export production as well as area under cultivation.

State-wise share in pacific white leg shrimp in export production (FY16) State-wise share of AUC (hectare) (FY16)



Growth drivers and key risk factors

Ease of cultivation and better realisations to drive growth

Demand for 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, farmers are scaling up the produce of white shrimps, as they are easy to cultivate and command high export realisations. Some of these factors are elaborated below:

Growth drivers

Fast growth and easy to cultivate. Owing to their less aggressive nature, white leg shrimps can be cultivated in high densities such as 150 per square meter (“sq. m.”) as compared to 25 to 40 per sq. m. for black tiger shrimps. White leg shrimps are also tolerant to wide range of salinities of 0.5 parts per thousand (“ppt”) to 45 ppt, compared to black tiger shrimps which can tolerate salinity levels of 15 ppt to 20 ppt. Such advantages have led to a greater adoption of the white leg shrimps cultivation and consequently growth of the overall shrimps industry.

High survival rate. White leg shrimps show approximately 50% to 60% survival rates in hatchery, which are much higher, compared to black tiger shrimps and are more tolerant to low temperatures up to 15 degree centigrade. In comparison with black tiger shrimps, white leg shrimps are also more robust and resistant to diseases on account of several selective breeding programs which genetically improve their resistance to diseases.

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

Largely unexploited area for cultivation. India has approximately 1.2 million hectares of brackish water, with only 10% to 15% of it being currently utilized for aquaculture. Thus, there is significant potential for industry to grow in order to meet increasing demand.

High farm yield due to better management practices. Appropriate site selection and farm construction, good practices in farm management right from pond preparations to harvest and post-harvest management among Indian farmers has led to improvement in farm yields during the last few years. Continuous improvement and adoption of farm practices is expected to give higher yields and thus, result in overall industry growth.

Increased public investments. Increase in public investments in shrimp industry will provide further boost to the industry going forward. The budget for fiscal 2019 has provided for setting up of a Fisheries and Aquaculture Infrastructure Development Fund (“FAIDF”) for the fisheries sector, and an Animal Husbandry Infrastructure Development Fund (“AHIDF”) for the animal husbandry sector, to finance the infrastructure requirement of these sectors. The total amount of these two new funds would be ₹ 100 billion. These funds will go a long way in further improving the infrastructure capabilities of the shrimp industry.

Strong consumption demand globally. Per capita consumption of shrimps is increasing globally owing to their unique taste, ease of availability and rising preference for protein rich food. Apart from the wet market, demand for VAP is also high for white leg shrimps. The United States, Europe and Japan, which drive global shrimp consumption, have seen strong demand for Indian shrimps.

Diversification of product lines and foray into value added products. Due to the availability of better packaging and processing facilities, seafood players have diversified into value added products, namely, 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 than other seafood, many players have undertaken shrimp cultivation to cater to rising demand. In fiscal 2016, shrimp export realisations were about US\$ 8.3 per kg *vis-à-vis* cattle fish, squid and finfish, which provided realisations of US\$ 3.8 per kg, US \$3.0 per kg and US\$ 2.3 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.

Increase in high-end restaurants with increasing urbanisation in the domestic market. With rising urbanisation, high-end restaurants in tier 1 and tier 2 cities have expanded with extensive seafood menus. These restaurants are increasingly diversifying their offering into exotic preparations of seafood such as shrimp and oyster as they fetch better realisations.

Key challenges and risk factors

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. *L. vannamei* is highly susceptible to a number of viral pathogens such as white spot syndrome virus, taura syndrome virus, yellow head virus, infectious hypodermal haematopoietic necrosis virus, lymphoid organ vacuolization virus and reo like viruses, which are difficult to treat. Specific Pathogen Free (“SPF”) stock has been developed counter the presence of virus in the seed. Although SPF shrimps are, by definition, free of all specifically listed pathogens, there exists a possibility that they may be infected with a known pathogen that is not included on the SPF list of the shrimp supplier, or with an unknown pathogen that has not yet been described.

Highly vulnerable to oxygen deprivation. Continuous aeration is required to maintain a conducive environment for growth. Deficiency of oxygen may cause suffocation and loss of normal transparency in muscles. Also, in case of low oxygen, shrimp may surface and congregate along shores where they become vulnerable to bird predation.

High competition in the international market. Owing to ease of cultivation and maintenance, white leg shrimps are produced in most exporting countries, leading to fierce competition. Though India has gained leadership position in the export market over the last few years, other south-east Asian countries are also vying for a share and can hamper India's share.

Adverse regulatory environment in key export markets. Exports account for majority of India's shrimp industry revenue. Any adverse regulatory changes or policy interventions in exports markets would significantly impact the industry. An increase in anti-dumping duty in these markets could severely impact the Indian shrimp industry since it is largely dependent on exports.

Disease outbreak. India has not been severely affected by diseases largely on account of various measures taken such as low farming densities, adoption of modern farm management practices, stringent regulatory environment and the inherent resistance of the white leg shrimp species itself. However, abusive farm practices can still lead to spread of diseases and thus preventive care is necessary.

Import ban due to residues of banned substances. There is a high possibility of certain key export markets imposing a ban on import of products which are found to be containing residues of banned substances or presence of substances beyond the tolerance levels. To prevent this, MPEDA has taken following measures: (a) pre-harvest testing of aquaculture products to supply antibiotic-free shrimp and other fish products; (b) set up 20 ELISA screening labs to check antibiotic residues with 20 more outposts for last mile connectivity; (c) the National Residue Control Program monitors the residues of aquaculture drugs and environmental contaminants.

Uncertain environmental conditions impact production levels. Conducive climate is one of the most critical factors driving high production of shrimps in India. Abrupt changes in temperature and strong winds disrupt the required balance in environment and lead to erosion of pond banks.

Sustaining export quality. Indian shrimps are in demand in the United States, Europe and Japan due to the high quality standards maintained for shrimps over the years on account of stringent domestic regulatory framework and a conducive environment. However, any slip-up in maintenance of these quality standards can lead to decline in export demand.

Perishable nature. Shrimps, being a perishable commodity, need to be preserved by keeping them in cold storage, which helps in retaining their quality and taste. Shrimp properly preserved and stored in a cold storage has a shelf life of around two years. Thus, availability of cold storage facilities is critical to the industry.

Key success factors

Attractive prices. High global prices for *L. vannamei* shrimp over the past few years have made the industry lucrative. Higher realisations are important in order to sustain the business and earn reasonable margins.

Share of VAP in product portfolio. VAP helps obtain better realisations and margins compared with non-processed products since it helps cater to high value customers such as food chains and supermarkets. Thus, it is preferable to have a higher share of VAP in the export portfolio.

Farm practices. There has been an emergence of farming techniques to ensure prevention of disease outbreaks. Farmers are adopting suitable measures at each stage of the farming activity including in designing of the pond, pond preparation practices, shrimp seed procurement and stocking, selection of feed, maintenance of the pond, water management and water fertilization. Regulatory agencies, namely, MPEDA, also issues guidelines and notifications to update various stakeholders on better farm management practices.

Trust and confidence of farmers. Farmers are an important stakeholder for players engaged in shrimp business. They form a critical part of the overall shrimp value chain as they are a consumers of the shrimp feed as well as a supplier of raw farmed shrimp.

Processing technologies and scale of operations. Since, majority of shrimps produced in India are exported to markets such as the United States, Europe and Japan, it becomes critical for the players in processing segment to have appropriate technologies installed to sell shrimp products of requisite international quality and standards. In addition, players also need to have scale of operations significant enough to leverage on the abundant availability of raw materials as well as demand opportunities.

Direct marketing to end users. The Indian exporters can earn higher realization on their products by opting for direct marketing of their products to end users instead of selling it to intermediaries, such as, importers, distributors and wholesalers. However, this is possible only for larger players who are not constrained by financial and managerial capability.

Availability of resources. Availability of farm labour at a reasonable cost as well as other inputs such as land and power are essential to improve competitiveness of a shrimp processing business.

Hygienic storage and quality control. Maintenance of adequate hygienic standards is essential since the lack of it may lead to post harvest wastage as well as affect the reputation in key export markets of, amongst others, the United States and Japan.

Research and development. Lack of adequate research and professional education in aquaculture and seafood can hamper quality standards, which are critical for exports. In order to seize the momentum and maintain its dominant position in the global shrimps market, India has focused on investments in research and development as well as professional education in the field of aquaculture such as various training programmes conducted by, amongst others, MPEDA and CIBA. This has proved critical in emergence of improved farming techniques and processing technology, ensuring that Indian products live up to the export quality standards.

Government subsidies and incentives. Several subsidies by state governments for construction and development of ponds, and India's free trade agreement ("FTA") with Japan favour India's exports over other exporting countries. Thus, government support helps in lower capital investment and give a competitive advantage over other countries in terms of export trade.

Government Regulations

Government incentives in the form of Merchandise Exports from India Scheme and duty drawback

The GoI has introduced the Merchandise Exports from India Scheme ("MEIS") through the Foreign Trade Policy ("FTP") 2015 to 2020 with effect from April 1, 2015. MEIS is a simplification of and merger of reward schemes by the Ministry of Commerce for rewarding merchandise exports with different kinds of duty scrips with varying conditions attached to their use. The five different schemes merged in MEIS are Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agriculture Infrastructure Incentive Scrip and Vishesh Krishi Gram Udyog Yojana. Rewards under MEIS are payable as a percentage (2%, 3%, 4%, 5% or 7%). The MEIS duty scrip can be transferred or used for payment of a number of duties/ taxes including the customs/ excise duty/ service tax. Scrips and inputs imported under the scrips are also fully transferable providing flexibility to Indian exporters. Notified goods (as listed in the MEIS) exported to notified markets would be rewarded on realised FOB value of exports. The three categories of markets present in the MEIS are as follows:

- Category A: Traditional Markets (30): European Union (28), the United States and Canada;
- Category B: Emerging and Focus Markets (139): Africa (55), Latin America and Mexico (45), Commonwealth of Independent States countries (12), Turkey and west Asian countries (13), Association of Southeast Asian Nations countries (10), Japan, South Korea, China and Taiwan; and
- Category C: Other markets (70).

MEIS Reward rates for shrimps (in %)

HS code	ITC (HS) code	Description of goods	Country Code A	Group	Country Code B	Group	Country Code C	Group
030616		Coldwater shrimps and prawns (Pandalus spp, Crangon crangon)						
	03061610*	Accelerated Freeze Dried (Afd)		7		7		7
	03061690*	Other		7		7		7
030617		Other shrimps and prawns:						
	03061711*	Accelerated Freeze Dried (Afd)		7		7		7
	03061719*	Other Scampi		7		7		7
	03061790*	Other shrimps and prawns		7		7		7
030626		Coldwater shrimps and prawns (Pandalus spp, Crangon crangon)						
	03062600	Coldwater shrimps and prawns (Pandalus Spp., Crangon Crangon)		5		5		5
030627		Other shrimps and prawns						
	03062710	Powdered		5		5		5
16052		Shrimps and prawns						
160521		Not in airtight container						
	16052100*	Not In Airtight Container		7		7		7
160529		Other						
	16052900*	Other Shrimps and prawns		7		7		7

* Amendments to Appendix 3B Foreign Trade Policy 2015-2020 vide public notice no. 44/2015-2020, dated December 5, 2017. The revised rates shall be applicable for exports made with effect from November 1, 2017 to June 30, 2018.

Duty drawback on shrimps in India

The all industry rates of duty drawback effective from October 1, 2017 are as follows:

HS code	Description of goods	Unit	Drawback rate	Drawback cap per unit in ₹
030601	Shrimp/prawn in frozen form other than Accelerated Freeze Dried (AFD)	kg	2.7%	21.6
030602	Accelerated Freeze Dried (AFD) shrimp / prawn	kg	2.1%	57.2
160501	Shrimp/prawn in frozen form other than Accelerated Freeze Dried (AFD)	kg	0.8%	6.4
160502	Accelerated Freeze Dried (AFD) shrimp / prawn	kg	0.4%	10.9

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors affecting our Results of Operations” on pages 17 and 349, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 196.

Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Nekkanti Sea Foods Limited on a consolidated basis and references to “the Company” or “our Company” refers to Nekkanti Sea Foods Limited on a standalone basis.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report “Shrimp Processing Industry in India” dated March 2018 (the “CRISIL Report”) prepared and issued by CRISIL Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are among India’s leading processors and exporters of processed frozen shrimp products with over three decades of operations (*Source: CRISIL Report*). We have been consistently profitable since incorporation and have declared dividends for more than 25 years of our operations. We serve customers in the packaged food industry, food service companies and distributors catering to the retail segment with a focus on exports to the United States and Europe.

In Fiscal 2017, we had a volume share in the Indian shrimp industry of 2.49% with a value share of 3.31% of the total exports in such periods (*Source: Based on information derived from the CRISIL Report*). Our revenues from operations have grown at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. In comparison, India’s shrimp exports grew at a CAGR of 15% over fiscal 2013 and 2017 (*Source: CRISIL Report*).

As of the date of this Draft Red Herring Prospectus, we own and operate three processing facilities located along the coastal belt of Andhra Pradesh. Andhra Pradesh is India’s leading farmed shrimp producer by far, accounting for more than two-thirds of Indian farmed shrimp production in 2016 - 2017 (*Source: CRISIL Report*). Our processing facilities have been accredited by leading global certification bodies including Best Aquaculture Practices (“**BAP**”), Aquaculture Stewardship Council (“**ASC**”), British Retail Consortium (“**BRC**”) and International Feature Standard (“**IFS**”). We are also in the process of commissioning another processing facility located at Kothapatnam, Nellore, which is expected to be operational by July 2018. Our processing facilities are also approved by the customers who source their shrimp products from us, and certified by various regulatory bodies, including the Export Inspection Agency, the Marine Products Exports Development Authority and United States Food and Drug Administration. We source raw shrimp used in our processing facilities from third party farms, as well as our ASC certified shrimp farms spread across 330 acres.

Our products are broadly classified into the following four categories, based on extent of processing required for such products:

Shell-on Products. These products include head-on shell-on shrimps and headless shell-on shrimps. In Fiscal 2017 and in the nine months ended December 31, 2017, shell-on products accounted for 9.71% and 10.32%, respectively, of our revenue from operations in such periods.

Peeled Products. These products are ready-to-cook range of shrimp, and include raw shell-on easy peel, raw peeled deveined tail-on and raw peeled deveined tail-off shrimps. In Fiscal 2017 and in the nine months ended December 31, 2017, peeled products accounted for 80.39% and 76.19%, respectively, of our revenue from operations in such periods.

Cooked Products. These products are ready-to-eat range of shrimp and include cooked easy peel, cooked peeled deveined tail-on and cooked peeled deveined tail-off products. In Fiscal 2017 and in the nine months ended December 31, 2017, cooked products accounted for 7.85% and 12.80%, respectively, of our revenue from operations in such periods.

Breaded and Other Products. Breaded shrimps are value-added products that involve additional processing, such as coating with breadcrumbs and frying before being individually quick frozen (“IQF”). Other products include butterfly, skewered and Nobashi shrimp products. In Fiscal 2017 and in the nine months ended December 31, 2017, breaded and other products accounted for 2.05% and 0.69%, respectively, of our revenue from operations in such periods.

Our products are frozen using individual quick freezing or block freezing technology. Our IQF products represented 88.67% and 89.31% of our revenue from operations in Fiscal 2017 and in the nine months ended December 31, 2017, respectively.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 our revenue from operations were ₹ 6,860.94 million, ₹ 7,741.50 million, ₹ 8,302.07 million and ₹ 10,747.60 million, respectively. Our EBITDA was ₹ 812.61 million, ₹ 556.03 million, ₹ 944.01 million and ₹ 1,817.33 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017. Our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million, respectively in such periods.

Competitive Strengths

We believe that the following are our primary competitive strengths:

Our position as a leading processor and exporter of value added shrimps

We are among India’s leading processors and exporters of processed frozen shrimp products with over three decades of operations (*Source: CRISIL Report*). In Fiscal 2013, we exported 5,468.75 MT of shrimp products while our export of such products increased to 10,716.02 MT in Fiscal 2017. Our market share in relation to exports of shrimp products was 1.95% and 2.49% in Fiscal 2013 and 2017, respectively (*Source: Based on information derived from the CRISIL Report*). Of the total processed shrimp exported from India to the United States, our market share in overall exports was 6.81% and in value-added products was 9.35% in 2017 (*Source: Based on information derived from the CRISIL Report*).

The table below sets forth the contribution of value-added products to our revenue from operations in the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine Months ended December 31, 2017
Value	85.03%	90.83%	90.29%	89.68%
Volume	84.25%	90.60%	87.77%	87.11%

Our processing facilities have been accredited with various certifications relating to quality and health and safety standards. We were the first company to be certified by the Aquaculture Stewardship Council in India for our shrimp farms. Our processing facilities have been accredited by leading global certification bodies including BAP, ASC, BRC and IFS. We have increased our total installed processing plant capacity (comprising block frozen and IQF and cooked) from 60.00 MT per day as of March 31, 2015 to 110.40 MT per day as of December 31, 2017. We follow sustainable sourcing practices by interacting with shrimp farmers and educating them on measures to increase yield and realization. The use of chemicals and antibiotics and feed ingredients used by farmers is reviewed by our internal audit teams, while we have laboratory facilities at each of our processing facilities to ensure the quality of

shrimps we process. We were awarded the second highest export performance of frozen shrimp for fiscal 2015 at the 20th India International Seafood Show, 2016 in Visakhapatnam.

We believe that our large processing capacity, sourcing network, certified processing capabilities and customer focus have enabled us to scale up our operations while maintaining the quality of our shrimp products. We have been able to penetrate the United States and European markets that are believed to have high standards for manufacturing, social and environmental compliance and food safety and traceability standards. As a result, our revenues from operations have grown at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. In comparison, India's shrimp exports grew at a CAGR of 15% over fiscal 2013 and 2017 (*Source: CRISIL Report*).

Strong product and market mix

Our product portfolio includes a wide variety of value-added shrimps with a strong focus on the United States. Our products include shell-on and value-added products such as peeled, cooked as well as breaded and other products including butterfly, skewered and Nobashi shrimp.

The United States is the largest importer of shrimp products globally. In value terms, the import of shrimps to the United States was worth US\$ 6.5 billion in 2017. The value of imports in the United States increased at CAGR of 8% between 2012 to 2017 from US\$ 4.5 billion in 2012 to US\$ 6.5 billion in 2017. Value-added shrimp products accounted for 62%, 62% and 64% in 2015, 2016 and 2017, respectively. (*Source CRISIL Report*) We have a strong focus on export of value-added shrimp products to major consumer markets, in particular the United States. Our exports to the United States in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 accounted for 79.91%, 92.01%, 87.64% and 89.71%, respectively, of our total exports. We have a strong focus on value-added products in the United States market indicated by our product mix focus towards value-added products compared to the overall market. Value-added products exported by our Company to the United States accounted for 89.05%, 92.51%, 94.17% and 92.94% in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively.

We believe that our realization from sales in the United States is higher than the industry average primarily because of our focus on value-added products. (*Source: Based on information derived from the CRISIL Report*) The table below sets forth our realization rates per MT (i.e. our revenue from operations from exports to the United States divided by total volume of shrimp product sales into the United States) in comparison to the overall United States shrimp import realization rates in the periods indicated:

(US\$/MT)			
Particulars	2015	2016	2017
Our exports to the United States	10,647.10	11,181.19	11,596.74
Overall shrimp imports by the United States [#]	9,287	9,432	9,839

[#] Source: CRISIL Report

Established customer base and strong relationships

We have long established relationships with our key customers. We have developed direct relationships with leading packaged food players such as Rich Products Corporation, High Liner Foods and King & Prince Seafood. We are the exclusive supplier from India to Rich Products Corporation, a United States multinational food corporation. In addition, we have been selected as a strategic supplier for Rich Products Corporation for a period of five years commencing in 2018. We are also one of the largest shrimp suppliers from India to High Liner Foods Incorporated for the past five years and a key partner for their aquaculture business. In the retail segment, Eastern Fish Company has been our customer for 15 years, through whom our products are supplied to leading supermarkets in the United States and Europe. In the food services segment, we were the largest supplier in 2016 and 2017 from India to Arista Industries Inc. and have been packing shrimp products for its various brands, including Portico Bounty. In India, we have entered into a strategic arrangement with Barbeque Nation Hospitality Limited to act as an exclusive supplier of processed frozen shrimp in India until 2020.

We believe the sale of our products to premium customers in the United States has strengthened our position in the shrimp processing industry. The table below sets forth our realization rates per MT from the export of our shell-on, peeled and cooked products to the United States compared to the realization rates for overall imports to the United States of similar products in 2017:

(US\$/MT)

Particulars	Shell-on	Peeled	Cooked
Our exports to the United States	10,496.12	11,523.99	12,920.71
Overall shrimp imports by the United States [#]	9,661	9,899	11,248

Source: CRISIL Report

Our customers implement stringent quality checks in the selection of suppliers. For example, our customers require that the processing facilities from where shrimp is sourced are certified by various regulatory authorities such as, the Export Inspection Agency and the United States Food and Drug Administration. We believe that our ability to meet customers' stringent quality requirements and delivery schedules, maintain our relationship as a key supplier, and develop long-term relationships with many of our key customers, enables us to continue to retain business from our customers. In Fiscal 2017 and in the nine months ended December 31, 2017, revenue from operations from our top five customers was ₹ 5,314.16 million and ₹ 6,671.04 million, respectively, representing 64.01% and 62.07%, respectively, of our revenue from operations in such periods. We believe that our established customer base has been instrumental in our success to date, and will be an integral driver for future growth.

Strategically located processing facilities

As of the date of this Draft Red Herring Prospectus, we own and operate three processing facilities located along the coastal belt of Andhra Pradesh. Andhra Pradesh is India's leading farmed shrimp producing state, accounting for more than two-thirds of Indian farmed shrimp production in 2016 - 2017 (Source: CRISIL Report). Being located in the state of Andhra Pradesh provides us with a significant advantage. Andhra Pradesh's 974 kilometer long coastline provides access to 1.24 million hectares of brackish water, which has helped Andhra Pradesh set up a large number of aquaculture farms and has provided a boost to the shrimp industry since 2009 (Source: CRISIL Report). Our processing facility in Marikavalasa is located in close proximity to the Vishakhapatnam port. We are also in the process of adding another processing facility in Kothapatnam that is in close proximity to the Krishnapatnam port. The location of our facility in close proximity to the port ensures lower transportation costs. Our facilities at Ethakota and J Thimmapuram are located close to the shrimp farms operated by us and also benefit from the large network of third party shrimp farms in the region. Our strategically located processing facilities ensure adequate and cost-effective supply of shrimps, our primary raw material, as well as transportation of finished products, thereby enabling us to leverage economies of scale. We also benefit from favourable policies implemented by the government of Andhra Pradesh.

Consistent track record of financial performance

We have over the years maintained a consistent track record of financial performance. We believe that our focus on value-added products, quality and sustainable sourcing model, certified operations and customer focus have resulted in the significant growth in our business.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 our revenue from operations were ₹ 6,860.94 million, ₹ 7,741.50 million, ₹ 8,302.07 million and ₹ 10,747.60 million, respectively. Our revenue from operations have increased at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. We have been consistently profitable since incorporation and have declared dividends for more than 25 years of our operations. Our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively. In addition, our EBITDA was ₹ 812.61 million, ₹ 556.03 million, ₹ 944.01 million and ₹ 1,817.33 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, respectively. In Fiscal 2015, 2016 and 2017, Return on Average Capital Employed was 65.60%, 32.34% and 38.50% respectively, while Return on Net Worth was 36.19%, 18.52% and 24.71% respectively.

Experienced and dedicated management team

We benefit from the experience of our Promoters and the senior management team who have extensive knowledge in shrimp procurement, processing and marketing activities. Our Promoters are actively involved in our operations, and along with our senior management have been instrumental in implementing our growth strategies and expanding

our business through various initiatives including broadening our distribution channel, and increasing our product sales.

Members of our Board and other key operating personnel possess extensive operating and industry experience. Our Chairman and Whole-time Director, Nekkanti Seetha Ramachandra Murty has over four decades of experience in the aquaculture business and has contributed significantly to our growth. Nekkanti Venkat Rao, Managing Director has been responsible for the overall performance of our Company, including developing and implementing strategic plans. Nekkanti Mahesh, Joint Managing Director and Whole-time Director has been leading our Company's efforts in capacity expansion, production and human resource management and has been associated with our Company since 2010. Motamarri Nagesh, Director has been with our Company for 25 years and is responsible for finance and accounting in addition to banking, taxation and auditing functions. We believe that the vision and extensive experience of our management team, coupled with our in-depth industry knowledge and understanding of the market through our daily operations, are essential to our success.

Business Strategies

Consolidate our market share by moving up the value chain

Overall global imports of shrimps in 2016 were valued at US\$ 22.25 billion with higher value-added products like prepared or cooked, breaded and other shrimps accounting for US\$ 5.13 billion. The value of global import of raw frozen shrimp products (that includes raw shell-on and raw peeled products) in 2013, 2014, 2015 and 2016 was US\$ 15.93 billion, US\$ 19.06 billion, US\$ 16.09 billion and US\$ 17.12 billion, respectively. The value of global import of prepared or cooked and breaded shrimp products in 2013, 2014, 2015 and 2016 was US\$ 5.13 billion, US\$ 5.31 billion, US\$ 4.62 billion and US\$ 5.13 billion, respectively. Although India is the largest exporter of shrimps in the world, and had an overall value share of approximately 21% in 2016, value of exports of prepared or cooked, breaded and other shrimps from India accounted for only US\$ 0.25 billion representing approximately 5% of the global imports of similar products. (Source: CRISIL Report)

We believe we are well positioned to address the market opportunity in the export of value-added frozen shrimps, particularly the value-added products such as prepared or cooked, breaded and other shrimps which involve better margins. We continue to focus on the value-added shrimp market and customer requirements in this segment. Consistent with our overall business strategy, we continue to increasingly focus on value-added products and intend to further move up the value chain with market and client specific strategies.

The table below sets forth the relative proportion of revenue from operations from our different product segments in the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Nine Months ended December 31, 2017
Raw frozen shrimp [#]	94.59%	92.94%	90.10%	86.51%
Prepared or cooked and breaded shrimp	5.41%	7.06%	9.90%	13.49%

[#]Includes raw shell-on and raw peeled products

We intend to consolidate our position across our three principal market segments, *i.e.*, packaged food companies, food services and retail. We intend to leverage our existing relationships with players within each of these segments and grow our market share, particularly focusing on value-added products.

We continue to develop strategic association with select client accounts to grow our share of value-added products and consolidate our market position across the various segments. In the packaged foods segment, we are exclusive suppliers to Rich Products Corporation, a U.S. multinational food company. In addition, we have been selected by Rich Products Corporation as a strategic supplier for a period of five years commencing in 2018 and intend to engage closely with them to further develop our value-added processing capabilities. We are also one of the largest shrimp suppliers from India to High Liner Foods Incorporated for the past five years and a key partner for their aquaculture business. In the food services segment, we were the largest supplier in 2016 and 2017 from India to Arista Industries Inc. and have been packing shrimp products for its various brands, including Portico Bounty. In the retail segment, we have been one of the major suppliers from India in the last five years to Eastern Fish Company LLC for sale of products in leading supermarkets in the United States and European Union. In order to address

customer requirements, we have increased our total installed processing capacity (comprising block frozen and IQF and cooked) from 60.00 MT per day as of March 31, 2015 to 110.40 MT per day as of December 31, 2017. We plan to further increase our processing capacity by commissioning an additional processing facility at Kothapatnam, Nellore, with an installed processing capacity (comprising block freezing and IQF) of 50.00 MT per day in Fiscal 2019.

Expand our presence in the domestic market

The market in India for organized seafood, and shrimps in particular, is at a very nascent stage. The annual per capita consumption of seafood for the entire population in India is estimated at 6.6 kilograms compared to 20.8 kilograms per capita of the global average (*Source: CRISIL Report*). We intend to leverage the significant growth potential in the Indian seafood market and cater to the growing demand for shrimp. The Indian seafood market is currently predominantly served by wet or fresh supply. We intend to target the out-of-home consumption segment, in particular premium food service companies. We have entered into a strategic arrangement with Barbeque Nation Hospitality Limited, a large restaurant chain in India, as an exclusive supplier for their shrimp requirements. As part of this arrangement, we are also entitled to co-brand our products, with the option to display our brand on restaurant menus operated by Barbeque Nation. Consistent with our focus on increasing awareness about our products at the end consumer level, we intend to further grow our brand and increase our presence in the Indian market with similar strategic arrangements. We intend to leverage such increased brand awareness to eventually launch our own branded products for retail customers in India.

Focus on value chain integration

We intend to selectively expand into other parts of the shrimp processing value chain based on the requirements of our customers. We believe that such selective expansion will allow us to augment our current value proposition. As part of our strategy, we intend to operate additional shrimp farms with ASC and BAP certification to cater to the premium market segment in the United States and Europe. We also intend to set up hatcheries to enable us to better control our supply chain. We believe that these measures will enhance our ability to deliver quality products and meet the stringent quality and traceability requirements of our customers in the premium market segment. We believe that an increased presence across the value chain will enable us to further improve our overall realization rates as well as profitability.

Pursue strategic inorganic growth opportunities

We continue to evaluate strategic inorganic growth opportunities in India and in international markets, consistent with our strategy to further grow and develop our market share and product portfolio. We will pursue opportunities where such acquisitions or arrangements will add value to our business, stakeholders and customers. These inorganic growth opportunities may include acquisitions, joint ventures, strategic partnerships as well as acquisition of brands and / or processing facilities. We continue to target strategic acquisition opportunities that will enable increased access to customers and enable us to consolidate our market position with an extensive sales and distribution network.

Our Products

Our products are broadly classified into the following four categories, based on extent of processing required for such products:

Shell-on Products. These products include head-on shell-on shrimps and headless shell-on shrimps. Shell-on products from India are principally targeted at Asian and South East Asian markets. These products usually involve further re-processing in Vietnam, Thailand or China for sale to end customers in developed markets. Another key market for shell-on products include the unorganized food services players in the United States. In 2016 and 2017, the shell-on variety constituted 38% and 35%, respectively, of the overall shrimp imports for the United States, the largest importer of shrimps globally (*Source: CRISIL Report*).









Peeled Products. These products include raw shell-on easy peel, raw peeled deveined tail-on and raw peeled deveined tail-off shrimps. Raw peeled is the first stage of value addition and enjoys a margin premium over shell-on products. Peeled products are primarily targeted at three segments, viz., packaged foods, retail and food services.





Peeled variety is the largest product segment, with exports to the United States estimated at approximately US\$ 2.34 billion and US\$ 2.73 billion in 2016 and 2017, respectively, forming approximately 41% and 42% of overall shrimps import to the United States in such periods (*Source: Based on information derived from the CRISIL Report*).

Cooked Products. These products include cooked easy peel, cooked peeled deveined tail-on and cooked peeled deveined tail-off products. Shrimps are cooked in steam before being individually quick-frozen and packed in retail bags. Cooked shrimps are primarily targeted at retail and packaged food segments focusing on the growing at-home consumption. The value of export of cooked shrimps to the United States was estimated to be approximately US\$ 0.91 billion and US\$ 1.11 billion in 2016 and 2017, respectively (*Source: Based on information derived from the CRISIL Report*).

Breaded and Other Products. Breaded shrimp products are value-added products that undergo additional processing, such as coating with breadcrumbs and frying before being individually quick-frozen. Other products include butterfly, skewered and Nobashi shrimp products. These products are primarily targeted at the packaged food segment.

The following table describes our various product categories:

Product Form	Product Category	
Shell-on Products <i>Pre-processed</i>	Raw head-on shell-on	
	Raw headless shell-on	
Peeled Products <i>Stage I value addition</i>	Raw shell-on easy peel	
	Raw peeled deveined tail-on	
	Raw peeled deveined tail-off	
Cooked Products <i>Stage II value addition</i>	Cooked easy peel	
	Cooked peeled deveined tail-on	
	Cooked peeled deveined tail-off	

Product Form	Product Category	
Breaded and Other Products <i>Stage III value addition</i>	Butterfly	
	Breaded	
	Skewered	
	Nobashi	

The following table sets forth certain information relating to revenue from operations from our various product categories in the periods indicated:

Products	Fiscal 2015		Fiscal 2016		Fiscal 2017		Nine months ended December 31, 2017	
	Revenue from Operations	As % of Revenue from Operations	Revenue from Operations	As % of Revenue from Operations	Revenue from Operations	As % of Revenue from Operations	Revenue from Operations	As % of Revenue from Operations
	(₹million)	(%)	(₹million)	(%)	(₹million)	(%)	(₹million)	(%)
Shell-On Products	1,027.27	14.97%	710.24	9.17%	805.80	9.71%	1,109.05	10.32%
Peeled Products	5,462.43	79.62%	6,484.70	83.77%	6,674.30	80.39%	8,188.42	76.17%
Cooked Products	332.39	4.84%	469.46	6.06%	651.98	7.85%	1,376.14	12.80%
Breaded and Other Products	38.85	0.57%	77.10	1.00%	170.00	2.05%	74.00	0.69%

We are primarily engaged in processing value added products of *Litopenaeus Vannamei* (Whiteleg shrimp), also known as the Pacific white shrimp. Our other shrimp products principally include *Penaues Monodon* and wild caught shrimps.

Raw Material

Raw Shrimp

The primary raw material for our products is raw shrimp. We primarily procure *Litopenaeus Vannamei* (Whiteleg shrimp). The production for *Litopenaeus Vannamei* in Andhra Pradesh is currently concentrated in East Godavari, West Godavari, Krishna, Prakasam and Nellore districts (*Source: CRISIL Report*). We have developed extensive industry knowledge relating to shrimp farming, including count, quality, availability and applicable market rates. We have also developed long-term relationships with a large number of shrimp/ aquaculture farmers. We also provide guidance on specific quality control measures to these shrimp/ aquaculture farmers in order to enable them to ensure that our standards in terms of count and quality is maintained. We, however, do not enter into any long-term procurement arrangements with such farmers. Most of our raw shrimp requirement, other than that sourced from shrimp farms operated by us, is purchased from the open market at spot rates.

The availability and price of raw shrimp fluctuates in response to natural events, availability, government policies, prices in global markets and other factors that typically affect demand and supply.

Our procurement team has extensive understanding of the shrimp farming process and the raw shrimp market, as well as the farming quality and capability of farmers and other suppliers. Procurement of raw shrimp is primarily driven by our production schedule, and our production department determines the requisite production volume in order to formulate our procurement plan. We generally pay our suppliers the day following receipt of the raw shrimp.

Our suppliers are selected on the basis of price, product quality, ability to timely deliver products as well as our established relationship with such suppliers. We conduct sample checks on all raw materials delivered to us and in the event that the raw materials supplied do not meet requisite quality standards, including controlled use of antibiotics at levels stipulated in supply contracts or purchase orders, such raw shrimp is rejected as defective. We regularly monitor our suppliers in order to reduce supply risks, including risks relating to the local marine environment, weather conditions, compliance with fishing regulations and logistics related issues. We have a fleet of insulated procurement vehicles that carry ice in tubs and crates. Our procurement team supervises shrimp harvesting, measurement of size and weight, as well as ensure quality of raw shrimp procured. The procurement team ensures that the harvested shrimp is packed in the ice tubs and crates provided through our fleet of vehicles and reach our production facilities as soon as possible.

We regularly engage with shrimp farmers in the region to understand issues faced by such farmers relating to supply of shrimp. We provide such farmers with relevant education and training in connection with their farm infrastructure, farming activities and aquaculture processes to enable them to implement measures aimed at increasing shrimp farming yield and realization. We also provide relevant information to such farmers relating to adequate control over feed ingredients and controlled use of permitted chemicals, and insist on such farmers maintaining relevant farming and traceability records that are regularly reviewed by our internal audit staff. For further information about our quality control processes relating to our raw materials and products, see “- Quality Control and Food Safety” on page 153.

Other Raw Materials

Other raw materials used in our shrimp processing industry include shrimp feed and packaging material. We use ASC certified shrimp feed in the aquaculture farms operated by us. We typically package our shrimp products in the packaging materials provided by or as specified by our customers. All of our packaging materials, including corrugated boxes and food grade polythene bags, are generally procured from suppliers in India.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, total cost of goods sold which mainly comprises of fresh shrimps represented 74.37%, 78.61%, 73.61% and 71.49%, respectively, of our revenue from operations in such periods.

Business Process

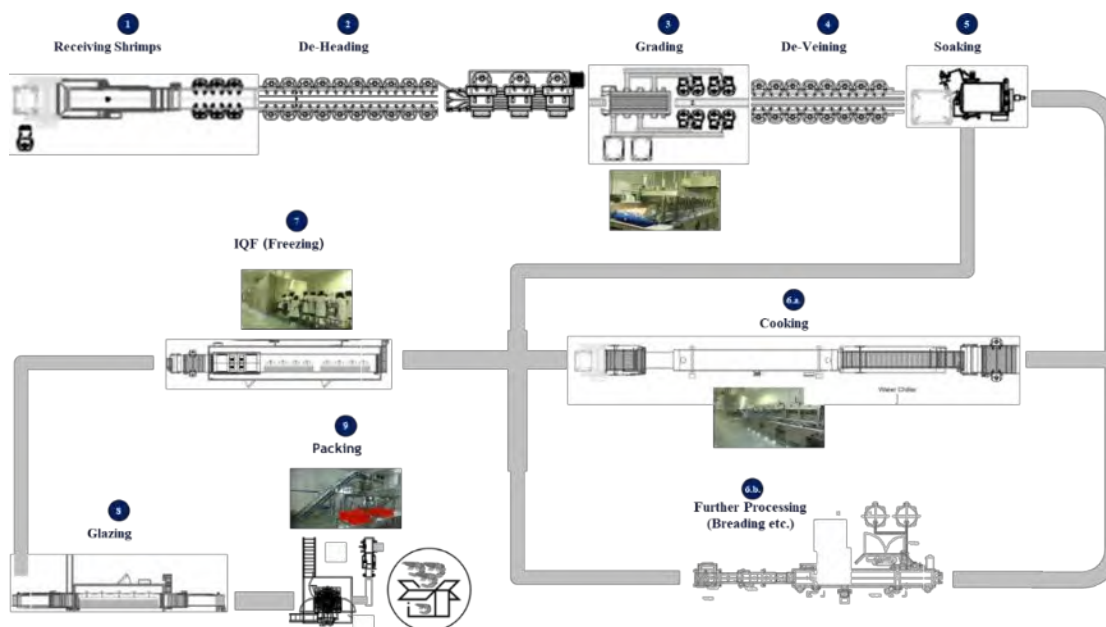


Broodstock is the principal input for shrimp farming. Broodstock of *Litopenaeus Vannamei* are typically either caught at sea and spawned, or purchased from tank-reared broodstock from Hawaii and Florida in the United States. A majority of the broodstock used in shrimp farming in India is imported from Hawaii and Florida. Such imported broodstock is initially quarantined for a period of time by the India Coastal Aquaculture Authority (“CAA”), and subsequently transferred to hatcheries that are registered with and licensed by the CAA. The broodstock are kept in the hatcheries for approximately 20 days, during which period they reach the larvae stage. The feeding of baby shrimps is undertaken for such period, with half of the capacity of hatcheries acting as feed for the baby shrimp. The baby shrimp are then sold to shrimp farmers, and transferred to open ponds, where they are reared for a period ranging between 120 and 180 days, following which they develop into fully-grown shrimp. (Source: CRISIL Report)

The production of white leg shrimps includes the transfer of ovulating females to spawning tanks, where ova are fertilized externally. These fertilized ova are transferred to a maturation tank, where they undergo various stages of development, following which the sub-adults are transferred to either intensive tanks (artificial tanks that can be drained after every harvest) or extensive tanks (ponds with irregular shapes and naturally occurring tides and current). (Source: CRISIL Report)

Following harvesting of fully grown shrimp, these are transferred to processing plants for primary processing and value addition. (Source: CRISIL Report)

Production Process



At the pre-processing stage, the raw shrimp is washed and undergoes the de-heading process. De-headed shrimps go through grading activity. Subsequently, depending on customer specification, further value addition processes are carried out, including peeling, de-veining or butterfly cut. We also conduct further processes such as cooking, and/or coating the shrimp with bread crumbs. After undergoing processing, products are sent for quick-freezing and the frozen product is packed into retail bags and sealed in the corrugated master cartons. Packing of finished products is the last stage of our process flow. Packed products are kept in the cold storage to ensure maintenance of quality of our products.

Shrimp Farms

As of December 31, 2017, we had an aggregate of 330 acres of land across the east coast of Andhra Pradesh, near our J Thimmapuram processing facility. Our shrimp farms contain ponds that typically range between 1.50 and 2.00 acres. All of the shrimp farms operated by us have received ASC certification. Prior to selecting any land for shrimp farming, such land is tested for soil and salinity as well as water parameters.

Our self-operated farms meet less than 5.00% of our current raw material requirements. The significant majority of our raw shrimp requirements is therefore currently purchased from the open market at spot prices. We have developed long-term relationships with a large number of shrimp/ aquaculture farmers, and provide guidance on specific quality control measures for shrimp farming. We however, do not enter into any long-term procurement arrangements with such farmers. For further information on shrimp procured from shrimp farmers, see “- Raw Material” on page 146.

Shrimp farming involves the following processes: 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; and harvesting.

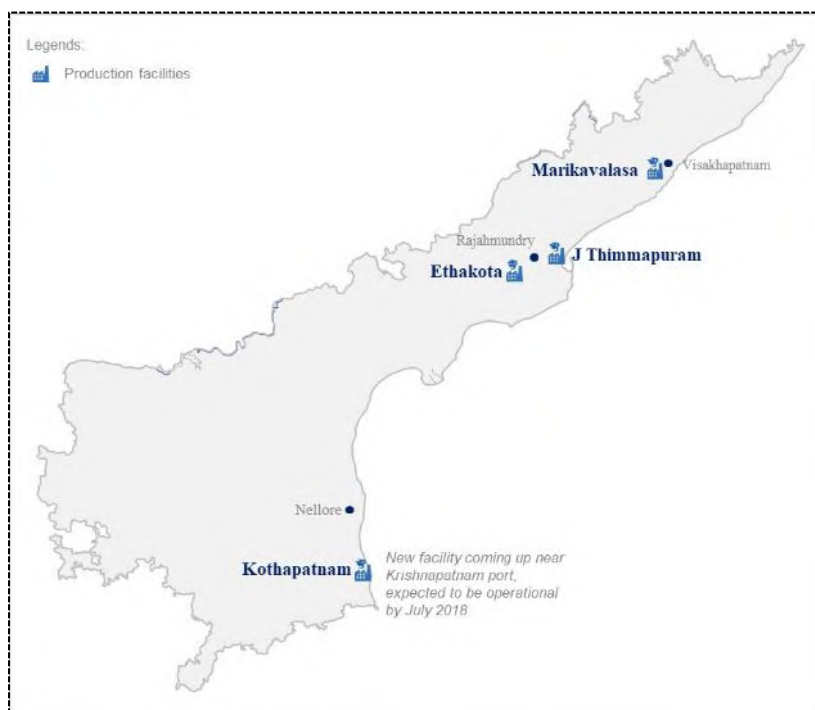
The shrimp in the ponds are supplied with formulated feed. At different levels of growth of the shrimp, different size of feed is used. Daily feed quantities are calculated on the basis of estimates regarding the density, survival rates, the mean individual shrimp weight, and the body weight percentage to the feed. In order to prevent mortality or diseases, probiotics are used. Feeding is conducted four to five times a day. Water levels and mineral content are also monitored regularly.

The shrimp farms operated by us include polyethylene lined ponds and earthen ponds. Aerators are installed at these ponds to ensure adequate oxygen levels in the water are maintained. The water is regularly monitored for PH levels and chlorination levels. We have also undertaken bio-security measures at the shrimp farms operated by us.

Processing Facilities

We own and operate three processing facilities located at (i) Marikavalasa, Visakhapatnam; (ii) Ethakota, East Godavari; and (iii) J Thimmapuram, East Godavari. In addition, we are in the process of setting up another processing facility located at Kothapatnam, Nellore, which is expected to become operational by July 2018.

The map below shows the location of these four processing facilities:



J Thimmapuram, East Godavari

The processing facility at J Thimmapuram commenced operations in 2016. As of December 31, 2017, it was spread across 8.10 acres with an installed processing plant capacity of 15.40 MT per day for block frozen and 35.00 MT per day for IQF and cooked products. In addition, as of December 31, 2017, it had an installed storage capacity of 3,511.00 MT.

Ethakota, East Godavari

The processing facility at Ethakota commenced operations in 2000. As of December 31, 2017, such processing facility was spread across 3.80 acres with an installed processing plant capacity of 12.00 MT per day for block frozen and 18.00 MT per day for IQF and cooked products. In addition, as of December 31, 2017, it had an installed storage capacity of 1,390.00 MT.

Marikavalasa, Visakhapatnam

The processing facility at Marikavalasa commenced operations in 1989. As of December 31, 2017, such processing facility was spread across 3.40 acres with an installed processing plant capacity of 10.00 MT per day for block frozen and 20.00 MT per day for IQF and cooked products. In addition, as of December 31, 2017, it had an installed storage capacity of 1,839.59 MT.

Kothapatnam, Nellore

We are in the process of setting up a fourth processing facility located at Kothapatnam, Nellore which is expected to be operational by July 2018. The Kothapatnam facility plans include 7.50 acres of land and an installed processing capacity of 50.00 MT per day including block frozen and IQF. We have entered into an agreement with our Subsidiary, Nekkanti Mega Food Park Private Limited, for the exclusive supply of products processed and packaged at such facility to our Company.

Capacity and Capacity Utilization

All of our processing facilities are supported by infrastructure for processing, freezing and storage and along with a quality control lab. In addition, our processing facilities include effluent treatment plants, which treats our industrial waste water and recycles it for reuse or for safe disposal to the environment. We use processing equipment developed by multinational companies.

The following table sets forth certain information relating to our capacity utilization of all our processing facilities, calculated on the basis of total installed processing plant capacity and actual production for the periods indicated below:

S. No.	Type of the Product	Installed Processing Plant Capacity as of March 31, 2015 (MT per day) ^{#(3)}	Capacity Utilization (%) ^{#(3)(4)(5)}	Installed Processing Plant Capacity as of March 31, 2016 (MT per day) ^{#(3)}	Capacity Utilization (%) ^{#(3)(4)(5)}	Installed Processing Plant Capacity as of March 31, 2017 (MT per day) ^{#(3)}	Capacity Utilization (%) ^{#(3)(4)(5)}	Installed Processing Plant Capacity as of December 31, 2017 (MT per day) ^{#(3)}	Capacity Utilization (%) ^{#(3)(4)(5)}
1.	Block frozen ⁽¹⁾	22.00	20.42%	22.00	12.95%	37.40	16.69%	37.40	15.34%
2.	Individually quick frozen ("IQF") and Cooked ⁽²⁾	38.00	55.89%	38.00	73.10%	73.00	58.52%	73.00	68.36%

[#]As certified by N. Ramakrishna Rao, R. K. Associates, Chartered Engineer, by certificate dated March 8, 2018.

(1) The capacity utilization for block freezing is lower as our production volumes are largely IQF based. Further, the block freezing capacity is utilized for storing raw material temporarily before using them for further value addition.

(2) The capacity utilization for IQF may not be indicative as the actual available capacity depends on the level and share of the value added products. Further, with any increase in value addition, the actual available freezing capacity tends to decrease.

(3) The information relating to the aggregate installed capacity of our processing facilities as of the periods included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity. These assumptions and estimates include the period during which the processing facilities operate in a year, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and utilization rates may therefore vary significantly from the installed capacity information of our processing facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed capacity and storage capacity of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary" on page 34.

(4) Actual production for block frozen was 1,482.64 MT, 939.89 MT, 1,635.65 MT and 1,419.83 MT in Fiscal 2015, 2016, 2017 and in the nine months ended December 31, 2017, respectively, and for IQF and cooked was 7,009.01 MT, 9,166.44 MT, 10,718.21 MT and 12,351.56 MT in Fiscal 2015, 2016, 2017 and in the nine months ended December 31, 2017, respectively.

(5) Capacity utilization has been calculated on the basis of actual production in the relevant year/ period divided by the aggregate installed processing capacity of our processing facilities as of at the end of the relevant year/ period.

See "Risk Factors - Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance." on page 35.

Equipment and Storage

All of our processing facilities include infrastructure and equipment for processing, freezing and storage as well as quality control laboratories. In addition, our processing facilities include effluent treatment plants for treatment of our waste water. Our processing facilities are equipped with machinery developed by multinational companies. Our equipment include individual quick-freezing machinery and plate freezers for block freezing. Our facilities include equipment for regular cleaning and maintenance of production lines and storage space in order to comply with applicable internal quality and hygiene standards as well as specific standards stipulated by the industry certifications obtained for the relevant facilities. In addition, our facilities include equipment such as ice making machines, water chillers, grading machines, weighing machines, cold storage plants and generators.

Cold Storage

As of December 31, 2017, the aggregate installed storage capacity for all our processing facilities was 6,732.59 MT. Our cold storage facilities are maintained at a temperature of -18°C or below within each of our processing facilities to ensure that the finished product is stored and maintained in the freezer before exporting. In addition, our large fleet of reefer/ insulated vehicles with refrigeration capabilities enable us to meet our local transportation requirements, including transportation of raw shrimp from farms to the processing facilities as well as finished products for delivery to customers.

Power and Water

We primarily depend on state electricity supplies for power requirements at our facilities. We also use diesel generators to meet exigencies and to operate our processing and refrigeration facilities in the event of power failures.

Shrimp processing facilities require large amounts of water as the production process involves thorough cleaning of raw shrimp and our products. In order to ensure adequate supply of water, tube wells have been installed within our production facilities for supply of water in addition to the routine sources of water, and effluent treatment plants have been installed, which treats our industrial waste water and recycles it for reuse or for safe disposal.

Sales, Distribution and Marketing

Our principal markets include the United States of America and Europe. We believe we have developed strong relationships with various customers leading to repeat orders from such customers.

In the domestic market, we have recently entered a strategic arrangement with Barbeque Nation Hospitality Limited to act as an exclusive supplier of processed frozen shrimp in India till 2020.

Majority of our sales are done directly to our customers. Such sales to our customers are typically made on a duty delivered and paid and cost insurance and freight basis, *i.e.*, we are responsible for delivery to the shipping vessel. In certain situations, we also pay for the costs of transportation for the goods up to the port of destination and also have the obligation to insure the products.

Further, our sales and marketing team is regularly in contact with our customers to understand the evolving needs of customers as well as market trends. We routinely host customer visits, where, our customers also audit our processing facilities from time to time and also carry out third party food safety and compliance audits.

Customers

We have a diversified customer base with customers in United States, Europe and Asia. We believe we have developed strong and long-standing relationships with key customers. Most of our customers are packaged food companies and distributors such as Rich Products Corporation, High Liner Foods, King & Prince Seafood, Eastern Fish Company and Arista Industries Inc. In Fiscal 2017 and in the nine months ended December 31, 2017, our top five customers contributed 64.01% and 62.07%, respectively, of our revenue from operations in such periods, while our single largest customer contributed 28.24% and 25.68%, respectively, of our revenue from operations in such periods.

Exports

A significant portion of our revenue from operations is generated from sale of our products in the United States. The following table sets forth our revenue from operations from sales of products in the United States and in other markets as a percentage of our revenue from operations in the periods indicated:

Region	Fiscal 2017		Nine months ended December 31, 2017	
	Revenue from Operations	Percentage of Revenue from Operations	Revenue from Operations	Percentage of Revenue from Operations
	(₹million)	(%)	(₹million)	(%)
United States	7,275.65	87.64%	9,641.65	89.71%
Other markets	1,026.42	12.36%	1,105.95	10.29%
Total	8,302.07	100.00%	10,747.60	100.00%

Quality Control and Food Safety

We have a dedicated quality assurance department that ensures that our products are tested at each stage of the production process, including procurement, delivery of raw shrimp to our processing facilities, storage, in-process inspection during processing, finished goods inspection prior to dispatch as well as detailed after sales follow-up with customers on product experience. Our quality control procedures include internal processes including in-process sampling at each stage, as well as external checks, through verification of products prior to distribution. Quality checks are also performed by various government and non-government quality certifying agencies as part of our regulatory compliance requirements and/ or as required by our customers, including the Export Inspection Agency and the United States Food and Drug Administration. In addition, our customers may also engage third party survey agencies to conduct quality checks at our processing facilities.

Our food safety and quality control measures include maintaining product freshness by reducing the time between harvesting and processing through placement of on-site processing facilities, minimizing harmful microbial contamination through regular checks on microbial population levels through systematic testing procedures.

Quality Control of Raw Materials

We maintain stringent procedures for the selection of our suppliers to ensure that the raw materials we use are of high quality. Our quality control begins with supplier approval and assessment procedures to select suppliers of raw materials and to monitor their performance. The suppliers are selected based on quality of the raw materials provided by them, timely delivery, customer service and competitive pricing. Suppliers are also subject to regular quality assessment and on-site supervision. In addition, we also conduct training of personnel at the aquaculture farms to convey the quality requirements of our customers as well as update them on potential improvements in respect of aquaculture.

Quality Control at Processing Facilities

Our quality assurance executive is responsible for supervising the processing for quality control purposes and the quality control personnel will separately monitor compliance with the internal and international quality control standards by carrying out random sampling of the products in every batch produced which includes microbiological testing. We have established in-process quality control at various stages of the processing lines to ensure quality and productivity. Each consignment is shipped post approval of its sample obtained from a government accredited third party laboratory.

We observe strict hygienic and sanitation practices and also maintain strict environmental controls. The water supply for our processing plant facilities is treated and filtrated. Our facilities also maintain a micro biological laboratory which consistently tests the quality of raw materials and finished products. We have measures in place to ensure that all outgoing shipment conform to the required quality standards of the buyer/ importing country.

Quality Standards

We ensure that we process and deliver high quality shrimp products to our customers by adhering to major international food safety standards and implementing stringent procedures with regards to food handling, food

safety, hygiene and food preparation. We have been accredited by various agencies in relation to our food safety standards, including the Export Inspection Agency, the Marine Products Exports Development Authority and United States Food and Drug Administration.

Key certifications in our industry include:

ASC. Aquaculture Stewardship Council or ASC sets out standards for sustainable aquaculture. ASC standards set strict requirements for responsible farming, which encourage seafood producers to minimise the key environmental and social impacts of aquaculture. Our processing facilities and shrimp farms are certified by the ASC.

BAP. BAP is a standard formulated by the Global Aquaculture Alliance with a focus on food safety, community, environment and traceability. There are distinct standards for hatcheries, feedmills, farms and processing facilities. All our three processing facilities have been rated as 'BAP 4 Star' along with our shrimp farms, which are BAP certified.

BRC. British Retailers Consortium or BRC Global Standard is a standard made and released by the British Retailers Consortium. BRC Global Standard requires implementation of HACCP, ISO 9001:2000 and management of facility environment, products, processes and personnel. All our three processing facilities have received 'BRC Issue 7' certifications.

IFS. International Featured Standards or IFS comprises food and non-food standards covering the processes along the supply chain. An IFS certification shows that the certified company has established processes which are suitable for ensuring food and/ or product safety, and that it has considered and implemented customer specifications. Each of our processing facilities have received IFS certifications.

HACCP. Hazard Analysis and Critical Control Point or HACCP focuses on seafood product inspection and is aimed at ensuring quality consistency of end products with safe and healthy distribution and appropriate food labeling. We have received HACCP certification for our processing facility at Marikavalasa from the Export Inspection Agency and our HACCP certifications for our processing facilities located at Ethakota and J Thimmapuram are currently under renewal.

In addition, our processing facilities at Marikavalasa and J Thimmapuram have undergone 'Sedex Members Ethical Trade Audit' ("SMETA") in 2017, which consists of labour standards, health and safety, environment and business ethics.

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For details regarding applicable health, safety and environmental laws and regulations, see "*Regulations and Policies*" on page 157.

We consider environmental issues to be an important factor in our operations and we take various measures to ensure that our operations do not negatively impact the environment. In our processing facilities include effluent treatment plants, which treats our industrial waste water and recycles it for reuse or for safe disposal to the environment.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We aim to provide sustainable development, medical checkups and safety measures in order to achieve zero accidents on a sustainable basis. Environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. See "*Risk Factors - Any inability to secure, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, results of operations and financial condition*" on page 22.

Competition

We operate and sell our products in highly competitive markets. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Many of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have. See, “*Risk Factors - We operate in a highly competitive industry. An inability to maintain our competitive position may adversely affect our business, prospects and future financial performance.*” on page 27.

Other Indian shrimp processing companies that we compete with include Apex Frozen Foods Limited, Devi Fisheries, Devi Seafoods and Falcon Marine Exports Limited. We also face competition from shrimp processing companies located in other exporting countries, such as, amongst others, Vietnam, Indonesia, China and Thailand. (Source: CRISIL Report)

Information Technology

Our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw shrimp, production levels, packaging and payments to shrimp farmers, vendors and contract suppliers. We have also implemented an integrated business management software for planning and management of operations at our processing facilities which covers our purchase, production, inventory, sales and stores.


Insurance

For our operations, we have obtained a standard fire and special perils policy and machine breakdown policy for our processing facilities, plants, equipment and machinery. Further, we maintain employees’ compensation liability policy and group personal accident policy for our employees. We have also obtained a commercial general liability insurance which includes both product and public liability insurance and a commercial vehicle insurance. In addition, we have also obtained a marine and rejection (including destruction) insurance for our products and a directors and officers liability policy. Also, see “*Risk Factors – An inability to procure and/ or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*” on page 33.

Corporate Social Responsibility (“CSR”)

We seek to integrate our business values and operations in an ethical and transparent manner to improve our fulfilment of social responsibilities and environmental and economic practices in an attempt to create a positive impact on the society. We have formulated a CSR policy. Our CSR activities are primarily focused on education, skill promotion and job development, health, safety and environment, and community and local economy development.

Intellectual Property Rights

We have applied for trademarks for our name, “Nekkanti Sea Foods”, logo  and our brands, “Akasaka Star”, “Akasaka Special” and “Nekkanti”. In addition, we have obtained registration for certain domain names.

Employees

As of December 31, 2017, we had 1,383 full-time employees.

We place significant emphasis on training our personnel and increasing their skill levels, and fostering ongoing employee engagement in our Company. We train our employees working in our processing facilities in productivity, sanitation, food safety measures and also in evaluating shrimp quality. At our shrimp farms, we train our employees in the intricacies of shrimp farming, including pond preparation, stocking and harvesting. In addition, we provide our employees working in our processing facilities with accommodation facilities.

Our employees are not unionized into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last five years.

Properties

We own our registered office located at Jayaprada Apartments, Nowroji Road, Maharanipeta, Vishakhapatnam – 530 002 and also own our corporate office located at Oceandrive Layout, Gudlavanipalem, Sagar Nagar, Visakhapatnam – 530 045, Andhra Pradesh. As of this Draft Red Herring Prospectus, we own and operate three processing facilities located in J Thimmapuram, Ethakota and Marikavalasa, respectively. In addition, our offices in Hyderabad and Kakinada are located on premises that are leased. We also own our procurement centres. Further, our shrimp farms are primarily located on leased properties.

REGULATIONS AND POLICIES

Our Company is involved in the business of aquaculture/sale of marine products in India. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

The following is an overview of certain sector-specific relevant laws and regulations, as prescribed by the Government of India or state governments, which are applicable to our operations and business. The information detailed in this section has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive but indicative, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions.

Key regulations applicable to our Company

The Marine Products Export Development Authority Act, 1972 (“MPEDA”)

The MPEDA provides for the establishment of an authority for promoting the development of the marine products industry under the control of the Central Government and for matters connected therewith. The Marine Products Export Development Authority (“**Authority**”) has been established with such constitution and to perform such functions as specified in the MPEDA. The MPEDA the Authority to undertake measures with respect to, *inter-alia*, (i) development and regulation of off-shore and deep-sea fishing; (ii) fixation of standards and specification for marine products for the purposes of export; and (iii) carrying out inspection of marine products in any fishing vessel, processing plant and storage premises.

Further, the MPEDA requires every owner of a fishing vessel, processing plant or storage premises for marine products or conveyance used for the transport of marine products to apply to the Authority for registration 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 owned by him. Such registration once made shall continue to be in force until it is cancelled by the Authority. The MPEDA also requires every such owner to submit to the Authority returns in the form and manner as prescribed thereunder. For the purposes of the MPEDA, the term “marine products” has been defined as 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, declare to be marine products. The MPEDA empowers the Central Government to make provisions for prohibiting, restricting or otherwise controlling the import or export of marine products, either general or in specified classes of cases.

Coastal Aquaculture Authority Act, 2005 (“CAA Act”)

The CAA Act provides for the establishment of a Coastal Aquaculture Authority (“**CAA Authority**”) for regulating the activities connected with coastal aquaculture within the coastal areas. The Act empowers the CAA Authority to, *inter-alia*, make regulations for the construction and operation of aquaculture farms within coastal areas, register coastal aquaculture farms and order removal or demolition of any coastal aquaculture farms causing pollution, subject to the guidelines issued by the Central Government.

The CAA Act also provides that no person shall carry on, or cause to be carried on, coastal aquaculture in a coastal area or traditional coastal aquaculture in the traditional coastal aquaculture farm which lies within such Coastal Regulation Zone as specified thereunder, without registration of his farm with the CAA. Such registration is valid for a period of five years and may be renewed from time to time for a like period. The CAA Act prohibits coastal aquaculture from being carried on (i) within two hundred meters from high tide lines; and also (b) in creeks, rivers and backwaters within the Coastal Regulation Zone declared under the Environment (Protection) Act, 1986.

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. The Central Government has prescribed, *inter-alia*, the following guidelines in the Coastal Aquaculture Authority Rules, 2005 (“**CAA Rules**”) in order to regulate the coastal aquaculture activities:

Coastal Regulation Zone Notification (“CRZ Notification”)

The CRZ Notification was notified on January 6, 2011 by the Ministry of Environment and Forests. The CRZ Notification restricts 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 Coastal Regulation Zone. The CRZ Notification provides for detailed classification of the Coastal Regulation Zones into different zones for the purpose of conserving and protecting coastal areas and marine waters, and accordingly permits or prohibits the specific activities within each zone.

Guidelines for culture of Litopenaeus Vannamei (L. Vannamei) in fresh water/inland farms, Department of Fisheries, Government of Andhra Pradesh

The guidelines was issued by the Animal Husbandry, Dairy Development and Fisheries Department, Andhra Pradesh (“**Fisheries Department**”) following the guidelines issued by the Ministry of Agriculture, Government of India with respect to culture of exotic species Litopenaeus Vannamei (L. Vannamei) in fresh water/inlands. The guidelines require farmers who are desirous of cultivating Litopenaeus Vannamei (L. Vannamei) in fresh water/inland farms located outside the jurisdiction of the CAA Authority, having water salinity above 0.5 parts per thousand, to register their farms with the Fisheries Department. However, the farms located within the jurisdiction of CAA Authority shall register with CAA Authority itself. The guidelines prohibit farmer from using banned drugs and antibiotics as per the list appended to the guidelines.

Food Safety and Standards Act 2006 (“FSS Act”)

The FSS Act establishes the Food Safety and Standards Authority of India (“FSSAI”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The FSS Act prohibits a person from carrying on a food business unless a license granted by the FSSAI. The FSS Act sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of a person carrying on or owning a food business. In order to address certain specific aspects of the FSS Act, the FSSAI has framed several regulations such as the following:

- (a) Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
- (b) Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- (c) Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011; and
- (d) Food Safety and Standards (Packaging and Labelling) Regulations, 2011.

The FSSAI has also framed the Food Safety and Standards Rules, 2011 (“**FSSR**”) which have been operative since August 5, 2011. The FSSR provides for the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSAI has made certain amendments to the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011, vide notification dated September 15, 2017 with respect to the standards for frozen shrimps and freeze dried prawns (shrimps).

Export (Quality Control and Inspection) Act, 1963 (“EQCI Act”)

The EQCI Act provides for the development of the export trade of India by ensuring quality control by conducting inspection. The EQCI Act establishes the Export Inspection Council (“**EIC**”) which advises the Central Government

on matters regarding measures for enforcement of quality control and inspection in respect of commodities intended to be exported. An authorised officer under the EQCI Act has the power to enter, inspect and search the premises for concealed commodities and books of account providing for penal consequences in the event of any contravention of the provisions therein.

Export of Fresh, Frozen and Processed Fish and Fishery Products (Quality Control, Inspection and Monitoring) Rules, 1995 (“Export of Fresh, Frozen and Processed Fish and Fishery Rules”)

The Export of Fresh, Frozen and Fishery Products Rules require feed mills, hatcheries, aquaculture farms, fishing harbours, landing/auction centres, fishing vessels, factory vessels, freezer vessels, pre-processing centres (independent/detached), ice plants (independent/detached), establishments and cold storages (independent/detached) which are desirous to process fish and fishery products require approval from the EIC and Export Inspection Agencies to export such products to European Union (“EU”) and Russian Federation and Export, and Non-EU countries other than Russian Federation respectively. The Export of Fresh, Frozen and Processed Fish and Fishery Rules also require, *inter-alia*, a premise where fishery products are prepared, processed, chilled, frozen, packaged or stored to procure aquaculture products only from farms registered with Coastal Aquaculture Authority of India/Designated Authorities and monitored under the Surveillance of Competent Authority.

Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act prohibits a person from importing any weight or measure unless a person is registered with the Director in such manner as prescribed under the Legal Metrology Act. Also, the Legal Metrology Act prohibits a person to manufacture, repair or sell, or offer, expose or possess for repair or sale, any weights and measures unless a licence is obtained.

Legal Metrology (Packaged Commodities) Rules, 2011 (the “Packaged Commodity Rules”) were framed under Section 52(2) (j) and (q) of the Legal Metrology Act. The Packaged Committee Rules lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. The word “pre-packaged commodity” has been defined under the Legal Metrology Act as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity.

Key Government Schemes/Policies applicable to our Company

Fisheries Policy of Andhra Pradesh 2015-2020, Fisheries Department, Government of Andhra Pradesh (“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 policy outlines the developmental objectives, management measures and strategies to be implemented for the next five year period. The policy aims to help the state in modernizing the fisheries sector by creating a stakeholder friendly eco-system for attracting new technology and investments. The Government approved the certain fiscal benefits covering the categories of (a) processing units; (b) aquaculture pond/farms; (c) feed manufacturing units/fishery related equipment manufacturing; and (d) aqua labs/disease diagnostic labs promotion. Some of the approved fiscal benefits for the aforesaid categories are as follows:

- (a) Capital subsidy of 50% inclusive of land cost with upper ceiling limit of ₹ 5 crores will be provided for shrimp processing units including cold chain maintenance.
- (b) Interest subvention of 6% will be provided on bank loan subject to maximum of ₹ 2.5 Crores for 5 year period to aqua processing units, ice plants and cold storages.

- (c) Aquaculture processing units will be incentivized by providing 100 percent stamp duty exemption in land registration/lease of land/mortgage deed/Bank documentation/ Hypothecation etc.
- (d) Power subsidy will also be permitted to fish/prawn/shrimp processing unit and ice plants from the date of commencement of commercial production and will be on par with industrial policy from 2016-17.
- (e) Financial assistance will be extended for farm mechanization like pumps and aerators with 50 percent subsidy.
- (f) Solar pumps, solar lights and solar based aerators will be given on 60 percent subsidy to the prawn and shrimp farms up to maximum of 2 hectares per farmer per annum.
- (g) Power will be supplied to shrimp and prawn culture farms at ₹ 3.75 per unit for a maximum of 2 hectares per aqua-farmers/ shrimp farmers from the year 2016-17.

Andhra Pradesh Food Processing Policy, 2015-20 (“A.P. Food Processing Policy”)

The Government of Andhra Pradesh has launched the A. P. Food Processing Policy with an objective to provide adequate infrastructure for food processing industry along with the value chain from farm to market, that enable fresh investments into the food processing sector. The major schemes under the A.P. Food Processing policy are, *inter-alia*: (i) Mega Food Parks; (ii) Integrated Food Parks; (iii) Cold Chain Projects; (iv) New Food Processing Units; and (v) Primary Processing and Collection Centres. Andhra Pradesh Food Processing Society is a nodal agency to implement the A.P. Food Processing Policy.

National Policy on Marine Fisheries, 2017 (“Marine Fisheries Policy”)

The Marine Fisheries Policy was notified on April 28, 2017 by the Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Farmers Welfare. The Marine Fisheries Policy aims to ensure the health and ecological integrity of the marine living resources of India’s Exclusive Economic Zone through sustainable harvests for the benefits of present and future generations of the nation. Among other things, the Marine Fisheries Policy states: (i) private investments will be promoted in deep sea fishing and processing to fully harness the potential of marine fishery for inclusive development; and (ii) modalities will be worked out for integration of sea food processing and export sector with the deep sea fishing industry for holistic development of the sector. Furthermore, the Marine Fisheries Policy states that the marine fisheries wealth is estimated at an annual harvestable potential of 4.412 million metric tonnes and the marines fisheries contribute to an economic wealth valued at about ₹ 650,000 million.

Export Promotion Capital Goods Scheme (“EPCG Scheme”)

The EPCG Scheme allows import of capital goods for pre-production, production and post-production at zero customs duty. Such import of 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. An authorisation holder under the EPCG Scheme can export either directly or through third party(s). In case, EPCG authorization holder fails to fulfil prescribed export obligation, he is required to pay duties of customs plus interest as prescribed by concerned authority.

Environmental laws and regulations

Environment (Protection) Act, 1986 (“Environment Act”)

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules in relation to, *inter-alia*, (i) standards of quality

of air, water or soil for various areas; (ii) maximum allowable limits of concentration of various environmental pollutants for different areas; and (iii) procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

Environment (Protection) Rules, 1986 (“Environment Rules”)

The Environment Rules require every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 shall submit an environmental audit report to the concerned State Pollution Control Board (“SPCB”) an environmental statement for every financial year.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act aims to prevent, control and abate air pollution, and requires a person to obtain consent from the concerned SPCB before establishing or operating any industrial plant in an air pollution control area. The SPCB may impose certain conditions, while granting consent, relating to, *inter-alia*, specifications of pollution control equipment to be installed. Not all provisions of the Air Act apply automatically to all parts of India, and the SPCBs have to notify an area as an “air pollution control area” before the imposing applying restrictions under the Air Act.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore water purity. The Water Act requires a person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body, to obtain the prior consent of the relevant SPCB.

The Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989 (“MSIHC Rules”)

The MSIHC Rules stipulate that an occupier in control of an industrial activity has to provide evidence to show that he has identified the major accident hazards and taken adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier has an obligation to show that he has provided necessary information, training and equipment, including antidotes, to the persons working on the site to ensure their safety. Also, the occupier is under an obligation to notify the concerned authority of the occurrence of a major accident upon the site or pipeline within 48 hours of such accident and submit a report thereafter.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules regulate the collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain approval from the relevant SPCB. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and has to pay any fine that may be levied by the concerned SPCB.

Laws relating to intellectual property

Trade Marks Act, 1999 (“Trademark Act”)

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits registration of trademarks for goods and services. The Trademark Act statutorily protects trademarks and prevents use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration can be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration

can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trademark (Amendment) Act, 2010 allows Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The amendment also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

Laws relating to employment

The Factories Act, 1948 (“Factories Act”)

The Factories Act seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of workers. It applies to industries in which 10 or more workers are employed on any day of the preceding 12 months in any manufacturing process carried out with the aid of power, or 20 or more than 20 workers are employed in the manufacturing process being carried out without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act requires that the 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 especially in respect of safety and proper maintenance of the factory, such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

Other employment regulations

Certain other laws and regulations that may be applicable to our Company in India include the following:

- (i) Apprentices Act, 1961;
- (ii) Employees Compensation Act, 1923;
- (iii) Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- (iv) Employees State Insurance Act, 1948;
- (v) Equal Remuneration Act, 1976;
- (vi) Minimum Wages Act, 1948;
- (vii) Public Liability Insurance Act, 1991;
- (viii) Payment of Bonus Act, 1965;
- (ix) Payment of Gratuity Act, 1972;
- (x) Payment of Wages Act, 1936; and
- (xi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 with the name 'Nekkanti Sea Foods Private Limited' on September 14, 1983. Subsequently, pursuant to a special resolution of our Shareholders dated March 15, 1986, our Company was converted into a public limited company, and a fresh certificate of incorporation consequent to change of status was issued by the then Registrar of Companies, Andhra Pradesh on March 21, 1986.

Changes in the Registered Office

The details of prior changes in the registered office of our Company are as follows:

Effective Date	Details of Change	Reasons for Change
November 6, 1998	From 6-3-899/4, Somajiguda, Hyderabad – 500 082 to 10-5-24, Garden Towers, Masab Tank, Hyderabad – 500 028	To achieve operational efficiencies.
October 1, 2015	From 10-5-24, Garden Towers, Masab Tank, Hyderabad – 500 028 to D. No. 15-1-37/6, G-1, Jayaprada Apartments, Nowroji Road, Maharanipeta, Visakhapatnam – 530 002	For administrative and operational convenience, owing to bifurcation of the erstwhile State of Andhra Pradesh.

Our Main Objects

The main objects of our Company as contained in the objects clause of our Memorandum of Association are as set out below:

- To carry on in India or elsewhere the business of dealers whether wholesale or retail, as principals or agents or brokers in all kinds of sea water foods and river water foods; to organize, undertake, to catch or arrange the catch of all types of fish, shrimps, prawns, frogs, lobsters, crabs and other crustaceans.*
- To establish, operate and maintain all types of fishing facilities, own, purchase, charter, hire or otherwise acquire, sell, exchange, let, or otherwise deal with, fishing nets, tackle, gear, boats, trawlers, drifters, tugs, vessels, and other forms of transport or conveyance of other description, propelled or worked and to employ the same to catch, exploit or otherwise acquire aquatic food and materials of interest to the Company; or in carriage or conveyance by sea, rivers, canals or elsewhere of passengers, raw material and other produces, articles and goods and things of all kinds between such ports and places, as may seem expedient.*
- To carry on the business of dealers in and preservers of food, vegetables, fruits, dairy farms and agricultural produce, aquatic foods, of all kinds, and in particular canned and preserved fruits, food stuffs, including shrimps, prawns, crabs, lobsters and other crustacea and for the purpose thereof to establish preservation centres and manufacturing and / or processing facilities at any place or places.*
- To undertake piscine development activities, own, run and organise fisheries and aquaria and give subsidies to fishermen and other persons doing such business or who can produce material necessary for such development or supply of material required by the company.*
- To construct, own, establish, manage, administer, operate or take on lease or otherwise and deal with quality testing and analysis laboratories for testing and analysing aqua products, marine products, foodstuffs, seafood, agricultural produce of all kinds and varieties and all merchandise for commercial and domestic consumption and also to carry on the profession of examiners of soils, waters and other materials and to establish, or maintain, research laboratories and experimental workshop for scientific and technical research and to undertake and carry on both scientific and technical investigations.*

Amendments to our Memorandum of Association

Since incorporation of our Company, the following amendments have been made to our Memorandum of Association:

Date of Shareholders' resolution	Nature of amendment
March 15, 1986	<p>Amendment to clause V of our Memorandum of Association pursuant to increase in the authorised share capital of our Company from ₹ 2 million divided into 200,000 equity shares of ₹ 10 each to ₹ 6 million divided into 600,000 equity shares of ₹ 10 each.</p> <p>The name clause of our Memorandum of Association was amended upon conversion of our Company from a private limited company to a public limited company and the consequent change in name of our Company to 'Nekkanti Sea Foods Limited'.</p> <p>A fresh certificate of incorporation consequent to change of status was issued by the then Registrar of Companies, Andhra Pradesh on March 21, 1986.</p>
July 9, 1993	Amendment to clause V of our Memorandum of Association pursuant to increase in the authorised share capital of our Company from ₹ 6 million divided into 600,000 equity shares of ₹ 10 each to ₹ 15 million divided into 1,500,000 equity shares of ₹ 10 each.
August 26, 2000	Amendment to clause V of our Memorandum of Association pursuant to increase in the authorised share capital of our Company from ₹ 15 million divided into 1,500,000 equity shares of ₹ 10 each to ₹ 50 million divided into 5,000,000 equity shares of ₹ 10 each.
February 11, 2013	<p>Addition of the following objects as one of the other objects of our Company as sub-clause numbered III(C)(6):</p> <p><i>To generate, accumulate, transmit, distribute, purchase, sell and supply electricity power or any other energy from conventional / non-conventional energy sources on a commercial basis and to construction, lay down, establish, operate and maintain power / energy generating stations, including buildings, structures, works, machineries, equipments, cables and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing, or transferring to third person/s, power plants and plants based on conventional or nonconventional energy sources, Solar Energy Plants, Wind Energy Plants, Mechanical, Electrical, Hydel, Civil Engineering Works and similar projects.</i></p>
June 20, 2016	<p>Addition of the following objects as one of the main objects of our Company as sub-clause numbered III(A)(5):</p> <p><i>To construct, own, establish, manage, administer, operate or take on lease or otherwise and deal with quality testing and analysis Laboratories for testing and analyzing aqua products, marine products, foodstuffs, seafood, agricultural produce of all kinds and varieties and all merchandise for commercial and domestic consumption and also to carry on the profession of examiners of soils, waters and other materials and to establish, or maintain, research laboratories and experimental workshop for scientific and technical research and to undertake and carry on both scientific and technical investigations.</i></p>
November 23, 2017	Amendment to clause V of our Memorandum of Association pursuant to sub-division in the authorized share capital of our Company from ₹ 50 million divided into 5,000,000 equity shares of ₹ 10 each to ₹ 50 million divided into 25,000,000 Equity Shares of ₹ 2 each by change in the face value of equity shares from ₹ 10 to ₹ 2 each.
December 29, 2017	Amendment to clause V of our Memorandum of Association pursuant to increase in the authorised share capital of our Company from ₹ 50 million divided into 25,000,000 Equity Shares of ₹ 2 each to ₹ 250 million divided into 125,000,000 Equity Shares of ₹ 2 each.

Total number of Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 13 Shareholders. For further details, see "Capital Structure" on page 82.

Awards and accreditations

Year	Awards and Accreditations
1989	Awarded the 'Best Exporter Award in the 'Marine Products' category by the Commerce and Export Promotion Department, Government of Andhra Pradesh for 1988-89.
1990	Awarded the 'Best Exporter Award in the 'Marine Products' category by the Commerce and Export Promotion Department, Government of Andhra Pradesh for 1989-90.
1992	Awarded the Surana Udyog Silver Rolling Trophy for the best export effort in the state for 1991-92.
1993	Recognised by the Commerce and Export Promotion Department, Government of Andhra Pradesh as the best exporter for export performance in 'small scale industrial products' group for 1992-93.
1997	Recognised by the MPEDA for second highest performance in deep sea fishing for 1996-97.
2000	Recognised by the MPEDA for outstanding performance in frozen shrimp exports for 1999-2000. Recognised by the Commerce and Export Promotion Wing, Commissionerate of Industries, Government of Andhra Pradesh as the best exporter for export performance in 'leather, animal and marine products' group for 1999-2000.
2001	Recognised by the MPEDA for second outstanding performance in frozen shrimp exports for 2000-01.
2003	Recognised by the MPEDA for second outstanding performance in frozen shrimp exports for 2002-03.
2015	Recognised by the MPEDA for second outstanding performance in frozen shrimp exports for 2014-15.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Year	Details
1986	Obtained registration with the MPEDA as an exporter.
1989	First shrimp processing factory situated at Marikavalasa, Andhra Pradesh commenced operations.
1995	Started shrimp hatchery at Visakhapatnam.
2000	Second shrimp processing factory at Ethakota, Andhra Pradesh commenced operations.
2014	Krishnapatnam Port - First reefer container on-boarded by our Company.
2016	Became the first company to receive ASC certification for its shrimp farms in India. Third shrimp processing factory at J.Thimmapuram, Andhra Pradesh commenced operations.
2017	Nekkanti Mega Food Park Private Limited, our Subsidiary, commenced construction of the shrimp processing factory at Kothapatnam, Nellore.

Other details about our Company

For description of our Company's activities, services, products, market segment, the growth of our Company, exports and profits due to foreign operations together with the country-wise analysis, standing of our Company in relation to prominent competitors with reference to our products, major suppliers, major customers and geographical segment, see the sections titled "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" and "*Government and Other Approvals*" at pages 139, 349 and 387, respectively.

For details of the management of our Company and its managerial competence, see the section titled "*Our Management*" at page 171.

Changes in activities of our Company during the last five years

Except as disclosed in "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Financial Statements*" on pages 139, 349 and 196, there have been no changes in the activities of our Company during the last five years, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding debts, as on February 28, 2018, have been provided in “*Capital Structure*” and “*Financial Indebtedness*” on pages 82 and 379, respectively. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

Strike and lock-outs

We have not had any strikes and lock-outs in our operations in the past.

Time/cost overrun

We have not experienced any instances of time/ cost overrun in our business operations.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

There have been no defaults or rescheduling of borrowings with financial institutions, banks, or conversion of loans into equity in relation to our Company.

Injunctions or restraining order against our Company

As on the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Our Company has not acquired any businesses/ undertakings, effected any mergers or amalgamations or revalued its assets since incorporation.

Material Agreements

A. Share purchase and shareholders’ agreements

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders’ agreements in relation to the Equity Shares of the Company:

Pursuant to a shareholders’ agreement dated March 8, 2018 (“**Agreement**”), entered into between Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty, Nekkanti Seetha Ramachandra Murty (HUF), Atluri Sreeram, Nekkanti Venkat Rao, Nekkanti Rajeswari, Atluri Sirisha, Nekkanti Subba Rayadu, Nekkanti Mahesh, Atluri Murali Krishna, Nekkanti Anjana, Meka Durga, and Atluri Venkata Lakshmi (the “**Shareholder Parties**”), the Shareholder Parties have agreed to not directly or indirectly sell, pledge, give, bequeath, transfer, assign, hypothecate, create any third party interest in or in any other way whatsoever encumber (“**Transfer**”) any of the Equity Shares which they shall at any time own or acquire, except in accordance with the terms of the Agreement.

In accordance with the Agreement, the Shareholder Parties have agreed to not Transfer (i) any Equity Shares held by them during the lock-in period applicable to such Equity Shares pursuant to the SEBI ICDR Regulations; and (ii) any Equity Shares held by them which are not subject to lock-in restrictions under the SEBI ICDR Regulations or that become free from such lock-in restrictions at any time, until the expiry of two years from the date on which the Equity Shares are listed on a recognised stock exchange. Upon expiry of the lock-in period as stipulated in the Agreement, the Equity Shares held by the Shareholder Parties shall be freely transferable, in accordance with applicable law.

Notwithstanding the transfer restrictions disclosed above, the Shareholder Parties may freely Transfer Equity Shares (a) inter-se; and (b) to their respective affiliates (as defined in the Agreement) (“**Affiliates**”). Further, the Shareholder Parties have agreed that such transfer restrictions will not apply to the Offered Shares, in relation to the

Offer for Sale. The Agreement shall terminate (a) upon mutual agreement in writing by all the Shareholder Parties; (b) with respect to a Shareholder Party upon such Shareholder Party and his / her Affiliate ceasing to hold any Equity Shares in the Company; and (c) in the event the Company is wound up for any reason whatsoever.

B. Other Agreements

1. Our Company, RVR Projects Private Limited (the “**NMFP Shareholders**”) and Nekkanti Mega Food Park Private Limited (“**NMFP**”) entered into a share subscription agreement dated September 29, 2016 (“**NMFP Agreement**”), pursuant to which the NMFP Shareholders agreed to invest in and subscribe to the equity shares of NMFP, a special purpose vehicle set-up to establish a mega food park at Krishnapatnam, Nellore, Andhra Pradesh (the “**Project**”).

Pursuant to the NMFP Agreement, in the event of any increase in the authorised share capital of NMFP, the NMFP Shareholders are required to bring in funds in proportion to their existing shareholding in the Company within seven days of a drawdown notice issued by an authorised official of NMFP. In the event of any delay in remittance of funds beyond the date stipulated in the notice, NMFP would be entitled to collect interest from the NMFP Shareholders on the outstanding amount at the prevailing prime lending rate per annum of the State Bank of India. Our Company, along with RVR Projects Private Limited, is also responsible for *inter alia* procuring and maintaining appropriate licenses and permissions in relation to the Project, and ensuring implementation of the Project in compliance with performance standards stipulated at the time of commissioning of the Project. For details pertaining to NMFP, including in relation to its corporate information, capital structure and shareholding pattern, please see “- *Subsidiaries of our Company - Nekkanti Mega Food Park Private Limited*” on page 167.

Except as disclosed above, our Company has not entered into any material contracts other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Draft Red Herring Prospectus.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As of the date of this Draft Red Herring Prospectus, our Company has two Subsidiaries, namely:

1. Nekkanti Mega Food Park Private Limited; and
2. NSF Laboratories Private Limited.

The details of our Subsidiaries are as follows.

1. Nekkanti Mega Food Park Private Limited

Corporate information

Nekkanti Mega Food Park Private Limited was incorporated as a private limited company on March 09, 2016 under the Companies Act, 2013 with the Registrar of Companies, Telangana. Its CIN is U15122TG2016PTC103755 and its registered office is situated at Flat No. G 4, Mahara Block, Garden Towers, Masab Tank, Hyderabad – 500 028, Telangana, India.

Nekkanti Mega Food Park Private Limited is enabled under its objects to *inter alia* set up a mega food park; to carry on the business of manufacturers, producers, makers, processors, importers and exporters of processed foods, health foods, sea foods; and to process and prepare of consumer food items and their by-products.

In 2017, Nekkanti Mega Food Park Private Limited commenced construction of a shrimp processing factory at Kothapatnam, Nellore. Our Company has also entered into a processing and packing agreement dated March 10, 2018 (“**Processing Agreement**”) with Nekkanti Mega Food Park Private Limited, pursuant to which the Company has contracted a part of the processing, packing and shipping of certain of its products to Nekkanti Mega Food Park Private Limited. For details, see “- *Business interest between our Company and the Subsidiaries*” and “*Our*

Business – Processing Facilities - Kothapatnam, Nellore” on pages 169 and 151, respectively.

Capital structure and shareholding pattern

The authorised share capital of Nekkanti Mega Food Park Private Limited is ₹ 225,000,000 divided into 22,500,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of Nekkanti Mega Food Park Private Limited is ₹ 225,000,000 divided into 22,500,000 equity shares of ₹10 each.

The shareholding pattern of Nekkanti Mega Food Park Private Limited is as follows:

Sr. No.	Name of shareholder	No. of equity shares	% of issued capital
1.	Nekkanti Sea Foods Limited	13,500,000	60.00
2.	RVR Projects Private Limited	9,000,000	40.00
Total		22,500,000	100

2. NSF Laboratories Private Limited

Corporate information

NSF Laboratories Private Limited was incorporated as a private limited company on January 04, 2017 under the Companies Act, 2013 with the Jurisdictional Registrar of Companies, Central Registration Centre. Its CIN is U24299TG2017PTC113870 and its registered office is situated at F No. G 4, Mahara Block, Garden Towers, Masab Tank, Hyderabad – 500 028.

NSF Laboratories Private Limited is enabled under its objects to *inter alia* engage in research and testing activities in the fields of agriculture, pisciculture and aquaculture; to carry on the business of producing, manufacturing and processing of all types of agro and agricultural products; and to manufacture, produce and process prawns, shrimps and other crustacean molluscan aves and mammalia. As on the date of this Draft Red Herring Prospectus, NSF Laboratories Private Limited is not engaged in any business.

Capital structure and shareholding pattern

The authorised share capital of NSF Laboratories Private Limited is ₹ 2,500,000 divided into 250,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of NSF Laboratories Private Limited is ₹ 2,010,000 divided into 201,000 equity shares of ₹ 10 each.

The shareholding pattern of NSF Laboratories Private Limited is as follows:

Sr. No.	Name of shareholder	No. of equity shares	% of issued capital
1.	Nekkanti Sea Foods Limited	200,999	99.99
2.	Nekkanti Seetha Ramachandra Murty*	01	Negligible
Total		201,000	100

*Beneficial ownership in these equity shares is owned by our Company.

Shareholding of our Directors in our Subsidiaries

Except as disclosed below, none of our Directors hold shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus:

Name of Director	Name of Subsidiary	No. of equity shares	% of issued capital
Nekkanti Seetha Ramachandra Murty	NSF Laboratories Private Limited	01*	Negligible

*Beneficial ownership in these equity shares is owned by our Company.

Significant sale or purchase between our Company and Subsidiaries

Except as disclosed in “*Related Party Transactions*” on page 194, in terms of the Restated Financial Statements, our Company is not involved in any sales or purchases with any of its Subsidiaries where such sales or purchases exceed in value in aggregate 10% of the total sales or purchases of our Company.

Common Pursuits

The respective memorandums of association of our Subsidiaries allow them to undertake business similar to that of our Company.

Business interest between our Company and the Subsidiaries

Our Company and Nekkanti Mega Food Park Private Limited (“**NMFPPL**”) have entered into a processing and packing agreement dated March 10, 2018 (“**Processing Agreement**”), pursuant to which the Company has contracted a part of the processing, packing and shipping of certain of its products to NMFPPL. In lieu of such services, the Company shall be required to pay NMFPPL a processing and packing fee. Our Company and NMFPPL have agreed that the aforementioned processing and packing fee shall be subject to approval of their respective board of directors, and will be determined on an arm’s length basis. The consideration is also subject to periodic review and modification, as mutually agreed between our Company and NMFPPL.

For details, see “*Our Business – Processing Facilities - Kothapatnam, Nellore*” on page 151.

Except as disclosed above, none of the Subsidiaries have any business interest in our Company.

Associate Companies

As on the date of this Draft Red Herring Prospectus, our Company does not have any associate company.

Nekkanti Sugar Private Limited and Nekkanti Power Private Limited ceased to be our associate companies, by virtue of divestment by our Company pursuant to separate securities purchase agreements, each dated December 8, 2017, entered into with a third-party purchaser. For details of past transactions entered into by our Company with Nekkanti Sugar Private Limited and Nekkanti Power Private Limited, see “*Annexure VI: Notes to Restated Standalone Financial Statements - Note 5: Investments*” and “*Annexure VI: Notes to Restated Standalone Financial Statements - Note 51: Related Party Disclosure*” on pages 231 and 258 respectively.

Other confirmations

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad. None of our Subsidiaries have been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad.

None of our Subsidiaries have made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

Sick Subsidiaries

None of our Subsidiaries have become sick companies under the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up proceedings have been initiated against them.

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries not accounted for by our Company in its consolidated financial statements.

Sale or purchase of shares of our Subsidiaries during the last six months

None of our Promoters, the other members of our Promoter Group, directors of Promoters, or our Directors or their relatives have sold or purchased any equity shares or other specified securities of our Subsidiaries during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Strategic and financial partnerships

As on the date of this Draft Red Herring Prospectus, our Company currently does not have any strategic or financial partners.

Guarantees given by the Promoters offering Equity Shares as part of the Offer for Sale

Except as stated below, our Promoters offering Equity Shares as part of the Offer for Sale have not provided any guarantees in relation to loans availed by our Company:

Nekkanti Venkata Lakshmi, along with certain other Shareholders, has guaranteed facilities availed by the Company from the SBI, amounting in aggregate to ₹ 2,250 million. As on February 28, 2018, an aggregate amount of ₹ 222.55 million was outstanding on part of the Company with respect to such facilities.

The period of guarantee subsists during the tenure of the facilities. Any default or failure by our Company to repay these facilities in a timely manner, or at all, could trigger repayment obligations on the part of Nekkanti Venkata Lakshmi.

OUR MANAGEMENT

Under our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Our Company, as on date of this Draft Red Herring Prospectus has eight Directors on its Board, including four Independent Directors (of whom one is a woman Director).

Our Board

The following table sets forth details regarding our Board:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Nekkanti Seetha Ramachandra Murty <i>Designation:</i> Chairman and Whole-time Director* <i>Address:</i> H.No.7-5-117/3, Plot No.70, Near Panduranga Swami Temple, Pandurangapuram, Visakhapatnam – 530 003 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> From April 1, 2015 to March 31, 2020 and is liable to retire by rotation <i>DIN:</i> 01815294	61	<i>Other Directorships:</i> 1. Nekkanti Mega Food Park Private Limited 2. NSF Laboratories Private Limited 3. Vill Global Projects Private Limited 4. Sri Sai Srinivas Agro Farms and Developers Private Limited
Nekkanti Venkat Rao <i>Designation:</i> Managing Director and Chief Executive Officer# <i>Address:</i> Plot No.70, Pandurangapuram, Visakhapatnam – 530 003 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> From February 1, 2018 to January 31, 2023 and is liable to retire by rotation <i>DIN:</i> 01791149	33	<i>Other Directorships:</i> 1. NSF Laboratories Private Limited 2. Vill Global Projects Private Limited
Nekkanti Mahesh <i>Designation:</i> Joint Managing Director and Whole-time Director <i>Address:</i> H.No.7-5-117/3, Plot No.70, Near Panduranga Swami Temple, Pandurangapuram, Visakhapatnam – 530 003 <i>Occupation:</i> Business <i>Nationality:</i> Indian	33	<i>Other Directorships:</i> Nil

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
<i>Term:</i> From February 1, 2018 to January 31, 2023 and is liable to retire by rotation <i>DIN:</i> 08056796		
Motamarri Nagesh <i>Designation:</i> Whole-time Director and Chief Financial Officer <i>Address:</i> Flat No. 9, Vindhya Apartments, Radhakrishna Nagar, Seethammadhara, North Extension Layout, Visakhapatnam 530 013 <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> From April 1, 2015 to March 31, 2020 and is liable to retire by rotation <i>DIN:</i> 00871361	60	<i>Other Directorships:</i> Nil
Kolli Venkateswara Rao <i>Designation:</i> Independent Director <i>Address:</i> Flat No. 301, Heritage Apartment, East Point Colony, Visakhapatnam 530 017 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> From September 16, 2014 to September 15, 2019 and is not liable to retire by rotation <i>DIN:</i> 01705092	79	<i>Other Directorships:</i> 1. Nekkanti Mega Food Park Private Limited
Dinesh Bahl <i>Designation:</i> Independent Director <i>Address:</i> S-462, Greater Kailash, Part-II, Greater Kailash, South Delhi, New Delhi-110 048 <i>Occupation:</i> Chartered Accountant <i>Nationality:</i> Indian <i>Term:</i> From December 6, 2017 to December 5, 2020 and is not liable to retire by rotation <i>DIN:</i> 01007282	64	<i>Other Directorships:</i> 1. Indus Valley Incubators Private Limited 2. Harikripa Management Consultants Private Limited 3. SNB India Private Limited

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Popuri Adeyya Chowdary <i>Designation:</i> Independent Director <i>Address:</i> 8-3-833/55, Phase I, Kamalapuri Colony, Khairatabad, Hyderabad 500 073 <i>Occupation:</i> Government Services (Retired) <i>Nationality:</i> Indian <i>Term:</i> From January 19, 2018 to January 18, 2021 and is not liable to retire by rotation <i>DIN:</i> 02936505	72	<i>Other Directorships:</i> 1. The Andhra Sugars Limited
Malineni Sobha <i>Designation:</i> Independent Director <i>Address:</i> 3 Siddhivinayak Society, Karve Road, Pune 411 038 <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> From December 6, 2017 to December 5, 2020 and is not liable to retire by rotation <i>DIN:</i> 02385781	53	<i>Other Directorships:</i> 1. Millennium Farm Resorts (India) Private Limited 2. Millennium Health Resorts (India) Private Limited 3. Wozart Technologies Private Limited 4. Nekkanti Mega Food Park Private Limited <i>Partnerships:</i> 1. Home Construwell LLP

^{*}Nekkanti Seetha Ramachandra Murty was re-designated as the Chairman and Whole-time Director of our Company with effect from February 1, 2018.

[†]Nekkanti Venkat Rao was re-designated as the Managing Director and Chief Executive Officer of our Company with effect from February 1, 2018.

Brief profiles of our Directors:

Nekkanti Seetha Ramachandra Murty, is the Chairman and Whole-time Director of our Company. He has completed his matriculation. He has more than 40 years of experience in aquaculture business. He has been associated with our Company since its incorporation, having been first appointed to our Board in 1983. He oversees the overall operations of our Company. He has been inducted as National Committee Member in the Seafood Exporters Association of India.

Nekkanti Venkat Rao is the Managing Director of our Company. He holds a bachelor's degree in business with major in management from Virginia Polytechnic Institute and State University, United States of America. He has been associated with our Company since 2005, and was first appointed to our Board in 2006. He has over 11 years of experience in production and marketing, and was involved in the export business of our Company.

Nekkanti Mahesh, is the Joint Managing Director and Whole-time Director of our Company. He holds a master's degree in science from Rochester Institute of Technology, United States of America in 2009. Prior to joining our Company, he worked in research and development team of GE Inspection Technologies. He has experience in overall operations of our company and he has been involved in factory capacity expansion, production and human resource management. He has been associated with our Company since 2010, and was first appointed to our Board in 2018.

Motamarri Nagesh is the Whole-time Director of our Company. He holds a master's degree in commerce from Andhra University and is also a qualified chartered accountant, registered with the Institute of Chartered Accountants from India. Prior to joining our Company, he worked with Cement Corporation of India Limited as

account officer, Marine and Communication Electronics (India) Limited as deputy manager (finance and account), OMC Computers Limited as assistant manager and deputy manager in internal audit. He has been associated with our Company since 1992, and was first appointed to our Board in 2003. Over his tenure with the Company, he has been managing foreign exchange, export and import operations and currently also oversees the critical functions of finance and accounting in addition to banking, taxation and auditing functions. He has over 26 years of overall experience in finance and allied functions.

Kolli Venkateswara Rao, is an Independent Director of our Company. He holds a bachelor's degree in science from Andhra University. He is also a director in one of our Subsidiaries, namely Nekkanti Mega Food Park Private Limited.

Popuri Adeyya Chowdary, is an Independent Director of our Company. He holds a master's degree in arts (English Language and Literature) from Andhra University. Having joined the Indian Revenue Service in 1968, he worked with the Income Tax Department. He has been associated with our Company since 2018.

Dinesh Bahl, is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Delhi. He is also a qualified Chartered Accountant, registered with the Institute of Chartered Accountants from India. He has also served as the President of The Institute of Internal Auditors India (IIA), Delhi Chapter. He has been associated with our Company since 2017.

Malineni Sobha, is an Independent Director of our Company. She holds a master's degree of science (physics) from Andhra University. She has been associated with our Company since 2017. She is also a director in Millennium Farm Resorts (India) Private Limited, Millennium Health Resorts (India) Private Limited and Wozart Technologies Private Limited, and also a partner in Home Construwell LLP.

Relationship between our Directors

Except as disclosed below, none of our Directors are related to each other:

Sr. No.	Name of the Directors	Relationship
1.	Nekkanti Seetha Ramachandra Murty and Nekkanti Venkat Rao	Father and Son
2.	Nekkanti Seetha Ramachandra Murty and Nekkanti Mahesh	
3.	Nekkanti Venkat Rao and Nekkanti Mahesh	Brothers

Remuneration details of our Directors

(1) Remuneration details of our executive Directors

Nekkanti Seetha Ramachandra Murty

Pursuant to a resolution of our Board dated January 19, 2018 and a resolution of the Shareholders dated February 14, 2018 Nekkanti Seetha Ramachandra Murty was appointed as our Chairman and Whole Time Director for a term of five years with effect from February 1, 2018. His appointment terms continue to be governed by the resolution of our Board dated April 10, 2017 and a resolution of the Shareholders dated May 5, 2017, whereby with effect from April 1, 2017 he is entitled to a salary of ₹24,000,000 per annum and perquisites of ₹2,400,000 per annum, aggregating to ₹26,400,000 per annum.

During the Fiscal Year 2017, the total amount of compensation paid to him was ₹ 6.00 million.

Nekkanti Venkat Rao

Pursuant to a resolution of our Board dated January 19, 2018 and a resolution of the Shareholders dated February 14, 2018, Nekkanti Venkat Rao was appointed as our Managing Director for a term of five years with effect from February 1, 2018. His appointment terms continue to be governed by the resolution of our Board dated April 10,

2017 and a resolution of the Shareholders resolution dated May 5, 2017, whereby with effect from April 1, 2017 he is entitled to a salary of ₹18,000,000 per annum and perquisites of ₹1,800,000 per annum, aggregating to ₹19,800,000 per annum. Certain other benefits such as gratuity, provident fund and leave entitlement are also provided to him as are provided to the other employees of our Company.

During the Fiscal Year 2017, the total amount of compensation paid to him was ₹ 6.00 million.

Motamarri Nagesh

Pursuant to a resolution of our Board dated June 18, 2015 and a resolution of the Shareholders dated July 31, 2015, Motamarri Nagesh was re-appointed as our whole-time Director for a term of five years with effect from April 1, 2015. Pursuant to a resolution of our Board dated April 10, 2017 and a resolution of the Shareholders resolution dated May 5, 2017, Motamarri Nagesh is entitled to a salary of ₹6,000,000 with effect from April 1, 2017.

During the Fiscal Year 2017, the total amount of compensation paid to him was ₹ 1.92 million.

Nekkanti Mahesh

Pursuant to a resolution of our Board dated January 19, 2018 and a resolution of the Shareholders dated February 14, 2018, Nekkanti Mahesh was appointed as our Joint Managing Director and Whole-time Director for a term of five years with effect from February 1, 2018. Pursuant to the resolution of our Board dated January 19, 2018 and a resolution of the Shareholders dated February 14, 2018, with effect from February 1, 2018 he is entitled to a salary of ₹18,000,000 per annum and perquisites of ₹1,800,000 per annum, aggregating to ₹19,800,000 per annum. Certain other benefits such as gratuity, provident fund and leave entitlement are also provided to him as are provided to the other employees of our Company.

During the Fiscal Year 2017, the total amount of compensation paid to him was ₹ 6.00 million.

(2) Remuneration details of our non- executive Directors

Pursuant to the resolution of our Board dated December 31, 2017, our non- executive Directors are entitled to receive sitting fees of ₹ 25,000 for attending each meeting of our Board and Audit Committee and ₹ 10,000 for attending each meeting of other committees.

No sitting fee was paid to our non-executive Directors, during the Fiscal Year 2017.

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors, including where the compensation is payable at a later date.

Remuneration paid or payable from Subsidiaries

No remuneration has been paid to our Directors by any of our Subsidiaries.

Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors

Our Articles do not require the Directors to hold any qualification shares. Except as disclosed below, as on date of this Draft Red Herring Prospectus, none of our Directors hold Equity Shares:

Sr. No.	Name	Number of Equity shares
1.	Nekkanti Seetha Ramachandra Murthy*	17,790,000

Sr. No.	Name	Number of Equity shares
2.	Nekkanti Venkat Rao	4,140,000
3.	Nekkanti Mahesh	1,160,000

**Nekkanti Seetha Ramachandra Murty is also the karta of Nekkanti Seetha Ramachandra Murty(HUF) which holds 9,000,000 Equity Shares as on date of this Draft Red Herring Prospectus, amounting to 13.31% of the pre- Offer share capital of our Company.*

For details of our Directors who hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus please see the “*History and Other Corporate Matters - Shareholding of our Directors in our Subsidiaries*” on page 168.

Service contracts with Directors

There are no service contracts entered into with any of our Directors by our Company which provide for any benefit upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, 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, if any, payable to them.

Certain of our Directors may also be regarded as interested in the Equity Shares held by them. Further, certain Directors, except for Nekkanti Seetha Ramachandra Murty, Mahesh Nekkanti and Nekkanti Venkat Rao, may also be deemed to be interested in Equity Shares that may, pursuant to this Offer, be subscribed by or Allotted to them, their relatives, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters.

Our Directors, Nekkanti Seetha Ramachandra Murty, Nekkanti Venkat Rao, Nekkanti Mahesh, Kolli Venkateswara Rao and Malineni Sobha are also directors and/or promoters of our Group Companies and Subsidiaries, and may be deemed to be interested to the extent of payments made between our Company and the Group Companies or such Subsidiaries, if any.

Interest in property

None of our Directors have any interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery. However, Nekkanti Seetha Ramchandhra Murty, our Chairman and Whole-time Director, has leased a property in Kalyana Nagar, Bandar, Krishna district to our Company for a period of six years from April 1, 2017 on a monthly rent of ₹0.02 million (subject to certain adjustments).

Business interest

Except as stated in “*Interest of Directors*” this sub-section, “*Note 51(b) of our Restated Standalone Financial Statements*” and “*Note 51(b) of our Restated Consolidated Financial Statements*” on pages 258 and 333, respectively, our Directors do not have any other interest in our business or our Company.

Our Company has not made any payments in cash or shares or otherwise to our Directors or to firms or companies in which our Directors are interested as members, directors or promoters; nor have our Directors been offered any inducements to become directors or to otherwise be interested in any firm or company, in connection with the promotion or formation of our Company.

Confirmations

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during the term of their directorship.

None of our Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations.

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors are associated with the securities market. Also, see “*Other Regulatory and Statutory Disclosures*” on page 389.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of change	Reasons
Nekkanti Seetha Ramachandra Murty	April 1, 2015	Re-appointment as Managing Director
Nekkanti Venkat Rao	April 1, 2015	Re-appointment as Executive Director
Motamarri Nagesh	April 1, 2015	Re-appointment as Whole-time Director
Mandava Raghavendra Rao	February 15, 2016	Resignation as Independent Director
Murali Mohan Nekkanti	February 15, 2016	Appointment as Independent Director
	December 6, 2017	Resignation as Independent Director
Nekkanti Subba Rayudu	December 6, 2017	Resignation as Director
Nekkanti Venkata Lakshmi	December 6, 2017	Resignation as Whole-time Director
Nekkanti Aslesha	December 6, 2017	Resignation as Whole-time Director
Dinesh Bahl	December 6, 2017	Appointment as Independent Director
Malineni Sobha	December 6, 2017	Appointment as Independent Director
Popuri Adeyya Chowdary	January 19, 2018	Appointment as Independent Director
Nekkanti Mahesh	February 1, 2018	Appointment as Joint Managing Director and Whole-time Director
Nekkanti Seetha Ramachandra Murty	February 1, 2018	Change in designation as Chairman and Whole-time Director*
Nekkanti Venkat Rao	February 1, 2018	Change in designation as Managing Director**

* Change in designation from Managing Director to Chairman and Whole-time Director.

** Change in designation from Executive Director to Managing Director.

Borrowing Powers

In accordance with the Articles of Association, the Board shall, have the power, from time to time, at its discretion, to borrow, raise or secure payment of any sum of money, for the purpose of the Company in such manner and upon such terms and conditions as they think fit and through the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future.

Pursuant to a resolution of the shareholders of our Company passed at the EGM held on November 23, 2017 our Board has been authorised to borrow, from time to time, any sum or sums of money, which together with the monies already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and its free reserves, provided that the total outstanding amount so borrowed shall not at any time exceed ₹ 10,000 million.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, the provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company is in compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations in respect of corporate governance including constitution of the board of directors and committees thereof.

Committees of the Board

Audit Committee

The Audit Committee was constituted by a meeting of the Board of Directors held on September 16, 2014 and reconstituted on February 17, 2018. The members of the Audit Committee are:

Sr. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Dinesh Bahl	Chairman	Independent Director
2.	Popuri Adeyya Chowdary	Member	Independent Director
3.	Motamarri Nagesh	Member	Whole-time Director and Chief Financial Officer

Scope and terms of reference: The Audit Committee would perform the following functions with regard to accounts and financial management:

Role of the Audit Committee:

- (i) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) make recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) approve payment to statutory auditors for any other services rendered by them;
- (iv) review 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 of directors report in terms of clause (c) of sub Section 3 of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report.
- (v) review, with the management, the quarterly financial statements before submission to the board of directors for their approval;
- (vi) review, 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 utilised 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 our board of directors to take up steps in this matter;
- (vii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) approve or subsequently modify transactions of the Company with related parties;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (ix) scrutinise inter-corporate loans and investments;
- (x) conduct valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) evaluate internal financial controls and risk management systems;
- (xii) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) review 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;
- (xiv) discuss with internal auditors of any significant findings and follow up there on;
- (xv) review 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;
- (xvi) discuss 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;
- (xvii) to look 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;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approve the appointment of the Chief Financial Officer of the Company (i.e., the whole-time director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) to oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and
- (xxi) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.”

The powers of the Audit Committee include the following:

1. To investigate activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Review of information:

The Audit Committee shall mandatorily review the following information:

- (i) Management discussion and analysis of financial condition and results of operations;
- (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

- (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
- (iv) Internal audit reports relating to internal control weaknesses;
- (v) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- (vi) statement of deviations in terms of the SEBI Listing Regulations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
 - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.”

The Company Secretary and the Compliance Officer shall act as the Secretary to the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on September 16, 2014 and last reconstituted on February 17, 2018. The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Kolli Venkateswara Rao	Chairman	Independent Director
2.	Malineni Sobha	Member	Independent Director
3.	Nekkanti Seetha Ramachandra Murty	Member	Chairman and Whole-time Director

Scope and terms of reference: The Nomination and Remuneration Committee is responsible, among other things, for:

- (i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors);
- (ii) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (iii) devise a policy on diversity of the Board;
- (iv) consider whether to extend or continue the term of appointment of the independent director(s), on the basis of the report of performance evaluation of independent directors;
- (v) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (vi) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other applicable laws or regulatory authority.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted by a meeting of the Board of Directors held on February 17, 2018. The members of the Stakeholders Relationship Committee are:

Sr. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Malineni Sobha	Chairman	Independent Director
2.	Nekkanti Venkat Rao	Member	Managing Director and CEO
3.	Nekkanti Mahesh	Member	Joint Managing Director and Whole-time Director

Scope and terms of reference: The terms of reference of the Stakeholders Relationship Committee are as follows:

- (i) redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- (ii) giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (iii) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- (iv) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority."

IPO Committee

The IPO Committee was constituted by a meeting of the Board of Directors held on January 19, 2018. The members of the IPO Committee are:

Sr. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Nekkanti Venkat Rao	Chairman	Managing Director and Chief Executive Officer
2.	Motamarri Nagesh	Member	Whole-time Director and Chief Financial Officer
3.	Nekkanti Mahesh	Member	Joint Managing Director and Whole-time Director

Scope and terms of reference: The IPO Committee is responsible for:

- (i) determining the anchor investor portion and allocation to anchor investors in consultation with the BRLM(s) and in accordance with the SEBI ICDR Regulations and to constitute/ re-constitute such other committees of the Board, as may be required under the applicable laws, including as per the Companies Act, 2013 and SEBI Listing Regulations;

- (ii) to decide on the Offer size (including any reservation for employees, and/or any other reservations or firm allotments as may be permitted, green shoe option and/ or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors etc.) and all other terms and conditions of the Offer, including the price, premium, Discounts (as permitted under applicable laws) and to make any amendments, modifications, variations or alterations thereto;
- (iii) to make applications to the Stock Exchanges for in-principle approval for listing of the Equity Shares and file such documents, including a copy of the draft red herring prospectus (“DRHP”) with SEBI, and register the red herring prospectus (“RHP”) and the prospectus (“Prospectus” and together with DRHP and RHP, referred to as the “Offer Documents”) with the RoC, as may be required for the purpose;
- (iv) to take all actions as may be necessary or authorised, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the applicable laws;
- (v) to invite the existing shareholders of the Company to participate in the Offer by offering for sale Equity Shares held by them at the same price as in the Offer;
- (vi) authorise any director or directors of the Company or other officer or officers of the Company, (including by the grant of power of attorney) to do such acts, deeds and things as such authorised person(s) in absolute discretion may deem necessary or desirable in connection with the Offer;
- (vii) give or authorise any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (viii) to appoint and enter into arrangements with the BRLM(s), underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection banks to the Offer, registrar to the Offer, refund bank(s) to the Offer, public issue account, bankers to the Offer, legal counsels to the Offer, advertising agencies, monitoring agency and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;
- (ix) to seek, if required, the consent of the lenders to the Company and/or its subsidiaries, industry data providers, parties with whom the Company has entered into various commercial and other agreements including without limitation its customers, suppliers, strategic/ financial partners, joint ventures, and any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the Offer;
- (x) to make applications, to seek clarifications and obtain approvals from, if necessary, from the RBI, the SEBI, the RoC or any other statutory or governmental authorities in connection with the Offer and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus;
- (xi) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLM’s engagement letter, the offer agreement, registrar agreement, ad agency agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, (including any amendment(s) or addenda/ corrigenda thereto) among other things, with respect to the payment of commissions, brokerages and fees, to the BRLM(s), registrar to the Offer, legal counsels, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;
- (xii) decide the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLM(s) and in accordance with applicable laws;

- (xiii) approving the DRHP, RHP and Prospectus (including amending, varying or modifying the same as may be considered desirable or expedient) and the preliminary and final international wrap for the Offer (together with any addenda, corrigenda and supplement thereto) as finalised in consultation with the BRLM(s), in accordance with the applicable laws;
- (xiv) seeking the listing of the Equity Shares on the Stock Exchanges by submitting the listing application and taking all actions that may be necessary in connection with this;
- (xv) to issue receipts/allotment letters/confirmation of allocation notes either in physical or in electronic mode representing the underlying Equity Shares in the share capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and applicable laws, with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- (xvi) to accept and appropriate proceeds of the Fresh Issue in accordance with the applicable laws;
- (xvii) to do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or amend, as the case may be, the agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar to the Offer and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (xviii) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Offer;
- (xix) to withdraw the DRHP or the RHP or to decide not to proceed with the Offer at any stage in accordance with the SEBI ICDR Regulations and other applicable laws;
- (xx) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, in consultation with the BRLM(s), deem necessary or desirable for the Offer, including without limitation, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws;
- (xxi) to settle all questions, remove any difficulties or doubts that may arise from time to time with regard to the Offer, including with respect to the terms of the Offer, utilisation of the proceeds of the Fresh Issue, appointment of intermediaries for the Offer and such other issues as it may, in its absolute discretion deem fit;
- (xxii) to take such action, give such directions, as may be necessary or desirable with regard to the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment/ transfer of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company; and
- (xxiii) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing.”
- (xxiv) to delegate any of the powers mentioned in (i) to (xxiii) to such persons as the IPO Committee may deem necessary.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by a meeting of the Board of Directors held on September 16, 2014 and reconstituted on February 17, 2018. The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of the Member	Designation in the Committee	Nature of Directorship
1.	Nekkanti Seetha Ramachandra Murty	Chairman	Chairman and Whole-time Director
2.	Kolli Venkateswara Rao	Member	Independent Director
3.	Nekkanti Venkat Rao	Member	Managing Director and Chief Executive Officer

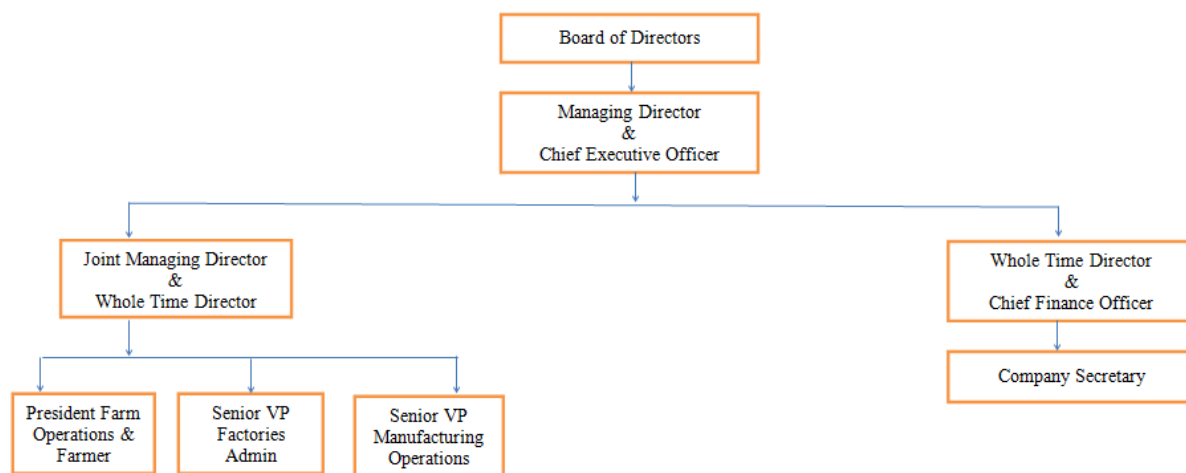
Scope and terms of reference: The Corporate Social Responsibility Committee is responsible for:

- (i) to formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- (ii) to recommend the amount of expenditure to be incurred on the activities referred to in (a);
- (iii) to monitor the Corporate Social Responsibility Policy of the company from time to time;
- (iv) to do such other acts, deeds and things as may be required to comply with the applicable laws; and
- (v) to perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”

Interest in promotion of our Company

Except Nekkanti Seetha Ramachandra Murty, who is one of the Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus.

Management Organisation Structure



Key Management Personnel

In addition to our executive Directors, the following are our Key Management Personnel:

1. Nekkanti Subba Rayudu President, Farm Operations and Farmer Relations
2. Bhogadi Satyanarayana, Senior Vice President, Manufacturing Operations
3. Vanka Raghunandha Rao, Senior Vice President, Factories Administration
4. Chandra Kanta Nayak, Company Secretary and Compliance Officer

All the Key Management Personnel are permanent employees of our Company.

Brief profiles of our Key Management Personnel

For brief profiles of our executive Directors, see “- *Brief Profiles of our Directors*” above on page 173.

The details of our other Key Management Personnel as of the date of this Draft Red Herring Prospectus are set forth below:

Nekkanti Subba Rayudu aged 65 years, is acting as President – Farm Operations and Farmer Relations. He has been associated with our Company since April, 1998 and was appointed as key managerial personnel on December 31, 2017. He has completed his matriculation. He oversees Shrimp farming operations of our Company. He received a gross remuneration of ₹ 1.8 million in Fiscal Year 2017.

Bhogadi Satyanarayana aged 51 years, is acting as Senior Vice President – Manufacturing Operations. He holds a bachelor degree in fisheries science from University of Agricultural Sciences, Bangalore and Master of Business Administration in Finance from Andhra University. He has been associated with our Company since September, 1999 and was appointed as key managerial personnel on December 31, 2017. He has been associated with our Company since eighteen years. He oversees the manufacturing operations of the Company and is responsible for *inter alia*, raw material sourcing, production planning, and quality controls. He received a gross remuneration of ₹ 0.58 million in Fiscal Year 2017.

Vanka Raghunandha Rao aged 53 years, is acting as Senior Vice President – Factories Administration. He holds a bachelor degree in commerce from Andhra University. He has been associated with our Company since July, 1989 and was appointed as key managerial personnel on December 31, 2017. He has been associated with our Company for more than twenty five years. He is responsible for the factory related operations. He received a gross remuneration of ₹ 0.43 million in Fiscal Year 2017.

Chandra Kanta Nayak, aged 29 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor degree in commerce and is also a member of the Institute of Company Secretaries of India. He was appointed as the Company Secretary on December 31, 2017, and subsequently also designated as the Compliance Officer on January 19, 2018. He is currently responsible for handling secretarial matters of our Company. Since he joined our Company in December 2017, he was not paid any remuneration for the Fiscal Year 2017.

Relationship among Key Management Personnel

Except for Nekkanti Seetha Ramachandra Murty who is the father of Nekkanti Venkat Rao and Nekkanti Mahesh, Nekkanti Venkat Rao and Nekkanti Mahesh who are brothers, and Nekkanti Subba Rayudu who is the elder brother to Nekkanti Seetha Ramachandra Murty none of the Key Management Personnel are related to each other.

Bonus or profit sharing plan for the Key Management Personnel

There is no bonus or profit sharing plan for the Key Management Personnel of our Company.

Shareholding of Key Management Personnel

Except for Nekkanti Venkat Rao, Nekkanti Mahesh, Nekkanti Seetha Ramachandra Murty and Nekkanti Subba Rayudu who hold 4,140,000, 1,160,000, 17,790,000, and 1,200,000 Equity Shares, respectively, none of the Key Management Personnel hold Equity Shares in our Company as on date of this Draft Red Herring Prospectus.

None of the Key Management Personnel hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Management Personnel

None of our Key Management Personnel have entered into any service contracts with our Company, pursuant to which they are entitled to benefits upon termination of employment.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of remuneration received from our Company, and benefits and reimbursement of expenses incurred by them in the ordinary course of business. Further, some of our Key Management Personnel have personally guaranteed certain loans availed by our Company.

No loans have been availed by the Key Management Personnel from our Company.

Contingent and deferred compensation payable to Key Management Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel including where the compensation is payable at a later date.

Changes in Key Management Personnel during the last three years

The changes in our Key Management Personnel other than those changes in capacity of the Directors who are Key Management Personnel that are captured above, during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Key Management Personnel	Date of change	Reasons
Nekkanti Subba Rayudu	December 31, 2017	Re-designated as President (Farm Operations and Farmer Relations)*
Bhogadi Satyanarayana	December 31, 2017	Re-designated as Senior Vice President (Manufacturing Operations)**
Vanka Raghunandha Rao	December 31, 2017	Re-designated as Senior Vice President (Factories Administration)***
Chandra Kanta Nayak	December 31, 2017	Appointment as Company Secretary

* Change in designation from Director to President (Farm Operations and Farmer Relations).

** Change in designation from General Manager, Exports to Senior Vice President (Manufacturing Operations).

*** Change in designation from Plant In-charge to Senior Vice President (Factories Administration).

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid as on the date of filing of this Draft Red Herring Prospectus, other than in the ordinary course of their employment.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Directors or Key Management Personnel have been appointed as director or a member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Nekkanti Seetha Ramachandra Murty;
2. Nekkanti Venkata Lakshmi; and
3. Nekkanti Seetha Ramachandra Murty (HUF).

For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 82.

The details of our Promoters are as follows:

Nekkanti Seetha Ramachandra Murty



Identification Particulars	Details
Voter ID Number	IDY0715086
Driving License Number	464KKD1983OD
Address	H.No.7-5-117/3, Plot No 70, Pandurangapuram, Visakhapatnam – 530 002, Andhra Pradesh

Nekkanti Seetha Ramachandra Murty, aged 61 years, is our Promoter and is also the Chairman and Whole-time Director of our Company. For further details, see "*Our Management*" on page 171.

Nekkanti Venkata Lakshmi



Identification Particulars	Details
Voter ID Number	BGY7654619
Driving License Number	DLDAP031437372009
Address	Plot No 70, Pandurangapuram, Visakhapatnam – 530 002, Andhra Pradesh

Nekkanti Venkata Lakshmi, aged 55 years, is our Promoter. She been associated with our Company since June, 2010 and worked till December 2017. She has completed her matriculation. She was previously a director in our Company and she was responsible for human resources and social functions. She is presently a director on the board of NSF Laboratories Private Limited.

Nekkanti Seetha Ramachandra Murty (HUF)

Nekkanti Seetha Ramachandra Murty (HUF) came into existence on March 12, 1982 and its members are Nekkanti Venkata Lakshmi, Nekkanti Venkat Rao, Nekkanti Aslesha, Nekkanti Aanya, Nekkanti Navya, Nekkanti Mahesh, Nekkanti Naveena and Nekkanti Dhruv. Nekkanti Seetha Ramachandra Murty is the karta of Nekkanti Seetha Ramachandra Murty HUF.

We confirm that the details of the PAN, bank account numbers and passport numbers of our individual Promoters and the permanent account number and bank account of Nekkanti Seetha Ramachandra Murty HUF shall be submitted with the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with the Stock Exchanges.

Interest of Promoters

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent of their shareholding and/or directorship in our Company and the dividend declared, if any, by our Company. For further details, see “*Capital Structure*” and “*Our Management*” on pages 82 and 171, respectively.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of the Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery. However, our Promoters have leased certain of their properties to our Company. For instance, our Promoter, Nekkanti Venkata Lakshmi has leased to our Company a property situated in Kakinada for a monthly rent of ₹0.03 million till March 31, 2020.

Our Promoter Nekkanti Seetha Ramchandhra Murty (HUF) has leased to our Company a property in Hyderabad for a period of six years from April 1, 2017 on a monthly rent of ₹ 0.02 million (and an increase of 10% on every two years). For details, in relation to property leased by Nekkanti Seetha Ramchandhra Murty, see “*Interest of Directors-Interest in Property*” on page 176.

Also see “*Note 51(b) of our Restated Standalone Financial Statements*” and “*Note 51(b) of our Restated Consolidated Financial Statements*” on pages 258 and 333, respectively.

Interest of Promoters in our Company other than as Promoters

Except as stated in this section and the sections titled “*Our Business*”, “*Our Management*”, “*History and Certain Corporate Matters*”, “*Financial Indebtedness*” and “*Related Party Transactions*” on pages 139, 171, 163, 379 and 194, respectively, our Promoters do not have any interest in our Company other than as promoters.

Interest of Promoters in Intellectual Property

Our Promoters are not interested in any intellectual property rights that are used by our Company.

Our Company has not made any payments in cash or shares or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters; nor have our Promoters been offered any inducements to become directors or to otherwise be interested in any firm or company, in connection with the promotion or formation of our Company.

Common Pursuits of our Promoters

Our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Payment of amounts or benefits to our Promoters or Promoter Group during the last two years

Except as stated in the section titled “*Related Party Transactions*” on pages 194, no amount or benefit has been paid by our Company to our Promoters or members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus.

Related Party Transactions

Except as stated in the section titled “*Related Party Transactions*” on page 194, our Company has not entered into any related party transactions with our Promoters.

Confirmations

Our Company has not made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any

inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

Our Promoters are not related to any sundry debtors of our Company.

Disassociation by Promoters in the Last Three Years

Our Promoters have not disassociated from any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Promoter Group

List of the members of promoter group is mentioned below:

(a) Companies and entities

In addition to our Subsidiaries, the companies and entities that form part of our Promoter Group are as follows:

- (i) Vill Global Projects Private Limited
- (ii) Sri Sai Srinivasa Agro Farms and Developers Private Limited
- (iii) Srinivasa Marines (Partnership Firm)
- (iv) Employee Group Gratuity Trust

(b) Individuals

Sr. No.	Name	Relation with Promoters
1.	Nekkanti Subbarayudu	Elder brother to Nekkanti Seetha Ramachandra Murty
2.	Atluri Venkata Lakshmi	Elder sister to Nekkanti Seetha Ramachandra Murty
3.	Nekkanti Venkat Rao	Son of Nekkanti Seetha Ramachandra Murty and Nekkanti Venkat Lakshmi
4.	Nekkanti Mahesh	Son of Nekkanti Seetha Ramachandra Murty and Nekkanti Venkat Lakshmi
5.	Burugapalli Trinatha Rao	Brother to Nekkanti Venkata Lakshmi
6.	Uppalapatti Ammaji	Sister to Nekkanti Venkata Lakshmi

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group, see “*Capital Structure – Notes to Capital Structure - Shareholding of our Promoters and the members of our Promoter Group*” on page 92.

Guarantees

Except as stated in “*History and Certain Corporate Matters – Guarantees given by the Promoters offering Equity Shares as part of the Offer for Sale*” on page 170, our Promoters have not given any guarantee to a third party as of the date of this Draft Red Herring Prospectus.

Other Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoters, and members of our Promoter Group have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters' as defined under the SEBI ICDR Regulations.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, for the purpose of identification of “group companies”, our Company has considered:

- companies covered under applicable accounting standards (*i.e.*, companies disclosed as related parties in accordance with Indian Accounting Standard 24) as per the Restated Consolidated Financial Statements, irrespective of whether the Company has had any transaction with such related party; and
- other companies that are considered material by our Board.

Pursuant to the materiality policy approved by our Board on March 7, 2018 (“**Materiality Policy**”) for the purpose of disclosure as a group company in this Draft Red Herring Prospectus, a company shall be considered material if:

- (a) it is a member of the Promoter Group and has entered into one or more transactions with our Company in the Fiscal Year 2017, and nine months ended December 31, 2017, that cumulatively exceed 10% of the total consolidated revenue of our Company, as per the annual restated consolidated financial statements of our Company for the Fiscal Year 2017; and/ or
- (b) subsequent to December 31, 2017, would require disclosure in the consolidated financial statements of our Company as entities covered under Ind AS 24.

Further, pursuant to the Materiality Policy, it is clarified that companies which, subsequent to December 31, 2017, have ceased to be related parties of the Company in terms of Indian Accounting Standard 24 (as confirmed by the IPO Committee in a resolution) shall not be considered as ‘group companies’ for the purpose of disclosure in this Draft Red Herring Prospectus.

Based on the foregoing, our Company has the following Group Companies:

1. Vill Global Projects Private Limited
2. Sri Sai Srinivasa Agro Farms and Developers Private Limited

Relevant details of our Group Companies are set forth below.

1). Vill Global Projects Private Limited (“**VGPPPL**”)

VGPPPL was incorporated as a private limited company on March 14, 2016 under the Companies Act, 2013 with the RoC. Its CIN is U70102TG2016PTC103886. It is currently engaged in the business of land, development and construction of residential colonies, town ships, farm houses, resorts and construction of apartments, malls, recreation centres, to rent or sell the plots for building/constructing residential houses, bungalows, business premises etc.

Interest of Promoters

Nekkanti Seetha Ramachandra Murty holds 1,444,550 equity shares of VGPPPL constituting 43.60% of its total issued and paid-up capital. He is also a director on the board of VGPPPL.

Certain financial information derived from the audited financial results of VGPPPL for the last audited Fiscal Year is set forth below:

Particulars	(in ₹ million, except per share data)
	Fiscal Year 2017
Equity Capital	0.10
Reserves and surplus (excluding revaluation reserves)*	(0.08)
Total Income	-
Profit/(Loss) after Tax	(0.08)
Basic EPS	(8.22)

Particulars	Fiscal Year 2017
Diluted EPS	(8.22)
Net asset value per share	1.78

**Excludes debit balance in the profit and loss account.*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2) Sri Sai Srinivasa Agro Farms and Developers Private Limited (“SSSAFDPL”)

SSSAFDPL was incorporated as a private limited company on August 12, 2005 under the Companies Act, 1956 with the then Registrar of Companies, Andhra Pradesh. Its CIN is U70102AP2005PTC47120. SSSAFDPL is currently engaged in the business of real estate.

Interest of Promoters

Nekkanti Seetha Ramachandra Murty holds 142,600 Equity Shares of SSSAFDPL constituting 22% of its total issued and paid-up capital. He is also a director on the board of SSSAFDPL.

Financial Information

Certain financial information derived from the audited financial results of SSSAFDPL for the last three audited Fiscal Years are set forth below:

<i>(in ₹ million, except per share data)</i>			
Particulars	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Equity Capital	6.48	6.48	6.48
Reserves and surplus (excluding revaluation reserves)*	(0.19)	(0.35)	(0.41)
Total Income	-	-	-
Profit/(Loss) after Tax	(0.19)	(0.16)	(0.06)
Basic EPS	(0.30)	(0.24)	(0.09)
Diluted EPS	(0.30)	(0.24)	(0.09)
Net asset value per share	9.70	9.46	9.37

**Excludes debit balance in the profit and loss account.*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Defunct Group Companies

There are no Group Companies, which had remained defunct or for which an application was made to the registrar of companies for striking off its name, during the five years preceding the date of this Draft Red Herring Prospectus

Other Confirmations

None of our Group Companies have become sick companies under the meaning of the erstwhile SICA or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016 or are under winding up.

Both the Group Companies have incurred a loss in the last fiscal.

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

None of the Group Companies have been debarred from accessing the capital markets for any reasons by SEBI or any other authorities.

None of the Group Companies have been identified as “wilful defaulters” as defined under the SEBI ICDR Regulations.

Group Companies with negative net worth

None of our Group Companies had negative net worth in the Fiscal Year 2017.

Common pursuits of our Group Companies

There are no common pursuits among our Company and our Group Companies.

Related Party Transactions

Except as disclosed in “*Related Party Transactions*” on page 194, there have been no related party transactions with our Group Companies.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

There are no sales or purchases between Group Companies exceeding 10% in aggregate in value of the total sales or purchases of our Company.

Interest of Group Companies in promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

Interest of our Group Companies in the property of our Company

None of our Group Companies have any interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Interest of Group Companies in any transaction by our Company

None of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Business interests of our Group Companies in our Company

Our Group Companies have no business interests in our Company.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, see “*Note 51(b) of our Restated Standalone Financial Statements*” and “*Note 51(b) of our Restated Consolidated Financial Statements*” on pages 258 and 333, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of our Articles of Association and the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the fiscal year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company does not have a formal dividend policy.

Dividends on Equity Shares

The dividends declared by our Company on the Equity Shares in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Face value per share (in ₹)	10	10	10	10	10
Dividend (₹ in Million)	6.76	6.76	6.76	4.05	2.70
Dividend per share (in ₹)	2.50	2.50	5.00	6.00	4.00
Rate of dividend (%)	25%	25%	50%	60%	40%
Dividend Tax (%)	20.36	20.36	19.99	16.99	16.99

Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. Also see “*Risk factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*” on page 37.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

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Independent Auditor's Report on Restated Ind AS Standalone Financial Information

To,
The Board of Directors
Nekkanti Sea Foods Limited
D.No: 3-163/3, Ocean Drive Layout,
Gudlavanipalem, Sagar Nagar,
Visakhapatnam - 530045

Dear Sirs,

1. We have examined the attached **Restated Ind AS Standalone Financial Information** of **Nekkanti Sea Foods Limited** ("the Company"), which comprise of the Restated Standalone Statement of Assets and Liabilities as at **31 December, 2017, 31 March 2017, 2016, 2015, 2014 and 2013**, the Restated Standalone Statement of Profit and loss (including Other Comprehensive Income), the Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for the nine months ended 31 December 2017 and for each of the years ended 31 March 2017, 2016, 2015, 2014 and 2013 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated standalone financial information explained in paragraph 7 below, for the purpose of inclusion in the Offer Document prepared by the Company in connection with its proposed initial public offer of equity shares by way of fresh issue of equity shares by the Company and also by way of an offer for sale by the existing shareholders. The Restated Ind AS Standalone Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").
2. The preparation of the Restated Ind AS Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules, ICDR Regulations.
3. We have examined such Restated Ind AS Standalone Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 19 January 2018 in connection with the proposed issue of equity shares of the Company; and
 - b) The Guidance Note on Reports in Company's Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").
4. These Restated Ind AS Standalone Financial Information have been compiled by the management from the audited standalone Ind AS financial statements of the Company as at, and for the nine months ended 31 December 2017 and years ended 31 March 2017, 2016, 2015, 2014, 2013 (which were expressed in Indian Rupees in millions), prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) (Amendment) Rules 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 07 March 2018.
5. The Audit of Restated Ind AS Standalone Financial Information for the years ended 31 March 2016, 2015, 2014 and 2013 was conducted by the previous auditors M/s. Pendyala Sarvani & Co., Chartered Accountants, and accordingly reliance has been placed on the Restated Ind AS Standalone Financial Information examined by them for the said years. The financial report included for these years ended 31 March 2016, 2015, 2014 and 2013 are based solely on the report dated

07 March 2018 submitted by them. M/s. Pendyala Sarvani & Co., Chartered Accountants, have also confirmed that the Restated Ind AS Standalone Financial Information:

- a) have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;
 - b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - c) do not contain any exceptional items that need to be disclosed separately in the respective financial years and do not contain any qualification requiring adjustments.
6. Based on our examination and 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, the Guidance Note and terms of our engagement agreed with you, we report that:
- a) The Restated Standalone Statement of Assets and Liabilities of the Company as at 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and as at 31 December 2017 and 31 March 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Standalone Financial Statement, Note 2: Basis of preparation of Standalone financial Statements and Note 3: Significant Accounting policies of Annexure V;
 - b) The Restated Standalone Statement of Profit and Loss of the Company for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and for nine months ended 31 December 2017 and the year ended 31 March 2017 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Standalone Financial Statement, Note 2: Basis of preparation of Standalone financial Statements and Note 3: Significant Accounting policies of Annexure V;
 - c) The Restated Standalone Statement of Cash Flows of the Company for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and nine months ended 31 December 2017 and for the year ended 31 March 2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Standalone Financial Statement, Note 2: Basis of preparation of Standalone financial Statements and Note 3: Significant Accounting policies of Annexure V;
 - d) The Restated Standalone Statement of Changes in Equity of the Company for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and for nine months ended 31 December 2017 and the year ended 31 March 2017 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Standalone Financial Statement, Note 2: Basis of preparation of Standalone financial Statements and Note 3: Significant Accounting Policies of Annexure V.
 - e) Based on the above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants for the respective years, we further report that the Restated Ind AS Standalone Financial Information:
 - i) have been prepared after incorporating adjustments for change in accounting policies retrospectively in respective financial years/ period to reflect the same accounting treatment as per changed accounting policy for all the reporting years/ period;

- ii) have been prepared after incorporating adjustments for the material amounts in the respective financial years/ period to which they relate; and
 - iii) do not contain any exceptional items that need to be disclosed separately in the respective financial years/period and do not contain any qualification requiring adjustments.
7. We have also examined the following Restated Ind AS Standalone Financial Information of the Company as set out in the Annexures prepared by the management and approved by the Board of Directors, on 07 March 2018 for the nine months ended 31 December 2017 and for each of the years ended 31 March 2017, 2016, 2015, 2014 and 2013. In respect of the years ended 31 March 2016, 2015, 2014 and 2013 this information has been included based upon the reports submitted by previous auditor, M/s. Pendyala Sarvani & Co., Chartered Accountants, and relied upon by us:
- (i) Basis of preparation and significant accounting policies as enclosed in Annexure V;
 - (ii) Notes to the Restated Ind AS Standalone Financial Information as enclosed in Annexure VI;
 - (iii) Restated Standalone Statement of Accounting Ratios, as enclosed in Annexure VII;
 - (iv) Restated Standalone Statement of Capitalisation, as enclosed in Annexure VIII;
 - (v) Restated Standalone Statement of Dividend, as enclosed in Annexure IX;
8. In our opinion and to the best of our information and according to the explanation given to us, and also as per the reliance placed on the reports submitted by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, the Restated Ind AS Standalone Financial Information of the Company as at and for the nine months ended 31 December 2017 and as at and for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 including the above mentioned other restated financial information contained in Annexures VI to IX, read with basis of preparation and 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 Act, read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. 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, and stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of Equity Shares by way of a fresh issue of Equity Shares of the Company and by way of an Offer for Sale by the existing shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For J V S L & Associates
Chartered Accountants
Firm's Registration No: 15002S

J. VENKATESWARLU
Partner
Membership No: 22481

Place: Hyderabad
Date: 07 March 2018

ANNEXURE I: RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

All figures in ₹ million

Particulars	Note No.	As at December 31, 2017	As at March 31,				
			2017	2016	2015	2014	2013
I ASSETS							
1 Non-current assets							
Property, plant and equipment	2	919.53	950.38	257.27	245.24	230.24	168.90
Intangible assets	2	2.48	1.78	-	-	-	-
Capital work in progress	3	36.76	39.51	428.86	3.60	7.71	14.62
Investment property	4	2.64	2.64	2.64	2.64	2.64	2.64
Financial assets							
Investments	5	178.05	388.91	236.75	195.29	238.89	213.49
Other financial assets	6	22.54	28.21	43.88	51.37	7.77	6.68
Other non-current assets	7	192.48	154.38	168.49	91.51	22.94	27.92
Total non-current assets		1,354.48	1,565.81	1,137.89	589.65	510.19	434.25
2 Current assets							
Inventories	8	1,680.93	1,664.64	544.75	934.15	414.96	241.83
Financial assets							
Trade receivables	9	980.43	167.64	177.76	34.81	566.29	67.10
Cash and cash equivalents	10	104.49	42.79	24.22	10.92	23.85	2.58
Bank balances other than above	11	26.08	17.86	30.86	15.18	11.58	10.69
Other financial assets	12	53.03	21.33	6.18	15.71	9.26	6.92
Other current assets	13	614.05	218.53	154.60	274.01	185.66	94.04
Total current assets		3,459.01	2,132.79	938.37	1,284.78	1,211.60	423.16
Total Assets		4,813.49	3,698.60	2,076.26	1,874.43	1,721.79	857.41
II EQUITY AND LIABILITIES							
1 Equity							
Equity share capital	14	135.28	27.06	27.06	13.53	6.76	6.76
Other equity	15	3,188.66	2,134.57	1,589.11	1,313.70	850.26	524.96
Total equity		3,323.94	2,161.63	1,616.17	1,327.23	857.02	531.72
2 Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	16	-	-	30.00	-	-	-
Other financial liabilities	17	1.50	1.50	1.50	-	-	-
Provisions	18	2.10	0.33	-	-	0.36	-
Deferred tax liabilities (net)	19	101.16	53.11	61.35	103.10	54.46	19.59
Other non-current liabilities	20	148.40	169.29	16.09	12.85	14.68	7.58
Total non-current liabilities		253.16	224.23	108.94	115.95	69.50	27.17
3 Current liabilities							
Financial liabilities							
Borrowings	21	832.06	1,059.61	250.11	186.91	547.83	216.78
Trade payables	22	285.44	212.34	65.80	186.63	232.06	74.21
Provisions	23	91.50	0.19	1.81	40.89	6.87	0.49
Other current liabilities	24	27.39	40.60	33.43	16.82	8.51	7.04
Total current liabilities		1,236.39	1,312.74	351.15	431.25	795.27	298.52
Total liabilities		1,489.55	1,536.97	460.09	547.20	864.77	325.69
Total Equity and Liabilities		4,813.49	3,698.60	2,076.26	1,874.43	1,721.79	857.41

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated standalone financial statement appearing in Annexure VI

ANNEXURE II: RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS

All figures in ₹ million

Particulars	Annexure	For the nine months ended Dec 31, 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
Continuing Operations							
Income							
1 Revenue from operations	25	10,747.60	8,302.07	7,741.50	6,860.94	5,862.62	2,967.79
2 Other income	26	109.27	99.47	56.13	80.31	7.99	33.42
3 Total income (1+2)		10,856.87	8,401.54	7,797.63	6,941.25	5,870.61	3,001.21
4 Expenses							
Cost of materials consumed	27	7,716.81	7,211.34	5,652.75	5,624.44	4,705.49	2,311.45
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(33.87)	(1,100.55)	433.01	(521.88)	(165.17)	(25.72)
Employee benefits expense	29	55.99	43.72	35.06	21.57	18.80	15.12
Depreciation and amortisation expense	30	151.03	142.48	48.65	45.68	35.62	28.50
Other expenses	31	1,311.70	1,299.92	1,120.11	1,002.50	742.60	469.85
Finance costs	32	83.31	76.42	48.39	43.64	32.10	20.64
Total expenses (4)		9,284.97	7,673.33	7,337.97	6,215.95	5,369.44	2,819.84
5 Profit before exceptional items and tax (3-4)		1,571.90	728.21	459.66	725.30	501.17	181.37
6 Exceptional items		-	-	-	-	-	-
7 Profit before tax from continuing operations (5-6)		1,571.90	728.21	459.66	725.30	501.17	181.37
8 Income tax expense	33						
(i) Current tax		350.97	181.12	204.97	201.11	137.06	58.81
(ii) Deferred tax charge (credit)		48.89	(7.64)	(41.96)	48.64	35.14	3.34
9 Profit for the year (7-8)		1,172.04	554.73	296.65	475.55	328.97	119.22
Other comprehensive income							
Items that will not be reclassified to profit or loss							
10 Remeasurement of post-employment benefit obligations		(2.44)	(1.72)	0.62	(0.58)	(0.77)	(0.23)
11 Income tax relating to these items		0.84	0.60	(0.21)	-	0.26	0.07
12 Restated profit /(loss) for the year (9+10+11)		1,170.44	553.61	297.06	474.97	328.46	119.06
13 Earnings per share	34						
Basic earnings per share		17.30	8.18	4.39	7.02	4.86	1.76
Diluted earnings per share		17.30	8.18	4.39	7.02	4.86	1.76

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated standalone financial statement appearing in Annexure VI

ANNEXURE III: RESTATED STANDALONE STATEMENT OF CASH FLOWS

All figures in ₹ million

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
A Cash flow from Operating Activities						
Profit before income tax	1,571.90	728.21	459.66	725.30	501.17	181.37
Adjustments for						
Depreciation and amortisation expense	151.03	142.48	48.65	45.68	35.62	28.5
(Profit) on sale of fixed asset	(0.63)	0.61	-	(0.11)	(0.54)	(18.35)
Fair Value changes of investments considered to profit and loss	(15.43)	-	-	-	-	0
Interest received	(25.40)	(26.28)	(25.95)	(1.76)	(2.47)	(3.16)
Finance costs	83.31	76.42	48.39	43.64	32.10	20.64
MTM (gain) on forward contract	(31.70)	(15.15)	(2.47)	(6.45)	-	(10.49)
	1,733.08	906.29	528.28	806.30	565.88	198.51
Change in operating assets and liabilities						
(Increase)/ decrease in other financial assets	(26.03)	0.52	17.02	(50.05)	(3.43)	(7.51)
(Increase)/ decrease in inventories	(16.29)	(1,119.89)	389.40	(519.19)	(173.13)	(29.70)
(Increase)/ decrease in trade receivables	(812.79)	10.12	(142.95)	531.48	(499.19)	44.08
(Increase)/ decrease in other assets	(424.45)	(95.70)	96.20	(157.77)	(91.62)	(24.23)
Increase/ (decrease) in provisions and other liabilities	(33.28)	158.97	22.26	5.52	7.40	(5.32)
Increase/ (decrease) in trade payables	73.12	146.54	(120.83)	(45.43)	157.85	(33.09)
Cash generated from operations	493.36	6.85	789.38	570.86	(36.24)	142.74
Less: Income taxes paid (net of refunds)	(261.16)	(182.74)	(244.05)	(167.09)	(130.68)	(62.66)
Net cash from/ (used in) operating activities (A)	230.20	(175.89)	545.33	403.77	(166.92)	80.08
B Cash flows from Investing Activities						
Purchase of PPE (including changes in CWIP)	(127.67)	(404.24)	(540.00)	(55.83)	(85.48)	(79.97)
Sale proceeds of PPE (including changes in CWIP)	3.19	0.90	-	0.26	1.77	24.99
(Purchase)/ disposal proceeds of Investments	226.29	(152.16)	(41.46)	43.60	(25.40)	(58.20)
(Investments in)/ Maturity of fixed deposits with banks	(8.22)	13.00	(15.68)	(3.60)	(0.89)	(1.23)
Interest income	23.21	26.87	25.94	1.72	2.41	2.98
			-			
Net cash from/ (used in) investing activities (B)	116.80	(515.63)	(571.20)	(13.85)	(107.59)	(111.43)
C Cash flows from Financing Activities						
Proceeds from issue of equity share capital (net of share application money)	-	-		0.01	-	-
Proceeds from/ (repayment of) long term borrowings	-	(30.00)	30.00	-	-	(0.39)
Proceeds from/ (repayment of) short term borrowings	(227.55)	809.50	63.20	(360.92)	331.05	41.21
MTM gain/(loss) on forward contract	31.70	15.15	2.47	6.45	-	10.49
Finance costs	(83.31)	(76.42)	(48.39)	(43.64)	(32.10)	(20.64)
Dividend paid	(6.76)	(6.76)	(6.76)	(4.06)	(2.71)	(2.71)
Tax on dividend	(1.38)	(1.38)	(1.35)	(0.69)	(0.46)	(0.44)
			-			
Net cash from/ (used in) financing activities (C)	(287.30)	710.09	39.17	(402.85)	295.78	27.52
D Net increase (decrease) in cash and cash equivalents (A+B+C)	61.70	18.57	13.30	(12.93)	21.27	(3.83)
Cash and cash equivalents at the beginning of the financial year	42.79	24.22	10.92	23.85	2.58	6.41
Cash and cash equivalents at end of the year	104.49	42.79	24.22	10.92	23.85	2.58
Notes: 1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements						
2. Components of cash and cash equivalents						
Balances with banks						
- in current accounts	74.49	40.18	17.23	8.71	20.10	1.03
- in EEFC Account	28.93	1.90	4.71	1.60	3.21	0.84
- in Treasury bank savings accounts	-	-	-	-	-	0
Cash on hand	1.07	0.71	2.28	0.61	0.54	0.71
	104.49	42.79	24.22	10.92	23.85	2.58

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated standalone financial statement appearing in Annexure VI

ANNEXURE IV: RESTATED STANDALONE STATEMENT OF CHANGES IN EQUITY

Particulars	For period ended December 31,	For the period ended March 31,				
(A) Equity Share Capital	2017	2017	2016	2015	2014	2013
Balance at the beginning of the year	27.06	27.06	13.53	6.76	6.76	6.76
Changes in equity share capital during the year	108.22	-	13.53	6.77	-	-
Balance at the end of the year	135.28	27.06	27.06	13.53	6.76	6.76

(B) Other Equity

All figures in ₹ million

Particulars	General Reserve	Capital Redemption Reserve	Other comprehensive income	Retained Earnings	Total
Balance as at March 31, 2017	1,590.34	-	(2.35)	546.58	2,134.57
Additions/ (deductions) during the year	546.58	-	(1.60)	(546.58)	(1.60)
Total Comprehensive Income for the year				1,172.04	1,172.04
Ind AS adjustments				(116.35)	(116.35)
Balance as at December 31, 2017	2,136.92	-	(3.95)	1,055.69	3,188.66
Balance as at March 31, 2016	1,301.81	-	(1.23)	288.53	1,589.11
Additions/ (deductions) during the year	288.53	-	-	(288.53)	-
Total Comprehensive Income for the year	-	-	(1.12)	554.73	553.61
Ind AS adjustments	-	-	-	(8.15)	(8.15)
Balance as at March 31, 2017	1,590.34	-	(2.35)	546.58	2,134.57
Balance as at March 31, 2015	844.54	-	(1.64)	470.80	1,313.70
Additions/ (deductions) during the year	470.80	-	0.41	(174.15)	297.06
Appropriated towards bonus issue	(13.53)	-	-	-	(13.53)
Total Comprehensive Income for the year	-	-	-	-	-
Ind AS adjustments	-	-	-	(8.12)	(8.12)
Balance as at March 31, 2016	1,301.81	-	(1.23)	288.53	1,589.11
Balance as at March 31, 2014	523.27	2.24	(1.06)	325.81	850.26
Additions/ (deductions) during the year	325.81	(2.24)	-	(325.81)	(2.24)
Transferred from Capital Redemption Reserve	2.24	-	-	-	2.24
Appropriated towards bonus issue	(6.76)	-	-	-	(6.76)
Total Comprehensive Income for the year	-	-	(0.58)	475.55	474.97
Ind AS adjustments	(0.02)	-	-	(4.75)	(4.77)
Balance as at March 31, 2015	844.54	-	(1.64)	470.80	1,313.70
Balance as at March 31, 2013	407.19	2.24	(0.55)	116.08	524.96
Additions/ (deductions) during the year	116.08	-	-	(116.08)	-
Total Comprehensive Income for the year	-	-	(0.51)	328.97	328.46
Ind AS adjustments	-	-	-	(3.16)	(3.16)
Balance as at March 31, 2014	523.27	2.24	(1.06)	325.81	850.26
Balance as at March 31, 2012	284.32	2.24	(0.39)	122.87	409.04
Additions/ (deductions) during the year	122.87	-	-	(122.87)	-
Total Comprehensive Income for the year	-	-	(0.16)	119.22	119.06
Ind AS adjustments	-	-	-	(3.14)	(3.14)
Balance as at March 31, 2013	407.19	2.24	(0.55)	116.08	524.96

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated standalone financial statement appearing in Annexure VI

ANNEXURE V: BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

Nekkanti Sea Foods Limited ("NSFL" or the company") was established in 1983 with registered office at Visakhapatnam. The Company is engaged primarily in the business of processing and export of shrimp and other seafood products. The Company has processing facilities at Visakhapatnam and Ravulapalem. The company commissioned another processing facility on 1st July, 2016 at J Thimmapuram village near Kakinada.

2 Basis of preparation of financial statements

- i) The Restated standalone Statement of Assets and Liabilities of the Company as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Restated standalone Statement of Profit and Loss, the Restated standalone Statement of Changes in Equity and the Restated standalone Statement of Cash flows for the nine month period ended December 31, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 and Restated other standalone Financial Information (together referred to as Restated Standalone Financial statements) are prepared for the special purpose of inclusion in the prospectus of the Company during the initial public offering. These special purpose financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 as amended from time to time. The company has prepared the financial statements to comply in all material aspects with Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 besides the pronouncements/ guidelines of the Institute of Chartered Accountants of India. The financial statements have been prepared on an accrual basis.

The Restated standalone financial statements have been prepared by the management in connection with the proposed initial public offering and inclusion in the Prospectus of the Company to be filed with the Securities and Exchange Board of India, Registrar of Companies and the concerned Stock Exchanges in accordance with the requirements of the Companies (Prospectus and Allotment of Securities) Rules 2014 to the companies Act, 2013 and the SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009 as amended to date.

For all periods up to and including the year ended March 31, 2012, the Company prepared its financial statements in accordance with accounting standards notified under the Companies Act (Indian GAAP). This special purpose Restated financial statements are prepared by the Company under Ind AS commencing from the year ended March 31, 2013 from the audited standalone Financial Statements of the Company. These financial statements for the year ended December 31, 2017 are the sixth financial statements, the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2011.

These Restated Standalone Financial Statements have been compiled by the Company from the Audited Standalone Financial Statements of the nine months period ended 31 December 2017 and for the years ended March 2017, 2016, 2015, 2014 and 2013 and:

- a) There were no audit qualifications on these restated financial statements.
- b) there were no changes in accounting policies under Previous GAAP during the years of these financial statements except the accounting for depreciation on PPE which has been applied with retrospective effect from the year ended on 31 March 2013.
- c) material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted.
- d) adjustments for remeasurement, reclassification and regrouping of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013, and the requirements of the SEBI regulations.
- e) the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These financial statements are presented in INR and values are rounded off to nearest million except when otherwise indicated.

ii) Use of estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 3 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

Level 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non-recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the dispatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discount.

Export incentives/ benefits

Incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licenses are accounted on due basis on the FOB value of the exports recognized during the year.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

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

d) Property, plant and equipment and capital work in progress

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to continue to measure the property, plant and equipment at their previous GAAP values. Hence, no fair valuation or retrospective application of Ind AS 16 is required.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairment if any.

Revenue expenses and revenue receipts incurred in connection with project implementation in so far as such expense relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalised.

All material/ significant components have been identified for the plant and have been accounted separately. The useful life of such components are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Properties held to earn rentals and/or capital appreciation are classified as Investment property and are measured and reported at cost, including transaction cost.

e) Depreciation on property, plant and equipment

Depreciation is provided on the basis of useful life of the asset, as estimated by the management, based on technical evaluation, on written down value method. Additions to fixed assets, costing Rs.5,000 each or less are fully charged off to profit and loss.

Depreciation on additions to fixed assets and sale of fixed assets are provided on pro-rata basis.

The useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Estimated useful life (in years)
Buildings:	
Factory buildings	30
Other buildings	60
Plant and Machinery	15
Electrical Equipment	10
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of inventories is determined using the first in first out (FIFO) method and includes freight, taxes and duties, net of duty credits wherever applicable.

In respect of finished goods and work in progress cost includes all direct costs and applicable manufacturing overheads incurred in bringing them to their present location and condition.

g) Biological asset

A biological asset is a living animal or plant. Biological transformation comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.

The aquaculture carried out by the Company is in the nature of consumable biological asset, which is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for the case described in paragraph 30 of Ind AS 41 where the fair value cannot be measured reliably.

The aquaculture produce harvested from the Company's consumable biological assets are captively consumed and are measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying Ind AS 2 Inventories or another applicable Standard.

h) Foreign currency transactions and translations

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses the rate that approximates exchange rates or an average rate.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

i) Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants related to assets, including non-monetary grants at fair value, is presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

j) Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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

re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

As per the policy of the Company, the compensated absences are not entitled to be carried forward to the subsequent financial year and lapse at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

l) Leases

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

For arrangements entered into prior to April 1, 2011, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

m) Impairment of non-financial assets

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

other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

n) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Necessary provision for doubtful debts, claims, etc., is made if realisation of money is doubtful in the judgment of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Commitments:

Commitments are future liabilities for contractual expenditure. These are classified and disclosed as i) estimated amount of contracts remaining to be executed on capital account, but not provided for; b) uncalled liability on shares and other investments partly paid; c) funding related commitment to subsidiary, associate and JV companies and d) other non-cancellable commitments if any.

o) Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted

S.No	Original classification	Revised classification	Accounting treatment
			against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

ANNEXURE VI: NOTES TO RESTATED STANDALONE FINANCIAL STATEMENTS

NOTE 1: FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

The restated financial statements for the year ended 31 March 2013 are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening Ind AS balance sheet at April 1, 2011 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out as reconciliation of standalone statements of assets and liabilities and standalone statement of profit & loss from IGAP to Ind AS for the financial years 2012-13 to 2016-17 and for nine months period ending 31 December 2017 in the following tables and notes.

A. Exemptions and exceptions availed

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

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE and Intangibles

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to continue the property, plant and equipment at their previous GAAP values.

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2011 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B. Notes to first-time adoption

B.1 Trade receivables

As per Ind AS 109, The company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Company has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.2 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.

As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. Since the company does not have any long-term borrowings, no adjustment is considered necessary.

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications.

B.4 Constructive obligations

Under Ind AS, any constructive obligation shall also be considered and provided for in the financial statements. Accordingly, the Company has measured its constructive obligation relating to salary revision based on best estimate and considered the same in the Ind AS financial statements.

B.5 Fair valuation of financial assets and liabilities

Under Ind AS, Financial Assets and liabilities are to be valued at amortized cost or fair value through profit and loss account (FVTPL) or fair value through other comprehensive income (FVTOCI) based on the company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. the company has remeasured the financial assets and liabilities as on the transition and consequential impact has been given in the opening retained earnings.

B.6 Government Grants

Under Ind AS, Government grants related to assets, including non-monetary grants at fair value, is presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset. The Company has remeasured the capital grants as aforesaid and accounted in the Ind AS financial statements.

B.7 Proposed dividends

Under Ind AS, liability to pay dividends arises only when the shareholders approve the dividends recommended by the board of directors. Till such approval the proposed dividends do not meet the recognition criteria of a liability. The Company has accordingly, reversed the provisions for proposed dividends and the related taxes. Only a disclosure as required by Ind AS has been made

B.8 Depreciation

Under Ind AS, depreciation on property, plant and equipment has to be provided based on the economic useful life estimated by the management. The Company has, accordingly, remeasured the depreciation which was hitherto provided based on the minimum depreciation rates prescribed by the erstwhile Companies Act, 1956

B.9 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

Nekkanti Sea Foods Limited

Statement of reconciliation between previous GAAP and Ind AS

Standalone Statement of Assets and Liabilities as at March 31, 2013

(All amounts are in ₹ Millions, unless otherwise stated)

Particulars	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	175.67	(6.77)	168.90
Capital work in progress	14.62	-	14.62
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Biological assets other than bearer plants	-	-	-
Financial Assets			
Investments	213.49	-	213.49
Loans	-	-	-
Other non-current financial assets	6.68	-	6.68
Deferred tax asset	-	-	-
Other non-current assets	6.45	21.47	27.92
Non-current assets	416.91	17.34	434.25
Current assets			
Inventories	105.84	135.99	241.83
Financial Assets			
Investments	-	-	-
Trade receivables	253.10	(186.00)	67.10
Cash and cash equivalents	13.27	(10.69)	2.58
Bank balances other than above	-	10.69	10.69
Loans	-	6.92	6.92
Deferred rent receivable	-	-	-
Non-current assets held for sale	-	-	-
Other current assets	31.07	62.97	94.04
Current assets	403.28	19.88	423.16
TOTAL ASSETS	820.19	37.22	857.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6.76	-	6.76
Other Equity	503.68	21.28	524.96
	510.44	21.28	531.72
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities (other than those specified in (c) below)	-	-	-
Provisions	0.18	(0.18)	-
Deferred tax liabilities (Net)	7.20	12.39	19.59
Other non-current Liabilities	0.86	6.72	7.58
Non-Current Liabilities	8.24	18.93	27.17
Current liabilities			
Financial Liabilities			
Borrowings	216.78	-	216.78
Trade payables	69.36	4.85	74.21
Other financial liabilities (other than those specified below)	-	-	-
Provisions	3.66	(3.17)	0.49
Other current liabilities	11.71	(4.67)	7.04
Current liabilities	301.51	(2.99)	298.52
TOTAL EQUITY AND LIABILITIES	820.19	37.22	857.41

Nekkanti Sea Foods Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2013

(All amounts are in ₹ Millions, unless otherwise stated)

	For the year ended March 31 2013 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re-measurement	For the year ended March 31, 2013 (Ind AS)
INCOME				
Revenue from Operations	2,958.87	(1.63)	10.55	2,967.79
Other Income	21.00	0.15	12.27	33.42
Total Income	2,979.87	(1.48)	22.82	3,001.21
EXPENSES				
Cost of materials consumed	2,312.93	(1.48)	-	2,311.45
Purchase of stock-in-trade - Traded goods	-	-	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(55.05)	-	29.33	(25.72)
Employee benefit expenses	15.56	(0.23)	(0.21)	15.12
Depreciation and amortization expense	21.77	-	6.73	28.50
Other expenses	470.39		(0.54)	469.85
Finance costs	20.64	-	-	20.64
Total Expenses	2,786.24	(1.71)	35.31	2,819.84
Profit / (loss) before exceptional items and tax	193.63	0.23	(12.49)	181.37
Exceptional Items	-	-	-	-
Profit / (loss) before tax	193.63	0.23	(12.49)	181.37
Tax expense:				
Current tax	58.81	-	-	58.81
Deferred tax	3.85	0.07	(0.58)	3.34
Profit (loss) for the period from continuing operations	130.97	0.16	(11.91)	119.22
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	130.97	0.16	(11.91)	119.22
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(0.23)		(0.23)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.07		0.07
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	130.97	0.00	(11.91)	119.06

Nekkanti Sea Foods Limited
Standalone Statement of Assets and Liabilities as at March 31, 2014

(All amounts are in ₹ Millions, unless otherwise stated)

	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	236.38	(6.14)	230.24
Capital work in progress	7.71	-	7.71
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Biological assets other than bearer plants	-	-	-
Financial Assets			
Investments	238.89	-	238.89
Loans	-	-	-
Other non-current financial assets	7.77	-	7.77
Deferred tax asset	-	-	-
Other non-current assets	1.47	21.47	22.94
Non-current assets	492.22	17.97	510.19
Current assets			
Inventories	293.43	121.53	414.96
Financial Assets			
Investments	-	-	-
Trade receivables	728.66	(162.37)	566.29
Cash and cash equivalents	35.43	(11.58)	23.85
Bank balances other than above	-	11.58	11.58
Loans	-	9.26	9.26
Deferred rent receivable	-	-	-
Non-current assets held for sale	-	-	-
Other current assets	25.08	160.58	185.66
Current assets	1,082.60	129.00	1,211.60
TOTAL ASSETS	1,574.82	146.97	1,721.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6.76	-	6.76
Other Equity	759.19	91.07	850.26
	765.95	91.07	857.02
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities (other than those specified in (c) below)	-	-	-
Provisions	0.81	(0.45)	0.36
Deferred tax liabilities (Net)	7.23	47.23	54.46
Other non-current Liabilities	1.62	13.06	14.68
Non-Current Liabilities	9.66	59.84	69.50
Current liabilities			
Financial Liabilities			
Borrowings	547.83	-	547.83
Trade payables	217.30	14.76	232.06
Other financial liabilities (other than those specified below)	-	-	-
Provisions	11.62	(4.75)	6.87
Other current liabilities	22.46	(13.95)	8.51
Current liabilities	799.21	(3.94)	795.27
TOTAL EQUITY AND LIABILITIES	1,574.82	146.97	1,721.79

Nekkanti Sea Foods Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2014

(All amounts are in ₹ Millions, unless otherwise stated)

Particulars	For the year ended March 31 2014 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2014 (Ind AS)
INCOME				
Revenue from Operations	5,737.94	-	124.68	5,862.62
Other Income	3.72	(0.14)	4.41	7.99
Total Income	5,741.66	(0.14)	129.09	5,870.61
EXPENSES				
Cost of materials consumed	4,705.49	-	-	4,705.49
Purchase of stock-in-trade - Traded goods	-	-	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(179.63)	-	14.46	(165.17)
Employee benefit expenses	19.03	(0.77)	0.54	18.80
Depreciation and amortization expense	27.84	-	7.78	35.62
Other expenses	739.48	(0.14)	3.26	742.60
Finance costs	32.10	-	-	32.10
Total Expenses	5,344.31	(0.91)	26.04	5,369.44
Profit / (loss) before exceptional items and tax	397.35	0.77	103.05	501.17
Exceptional Items	-	-	-	-
Profit / (loss) before tax	397.35	0.77	103.05	501.17
Tax expense:				
Current tax	137.06	-	-	137.06
Deferred tax	0.04	0.26	34.84	35.14
Profit (loss) for the period from continuing operations	260.25	0.51	68.21	328.97
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	260.25	0.51	68.21	328.97
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(0.77)		(0.77)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.26		0.26
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	260.25	-	68.21	328.46

Nekkanti Sea Foods Limited
Standalone Statement of Assets and Liabilities as at March 31, 2015

(All amounts are in ₹ Millions, unless otherwise stated)

	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	244.03	1.21	245.24
Capital work in progress	3.60	-	3.60
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Biological assets other than bearer plants	-	-	-
Financial Assets			
Investments	238.89	(43.60)	195.29
Loans	-	-	-
Other non-current financial assets	7.77	43.60	51.37
Deferred tax asset	-	-	-
Other non-current assets	0.62	90.89	91.51
Non-current assets	494.91	94.74	589.65
Current assets			
Inventories	377.87	556.28	934.15
Financial Assets			
Investments	-	-	-
Trade receivables	639.65	(604.84)	34.81
Cash and cash equivalents	26.10	(15.18)	10.92
Bank balances other than above	-	15.18	15.18
Loans	-	15.71	15.71
Deferred rent receivable	-	-	-
Non-current assets held for sale	-	-	-
Other current assets	28.60	245.41	274.01
Current assets	1,072.22	212.56	1,284.78
TOTAL ASSETS	1,567.13	307.30	1,874.43
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13.53	-	13.53
Other Equity	1,113.14	200.56	1,313.70
	1,126.67	200.56	1,327.23
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities (other than those specified in (c) below)	-	-	-
Provisions	-	-	-
Deferred tax liabilities (Net)	0.80	102.30	103.10
Other non-current Liabilities	0.30	12.55	12.85
Non-Current Liabilities	1.10	114.85	115.95
Current liabilities			
Financial Liabilities			
Borrowings	186.91	-	186.91
Trade payables	166.09	20.54	186.63
Other financial liabilities (other than those specified below)	-	-	-
Provisions	49.00	(8.11)	40.89
Other current liabilities	37.36	(20.54)	16.82
Current liabilities	439.36	(8.11)	431.25
TOTAL EQUITY AND LIABILITIES	1,567.13	307.30	1,874.43

Nekkanti Sea Foods Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2015

(All amounts are in ₹ Millions, unless otherwise stated)

Particulars	For the year ended March 31 2015 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2015 (Ind AS)
INCOME				
Revenue from Operations	7,238.23	-	(377.29)	6,860.94
Other Income	3.04		77.27	80.31
Total Income	7,241.27		(300.02)	6,941.25
EXPENSES				
Cost of materials consumed	5,624.44	-	-	5,624.44
Purchase of stock-in-trade - Traded goods	-	-	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(87.13)	-	(434.75)	(521.88)
Employee benefit expenses	23.12	(0.58)	(0.97)	21.57
Depreciation and amortization expense	49.71	-	(4.03)	45.68
Other expenses	1,022.50		(20.00)	1,002.50
Finance costs	43.64	-	-	43.64
Total Expenses	6,676.28	(0.58)	(459.75)	6,215.95
Profit / (loss) before exceptional items and tax	564.99	0.58	159.73	725.30
Exceptional Items	-	-	-	-
Profit / (loss) before tax	564.99	0.58	159.73	725.30
Tax expense:				
Current tax	201.11	-	-	201.11
Deferred tax	(6.43)	-	55.07	48.64
Profit (loss) for the period from continuing operations	370.31	0.58	104.66	475.55
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	370.31	0.58	104.66	475.55
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(0.58)		(0.58)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		-		-
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	370.31	0.00	104.66	474.97

Nekkanti Sea Foods Limited
Standalone Statement of Assets and Liabilities as at March 31, 2016

(All amounts are in ₹ Millions, unless otherwise stated)

	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	250.74	6.53	257.27
Capital work in progress	428.86	-	428.86
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Biological assets other than bearer plants	-	-	-
Financial Assets			
Investments	270.80	(34.05)	236.75
Loans	-	-	-
Other non-current financial assets	11.13	32.75	43.88
Deferred tax asset	-	-	-
Other non-current assets	54.39	114.10	168.49
Non-current assets	1,015.92	121.97	1,137.89
Current assets			
Inventories	359.65	185.10	544.75
Financial Assets			
Investments	-	-	-
Trade receivables	404.83	(227.07)	177.76
Cash and cash equivalents	55.08	(30.86)	24.22
Bank balances other than above	-	30.86	30.86
Loans	-	6.18	6.18
Deferred rent receivable	-	-	-
Non-current assets held for sale	-	-	-
Other current assets	34.86	119.74	154.60
Current assets	854.42	83.95	938.37
TOTAL ASSETS	1,870.34	205.92	2,076.26
EQUITY AND LIABILITIES			
Equity			
Equity share capital	27.06	-	27.06
Other Equity	1,457.11	132.00	1,589.11
	1,484.17	132.00	1,616.17
Non-Current Liabilities			
Financial Liabilities			
Borrowings	30.00	-	30.00
Other financial liabilities (other than those specified in (c) below)	1.50	-	1.50
Provisions	-	-	-
Deferred tax liabilities (Net)	(4.62)	65.97	61.35
Other non-current Liabilities	-	16.09	16.09
Non-Current Liabilities	26.88	82.06	108.94
Current liabilities			
Financial Liabilities			
Borrowings	250.11	-	250.11
Trade payables	41.59	24.21	65.80
Other financial liabilities (other than those specified below)	-	-	-
Provisions	9.95	(8.14)	1.81
Other current liabilities	57.64	(24.21)	33.43
Current liabilities	359.29	(8.14)	351.15
TOTAL EQUITY AND LIABILITIES	1,870.34	205.92	2,076.26

Nekkanti Sea Foods Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2016

(All amounts are in ₹ Millions, unless otherwise stated)

Particulars	For the year ended March 31 2016 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2016 (Ind AS)
INCOME				
Revenue from Operations	7,473.11	(3.61)	272.00	7,741.50
Other Income	11.38	-	44.75	56.13
Total Income	7,484.49	(3.61)	316.75	7,797.63
EXPENSES				
Cost of materials consumed	5,656.36	(3.61)	-	5,652.75
Purchase of stock-in-trade - Traded goods	-	-	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	61.83	-	371.18	433.01
Employee benefit expenses	35.08	0.62	(0.64)	35.06
Depreciation and amortization expense	48.92	-	(0.27)	48.65
Other expenses	1,087.09	-	33.02	1,120.11
Finance costs	30.01	-	18.38	48.39
Total Expenses	6,919.29	(2.99)	421.67	7,337.97
Profit / (loss) before exceptional items and tax	565.20	(0.62)	(104.92)	459.66
Exceptional Items	-	-	-	-
Profit / (loss) before tax	565.20	(0.62)	(104.92)	459.66
Tax expense:				
Current tax	204.97	-	-	204.97
Deferred tax	(5.42)	(0.21)	(36.33)	(41.96)
Profit (loss) for the period from continuing operations	365.65	(0.41)	(68.59)	296.65
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	365.65	(0.41)	(68.59)	296.65
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		0.62		0.62
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		(0.21)		(0.21)
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	365.65	-	(68.59)	297.06

Nekkanti Sea Foods Limited

Standalone Statement of Assets and Liabilities as at March 31, 2017

(All amounts are in ₹ Millions, unless otherwise stated)

	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	777.96	172.42	950.38
Capital work in progress	39.51	-	39.51
Intangible assets	1.78	-	1.78
Investment Property	-	2.64	2.64
Biological assets other than bearer plants	-	-	-
Financial Assets			
Investments	404.16	(15.25)	388.91
Loans	-	-	-
Other non-current financial assets	14.17	14.04	28.21
Deferred tax asset	-	-	-
Other non-current assets	8.51	145.87	154.38
Non-current assets	1,246.09	319.72	1,565.81
Current assets			
Inventories	638.53	1,026.11	1,664.64
Financial Assets			
Investments	-	-	-
Trade receivables	1,258.13	(1,090.49)	167.64
Cash and cash equivalents	60.65	(17.86)	42.79
Bank balances other than above	-	17.86	17.86
Loans	-	21.33	21.33
Deferred rent receivable	-	-	-
Non-current assets held for sale	-	-	-
Other current assets	92.19	126.34	218.53
Current assets	2,049.50	83.29	2,132.79
TOTAL ASSETS	3,295.59	403.01	3,698.60
EQUITY AND LIABILITIES			
Equity			
Equity share capital	27.06	-	27.06
Other Equity	2,000.93	133.64	2,134.57
	2,027.99	133.64	2,161.63
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities (other than those specified in (c) below)	1.50	-	1.50
Provisions	-	0.33	0.33
Deferred tax liabilities (Net)	(13.70)	66.81	53.11
Other non-current Liabilities	-	169.29	169.29
Non-Current Liabilities	(12.20)	236.43	224.23
Current liabilities			
Financial Liabilities			
Borrowings	1,059.61	-	1,059.61
Trade payables	134.90	77.44	212.34
Other financial liabilities (other than those specified below)	-	-	-
Provisions	8.33	(8.14)	0.19
Other current liabilities	76.96	(36.36)	40.60
Current liabilities	1,279.80	32.94	1,312.74
TOTAL EQUITY AND LIABILITIES	3,295.59	403.01	3,698.60

Nekkanti Sea Foods Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2017

(All amounts are in ₹ Millions, unless otherwise stated)

Particulars	For the year ended March 31 2017 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2017 (Ind AS)
INCOME				
Revenue from Operations	9,248.56	(4.70)	(941.79)	8,302.07
Other Income	9.45	(0.16)	90.18	99.47
Total Income	9,258.01	(4.86)	(851.61)	8,401.54
EXPENSES				
Cost of materials consumed	7,216.04	(4.70)	-	7,211.34
Purchase of stock-in-trade - Traded goods	-	-	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(259.54)	-	(841.01)	(1,100.55)
Employee benefit expenses	43.86	(1.72)	1.58	43.72
Depreciation and amortization expense	132.89	-	9.59	142.48
Other expenses	1,343.04	(0.16)	(42.96)	1,299.92
Finance costs	57.71	-	18.71	76.42
Total Expenses	8,534.00	(6.58)	(854.09)	7,673.33
Profit / (loss) before exceptional items and tax	724.01	1.72	2.48	728.21
Exceptional Items	-	-	-	-
Profit / (loss) before tax	724.01	1.72	2.48	728.21
Tax expense:				
Current tax	181.12	-	-	181.12
Deferred tax	(9.08)	0.60	0.84	(7.64)
Profit (loss) for the period from continuing operations	551.97	1.12	1.64	554.73
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	551.97	1.12	1.64	554.73
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(1.72)		(1.72)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.60		0.60
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	551.97	-	1.64	553.61

Nekkanti Sea Foods Limited

Standalone Statement of Assets and Liabilities as at December 31, 2017

(All amounts are in ₹ Millions, unless otherwise stated)

	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	794.26	125.27	919.53
Capital work in progress	36.76	-	36.76
Intangible assets	2.48	-	2.48
Investment Property	-	2.64	2.64
Biological assets other than bearer plants	-	-	-
Financial Assets			
Investments	162.62	15.43	178.05
Loans	-	-	-
Other non-current financial assets	22.54	-	22.54
Deferred tax asset	-	-	-
Other non-current assets	15.49	176.99	192.48
Non-current assets	1,034.15	320.33	1,354.48
Current assets			
Inventories	714.46	966.47	1,680.93
Financial Assets			
Investments	-	-	-
Trade receivables	1,983.50	(1,003.07)	980.43
Cash and cash equivalents	130.57	(26.08)	104.49
Bank balances other than above	-	26.08	26.08
Loans	-	53.03	53.03
Deferred rent receivable	-	-	-
Non-current assets held for sale	-	-	-
Other current assets	421.12	192.93	614.05
Current assets	3,249.65	209.36	3,459.01
TOTAL ASSETS	4,283.80	529.69	4,813.49
EQUITY AND LIABILITIES			
Equity			
Equity share capital	135.28	-	135.28
Other Equity	2,957.51	231.15	3,188.66
	3,092.79	231.15	3,323.94
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities (other than those specified in (c) below)	1.50	-	1.50
Provisions	-	2.10	2.10
Deferred tax liabilities (Net)	(21.55)	122.71	101.16
Other non-current Liabilities	-	148.40	148.40
Non-Current Liabilities	(20.05)	273.21	253.16
Current liabilities			
Financial Liabilities			
Borrowings	832.06	-	832.06
Trade payables	190.03	95.41	285.44
Other financial liabilities (other than those specified below)	-	-	-
Provisions	91.50	-	91.50
Other current liabilities	97.47	(70.08)	27.39
Current liabilities	1,211.06	25.33	1,236.39
TOTAL EQUITY AND LIABILITIES	4,283.80	529.69	4,813.49

Nekkanti Sea Foods Limited

Standalone Statement of Profit and Loss for the year ended December 31, 2017

(All amounts are in ₹ Millions, unless otherwise stated)

Particulars	For the year ended December 31, 2017 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re-measurement	For the year ended December 31, 2017 (Ind AS)
INCOME				
Revenue from Operations	10,539.07	-	208.53	10,747.60
Other Income	18.10	(0.48)	91.67	109.29
Total Income	10,557.17	(0.48)	300.20	10,856.89
EXPENSES				
Cost of materials consumed	7,716.81	-	-	7,716.81
Purchase of stock-in-trade - Traded goods	-	-	-	-
Changes in inventories of work-in-progress, stock in trade and finished goods	(93.51)	-	59.64	(33.87)
Employee benefit expenses	56.65	(2.44)	1.78	55.99
Depreciation and amortization expense	103.37	-	47.66	151.03
Other expenses	1,296.65	(0.48)	15.53	1,311.70
Finance costs	69.28)	14.04	83.32
Total Expenses	9,149.25	(2.92)	138.65	9,284.98
Profit / (loss) before exceptional items and tax	1,407.92	2.44	161.55	1,571.91
Exceptional Items	-	-	-	-
Profit / (loss) before tax	1,407.92	2.44	161.55	1,571.91
Tax expense:				
Current tax	350.97	-	-	350.97
Deferred tax	(7.85)	0.84	55.90	48.89
Profit (loss) for the period from continuing operations	1,064.80	1.60	105.65	1,172.05
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	1,064.80	1.60	105.65	1,172.05
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(2.44)		(2.44)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.84		0.84
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	1,064.80)	105.65	1,170.45

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

All figures in ₹ million

Particulars	Tangible Assets							Intangible Assets - Software
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	
Cost as at March 31, 2017	92.58	337.10	660.26	28.13	115.03	11.65	1,244.75	2.13
Additions	-	32.12	59.46	8.07	16.83	5.58	122.06	1.38
Disposals	-	-	(12.99)		(8.98)	-	(21.97)	-
Other Adjustments			-					-
Cost as at December 31, 2017	92.58	369.22	706.73	36.20	122.88	17.23	1,344.84	3.51
Depreciation/Amortisation								-
As at March 31, 2017	-	32.87	189.95	6.57	57.89	7.09	294.37	0.35
Charge for the year	-	28.45	92.28	6.16	20.10	3.36	150.35	0.68
Ind AS Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	(11.91)	-	(7.50)	-	(19.41)	-
As at December 31, 2017	-	61.32	270.32	12.73	70.49	10.45	425.31	1.03
Net Block								-
As at December 31, 2017	92.58	307.90	436.41	23.47	52.39	6.78	919.53	2.48
Cost as at March 31, 2016	39.33	50.96	246.58	5.08	71.69	5.77	419.41	-
Additions	53.25	286.14	423.86	23.05	44.51	5.94	836.75	2.13
Disposals	-	-	(10.18)	-	(1.17)	(0.06)	(11.41)	-
Cost as at March 31, 2017	92.58	337.10	660.26	28.13	115.03	11.65	1,244.75	2.13
Depreciation/Amortisation								-
As at March 31, 2016	-	11.72	106.27	1.69	38.29	4.17	162.14	-
Charge for the year	-	21.15	92.39	4.88	20.71	3.00	142.13	0.35
Ind AS Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	(8.71)	-	(1.11)	(0.08)	(9.90)	-
As at March 31, 2017	-	32.87	189.95	6.57	57.89	7.09	294.37	0.35
Net Block								-
As at March 31, 2017	92.58	304.23	470.31	21.56	57.14	4.56	950.38	1.78
Cost as at March 31, 2015	36.63	47.97	200.92	5.08	59.91	5.12	355.63	
Additions	2.70	2.99	42.56	-	11.78	0.65	60.68	
Disposals	-	-	-	-	-	-	-	
Other Adjustments			-				-	
Cost as at March 31, 2016	39.33	50.96	243.48	5.08	71.69	5.77	416.31	
Depreciation/Amortisation								
As at March 31, 2015	-	7.83	72.18	0.52	27.24	2.62	110.39	
Charge for the year	-	3.89	30.99	1.17	11.05	1.55	48.65	
Ind AS Adjustments							-	
Disposals	-	-	-	-	-	-	-	
As at March 31, 2016	-	11.72	103.17	1.69	38.29	4.17	159.04	
Net Block								

Nekkanti Sea Foods Limited

Particulars	Tangible Assets							Intangible Assets - Software
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	
As at March 31, 2016	39.33	39.24	140.31	3.39	33.40	1.60	257.27	
Cost as at March 31, 2014	20.73	42.66	179.24	1.70	50.36	2.75	297.44	
Additions	15.90	5.31	21.68	3.38	12.19	2.37	60.83	
Disposals	-	-	-	-	(2.64)	-	(2.64)	
Cost as at March 31, 2015	36.63	47.97	200.92	5.08	59.91	5.12	355.63	
Depreciation/Amortisation								
As at March 31, 2014	-	3.91	44.75	(0.39)	17.48	1.45	67.20	
Charge for the year	-	3.92	27.43	0.91	12.25	1.17	45.68	
Ind AS Adjustments							-	
Disposals	-	-	-	-	(2.49)	-	(2.49)	
As at March 31, 2015	-	7.83	72.18	0.52	27.24	2.62	110.39	
Net Block								
As at March 31, 2015	36.63	40.14	128.74	4.56	32.67	2.50	245.24	
Cost as at March 31, 2013	19.28	35.44	123.44	(0.44)	26.82	1.21	205.75	
Additions	1.70	7.22	59.80	2.14	25.69	1.64	98.19	
Disposals	(0.25)	-	(4.00)	-	(2.15)	(0.10)	(6.50)	
Cost as at March 31, 2014	20.73	42.66	179.24	1.70	50.36	2.75	297.44	
Depreciation/Amortisation								
As at March 31, 2013	-	0.42	25.80	(0.50)	10.47	0.66	36.85	
Charge for the year	-	3.49	22.48	0.11	8.66	0.88	35.62	
Ind AS Adjustments							-	
Disposals	-	-	(3.53)	-	(1.65)	(0.09)	(5.27)	
As at March 31, 2014	-	3.91	44.75	(0.39)	17.48	1.45	67.20	
Net Block								
As at March 31, 2014	20.73	38.75	134.49	2.09	32.88	1.30	230.24	
Cost as at March 31, 2012	8.08	27.97	77.72	0.32	19.20	1.08	134.37	
Additions	11.83	16.42	53.55	-	7.62	0.43	89.85	
Disposals	(0.63)	(8.95)	(7.83)	(0.76)	-	(0.30)	(18.47)	
Cost as at March 31, 2013	19.28	35.44	123.44	(0.44)	26.82	1.21	205.75	
As at March 31, 2012	-	2.33	12.30	0.08	4.79	0.68	20.18	
Charge for the year	-	3.31	19.21	0.04	5.68	0.26	28.50	
Ind AS Adjustments	-							
Disposals	-	(5.22)	(5.71)	(0.62)	-	(0.28)	(11.83)	
As at March 31, 2013	-	0.42	25.80	(0.50)	10.47	0.66	36.85	
Net Block								
As at March 31, 2013	19.28	35.02	97.64	0.06	16.35	0.55	168.90	

NOTE 3: CAPITAL WORK-IN-PROGRESS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
PPE under development	36.76	39.51	428.86	3.60	7.71	14.62
Total	36.76	39.51	428.86	3.60	7.71	14.62

NOTE 4: INVESTMENT PROPERTY

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Land	2.64	2.64	2.64	2.64	2.64	2.64
Total	2.64	2.64	2.64	2.64	2.64	2.64

NOTE 5: INVESTMENTS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Investment in equity instruments at FVTPL						
Trade - Quoted						
Blue Gold Maritech International Limited	8.97	8.97	8.97	8.97	8.97	8.97
[8,97,000 (Previous year: 8,97,000) fully paid equity shares of Rs.10/-]						
Non-Trade - Quoted						
Apex Frozen Foods Limited	21.04	-	-	-	-	-
[25,000 (Previous year: nil) fully paid equity shares of Rs.10/-]						
Trade - Unquoted						
Nekkanti Sugars Private Limited	-	0.03	0.03	0.03	0.03	0.03
[2,500 (Previous year: 2,500) fully paid equity shares of Rs.10/-]						
Nekkanti Power Private Limited	-	0.03	0.03	0.03	0.03	0.03
[2,500 (Previous year: 2,500) fully paid equity shares of Rs.10/-]						
Nekkanti Mega Food Park Private Limited	135.00	135.00	0.06	-	-	-
[1,35,00,000 (Previous year: 1,35,00,000) fully paid equity shares of Rs.10/-]						
NSF Laboratories Private Limited	2.01	0.01	-	-	-	-
[2,01,000 (Previous year: 1,000) fully paid equity shares of Rs.10/-]						
Nikshepa Infrastructure & Logistics Private Limited	20.00	-	-	-	-	-
[2,00,000 (Previous year: Nil) 7% Non-Cumulative Redeemable Fully paid preference shares of Rs.100/-]						
Investment in Mutual Funds						
Quoted						

Nekkanti Sea Foods Limited

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Investment in SBI Gold Fund (1,00,000 units of Rs.10/- each)	-	-	-	-	-	1.00
Investment in Share Application Money						
Nekkanti Sugars Private Limited	-	-	-	-	227.59	203.39
Nekkanti Power Private Limited	-	-	-	11.24	11.24	9.04
Nekkanti Mega Food Park Private Limited	-	-	1.59	-	-	-
Investment in 0% Fully Convertible Debentures						
Nekkanti Power Private Limited	-	39.15	36.25	-	-	-
[41,50,000 Debentures of Rs. 10/- each]						
Nekkanti Sugars Private Limited	-	214.69	198.79	183.99	-	-
[2,27,59,100 Debentures of Rs. 10/- each]						
Total	187.02	397.88	245.72	204.26	247.86	222.46
Less: Provision for diminution in value of Investments	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)
Total	178.05	388.91	236.75	195.29	238.89	213.49
Total non-current investments						
Aggregate amount of quoted investments	30.01	8.97	-	8.97	8.97	9.97
Aggregate market value of quoted investments	21.04	-	-	-	-	1.00
Aggregate cost of unquoted investments	157.01	388.91	1.71	11.30	238.89	212.49
Aggregate amount of impairment in value of investments	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)

NOTE 6: OTHER FINANCIAL ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Security deposits	22.54	14.17	11.13	7.77	7.77	6.68
Unamortised interest expense	-	14.04	32.75	43.60	-	-
Total	22.54	28.21	43.88	51.37	7.77	6.68

NOTE 7: OTHER NON-CURRENT ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Capital advances	15.49	8.51	53.80	0.04	0.93	5.97
Advance income tax and Taxes deposited under protest	62.41	33.48	23.62	22.43	21.47	21.47
Interest accrued but not due	-	-	0.59	0.58	0.54	0.48
Keyman Insurance	114.58	112.39	90.48	68.46	-	-
Total	192.48	154.38	168.49	91.51	22.94	27.92

NOTE 8: INVENTORIES

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Valued at lower of cost and net realisable value						
Raw materials	11.03	18.55	-	7.07	8.16	3.00
Work-in-progress	1.59	23.52	27.75	-	-	-
Finished products (Other than acquired for trading)	1,624.51	1,590.64	490.08	923.09	401.20	236.04
Stores and spares	43.80	31.93	26.92	3.99	5.60	2.79
Total	1680.93	1664.64	544.75	934.15	414.96	241.83

NOTE 9: TRADE RECEIVABLES

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Outstanding for a period exceeding six months from due date of payment	-	-	9.55	-	-	-
Others	980.43	167.64	168.21	34.81	566.29	67.10
Total	980.43	167.64	177.76	34.81	566.29	67.10

NOTE 10: CASH AND CASH EQUIVALENTS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Cash on hand	1.07	0.71	2.28	0.61	0.54	0.71
Balances with banks	-	-	-	-	-	-
In current accounts	74.49	40.18	17.23	8.71	20.10	1.03
In EEFC account	28.93	1.90	4.71	1.60	3.21	0.84
Total	104.49	42.79	24.22	10.92	23.85	2.58

NOTE 11: OTHER BANK BALANCES

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
In margin money deposit with banks*	26.08	17.86	30.86	15.18	11.58	10.69
Total	26.08	17.86	30.86	15.18	11.58	10.69
<i>*Lien marked against outstanding letters of credit</i>						

NOTE 12: CURRENT ASSETS - OTHER FINANCIAL ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Forward contract receivable	53.03	21.33	6.18	15.71	9.26	6.92
Total	53.03	21.33	6.18	15.71	9.26	6.92

NOTE 13:CURRENT ASSETS - OTHER CURRENT ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Advance to suppliers	-	-	8.39	2.59	-	8.00
Advances to employees	0.02	0.03	0.06	0.09	0.05	0.03
Andhra Value Added Tax receivable	-	-	-	-	-	0.03
Ocean freight	27.49	24.83	4.01	15.25	3.05	4.72
Anti-dumping duty	12.51	30.51	6.56	17.14	5.59	5.13
Gratuity	0.01	0.01	1.26	0.62	0.01	0.19
Others	2.20	2.70	2.59	3.49	3.56	1.54
Debit Balance in standby EPC	-	-	0.20	-	-	-
Interest receivable	5.03	1.30	-	-	-	-
Other Receivables	202.57	-	-	-	-	-
Duty drawback receivable	22.05	53.24	12.76	32.46	35.08	18.61
Import licences on hand	215.34	104.47	118.77	202.37	138.32	55.79
Other advances	126.83	1.44	-	-	-	-
Total	614.05	218.53	154.60	274.01	185.66	94.04

NOTE 14: STATEMENT OF SHARE CAPITAL

All figures in ₹ million, except for number of shares

Particulars	As at December 31,		As at March 31,									
	2017		2017		2016		2015		2014		2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorised												
12,50,00,000 Equity shares of Rs. 2 each	125,000,000	250.00	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00	5,000,000	50.00
(2012-13 to 2016-17 :50,00,000 Equity shares of Rs. 10 each)												
Issued, Subscribed and Paid up												
6,76,40,000 Equity shares of Rs. 2 each	67,640,000	135.28	2,705,600	27.06	2,705,600	27.06	1,352,800	13.53	676,400	6.76	676,400	6.76
(2016-17 & 2015-16: 27,05,600 Equity shares of Rs. 10 each												
(2014-15: 13,52,800 Equity Shares of Rs. 10/-each)												
(2013-14 & 2012-13: 6,76,400 Equity shares of Rs. 10/- each												
Total Share Capital	67,640,000	135.28	2,705,600	27.06	2,705,600	27.06	1,352,800	13.53	676,400	6.76	676,400	6.76

During the nine-month period ending 31 December 2017, the company had split its equity shares from face value of Rs.10/- to Rs.2/- each.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at December 31,		As at March 31,									
	2017		2017		2016		2015		2014		2013	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13,528,000	27.06	2,705,600	27.06	1,352,800	13.53	676,400	6.76	676,400	6.76	676,400	6.76
Shares Issued during the year	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued during the year	54,112,000	108.22	-	-	1,352,800	13.53	676,400	6.76	-	-	-	-
Shares outstanding at the end of the year	67,640,000	135.28	2,705,600	27.06	2,705,600	27.06	1,352,800	13.52	676,400	6.76	676,400	6.76

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
	Number	Number	Number	Number	Number	Number
Equity shares allotted as fully paid bonus shares: Company has allotted bonus shares to its shareholders in the ratio of 4:1, i.e. for every 1 share 4 shares allotted as bonus during FY 2017-18 and 1:1 during FY 2015-16, and FY 2014-15	54,112,000	-	13,52,800	6,76,400	-	-

Nekkanti Sea Foods Limited

Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder	As at December 31,		As at March 31,									
	2017		2017		2016		2015		2014		2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
N.S.R Murty	17,790,000	26.30	711,600	26.30	711,600	26.30	355,800	26.30	177,900	26.30	177,900	26.30
N.S.R Murty (HUF)	9,000,000	13.31	360,000	13.31	360,000	13.31	180,000	13.31	90,000	13.31	90,000	13.31
N.V. Lakshmi	24,490,000	36.21	979,600	36.21	979,600	36.21	489,800	36.21	244,900	36.21	244,900	36.21
N. Venkat Rao	4,140,000	6.12	165,600	6.12	165,600	6.12	82,800	6.12	41,400	6.12	41,400	6.12
A. Sreeram	4,710,000	6.96	188,400	6.96	188,400	6.96	94,200	6.96	47,100	6.96	47,100	6.96

The company has only one class of equity shares having a par value of Rs.2 each (up to 31 Marc,2017 Rs.10 each). The equity shares of the company having par value of Rs.2 each (up to 31 March 2017 Rs.10 each) rank pari-passu in all respects including voting rights and entitlement to dividend.

NOTE 15: OTHER EQUITY

All figures in ₹ million

Particulars	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
General reserve	2,136.92	1,590.34	1,301.81	844.54	523.27	407.19
Capital redemption reserve	-	-	-	-	2.24	2.24
Other comprehensive income	(3.95)	(2.35)	(1.23)	(1.64)	(1.06)	(0.55)
Retained earnings	1,055.69	546.58	288.53	470.80	325.81	116.08
Total	3188.66	2134.57	1589.11	1313.70	850.26	524.96

NOTE 16: BORROWINGS

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
From Banks – Yes Bank 1	-	-	30.00	-	-	-
Total	-	-	30.00	-	-	-

NOTE 17: OTHER NON-CURRENT FINANCIAL LIABILITIES

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Security deposit	1.50	1.50	1.50	-	-	-
Total	1.50	1.50	1.50	-	-	-

NOTE 18: PROVISIONS

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Provision for Employee Benefits				-	-	-
Gratuity	2.10	0.33	-	-	0.36	-
Total	2.10	0.33	-	-	0.36	-

NOTE 19: DEFERRED TAX LIABILITY/(ASSET) NET

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Deferred Tax Liability						
On Fixed Assets	(20.80)	(4.48)	(1.16)	(0.45)	3.83	6.75
On gratuity and compensated absence	-	-	0.42	0.20	-	0.05
On other items	2,617.41	1,735.74	1,195.65	840.99	464.99	293.33
Adjustments	-	-	-	-	-	-
Total	2,596.61	1,731.26	1,194.91	840.74	468.82	300.13
Deferred Tax Asset						
On Fixed Assets	21.55	13.70	4.62	-	-	-
Others	2,473.90	1,664.45	1,128.94	737.64	414.36	280.54
Total	2,495.45	1,678.15	1,133.56	737.64	414.36	280.54
Net deferred tax liability/ (asset)	101.16	53.11	61.35	103.10	54.46	19.59
Total	101.16	53.11	61.35	103.10	54.46	19.59

NOTE 20: OTHER NON-CURRENT LIABILITIES

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Creditors against purchase of fixed assets	-	-	-	0.30	1.62	0.86
Deferred Income	144.76	165.84	14.42	12.55	13.06	6.72
Liability on rent straight lining	3.64	3.45	1.67	-	-	-
Total	148.40	169.29	16.09	12.85	14.68	7.58

NOTE 21: BORROWINGS

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Secured						
Loans repayable on demand						
From Banks						
State Bank of India	832.06	1,059.61	250.11	186.91	547.83	216.78
Total	832.06	1,059.61	250.11	186.91	547.83	216.78

NOTE 22: TRADE PAYABLES

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Trade payables	285.44	212.34	65.80	186.63	232.06	74.21
Total	285.44	212.34	65.80	186.63	232.06	74.21

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** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There is no interest due and outstanding as at the reporting date.

NOTE 23:PROVISIONS

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Provision for tax (Net of taxes paid)	90.00	0.19	1.81	40.89	6.87	0.49
Provision for Gratuity Fund Contribution	1.50					
Total	91.50	0.19	1.81	40.89	6.87	0.49

NOTE 24: OTHER CURRENT LIABILITIES

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Current maturities of long term debt						
From Banks		-	20.00	-	-	0.39
From Others		-	-	0.90	-	-
Advance from Customers		-	-	15.92	-	-
Employee payable	2.34	2.63	1.85	-	1.86	1.64
Statutory dues payable	25.05	37.97	11.58	-	6.65	5.01
Total	27.39	40.60	33.43	16.82	8.51	7.04

NOTE 25:REVENUE FROM OPERATIONS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Sale of Products						
Manufactured goods						
Shrimp	9,948.35	7,684.26	7,176.82	6,419.80	5,501.34	2,768.71
Fish	-	-	-	-	-	-
Ice Blocks	-	-	0.15	0.34	0.31	-
Shrimp Feed	-	-	-	-	-	-
Others	-	-	7.38	3.75	-	-
	9,948.35	7,684.26	7,184.35	6,423.89	5,501.65	2,768.71
Other Operating Revenue						
DEPB Licence sales	467.56	349.21	325.55	303.14	231.10	99.04
Duty Draw Back	331.69	268.60	231.60	133.91	129.87	100.04
Total	10,747.60	8,302.07	7,741.50	6,860.94	5,862.62	2,967.79

NOTE 26: OTHER INCOME

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Interest on deposit	10.17	7.48	8.87	1.76	0.71	1.51
Interest others	15.23	18.80	17.08	-	1.76	1.65
Freight Subsidy	-	-	0.46	-	-	-
Profit on sale of fixed assets	0.63	-	-	0.11	0.54	18.35
Lease Rentals	0.75	1.00	1.00	-	-	-
Brokerage	0.02	0.55	0.99	0.38	-	-
Gain on foreign exchange fluctuation	5.51	10.23	2.47	-	-	-
MTM gain on forward contracts	31.70	15.15	-	6.45	2.34	10.49
Government grants received	21.08	24.09	3.18	2.36	2.34	1.26
Gain on surrender value of Keyman insurance	2.19	21.91	22.02	68.46	-	-
Gain on fair valuation of investments	15.43	-	-	-	-	-
Capital Gains	6.29	-	-	-	-	-
Miscellaneous income	0.27	0.26	0.06	0.79	0.30	0.16
Total	109.27	99.47	56.13	80.31	7.99	33.42

NOTE 27: COST OF MATERIAL CONSUMED

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Opening inventory of raw materials	18.55	-	7.07	8.16	3.00	-
Add: Purchases	7,709.29	7,229.89	5,645.68	5,623.35	4,710.65	2,314.45
Less: Closing inventory of raw materials	(11.03)	(18.55)	-	(7.07)	(8.16)	(3.00)
Total	7,716.81	7,211.34	5,652.75	5,624.44	4,705.49	2,311.45

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Opening Balance						
Work-in-progress	-	-	-	-	-	-
Finished goods	1,590.64	490.08	923.09	401.21	236.04	210.32
Total	1,590.64	490.08	923.09	401.21	236.04	210.32
Closing Balance						
Work-in-progress	-	-	-	-	-	-
Finished goods	1,624.51	1,590.63	490.08	923.09	401.21	236.04
Total	1,624.51	1,590.63	490.08	923.09	401.21	236.04
Total change in inventories	33.87	1,100.55	(433.01)	521.88	165.17	25.72

NOTE 29: EMPLOYEE BENEFIT EXPENSES

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Salaries, wages and bonus	44.26	34.49	26.60	16.49	14.53	12.23
Contribution to provident and other funds	10.63	7.83	5.66	4.04	3.46	2.20
Staff welfare expenses	1.10	1.40	2.80	1.04	0.81	0.69
Total	55.99	43.72	35.06	21.57	18.80	15.12

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Depreciation of property, plant and equipment	150.35	142.13	48.65	45.68	35.62	28.50
Amortisation expenses on intangible assets	0.68	0.35				
Total	151.03	142.48	48.65	45.68	35.62	28.50

NOTE 31: OTHER EXPENSES

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Manufacturing Expenses						
Processing Charges	191.30	189.59	206.36	164.77	68.49	53.48
Consumption of stores and spare parts	64.35	41.97	30.37	23.28	16.48	21.58
Consumption of packing materials	159.85	181.33	115.43	115.33	95.80	71.29
Power & Fuel	122.02	118.10	76.27	73.94	72.33	60.25
Freight & Carriage Inwards	50.18	26.98	26.68	10.86	13.04	3.24
Vehicle Maintenance	38.12	38.63	32.84	36.27	29.80	23.79
Plant Repairs & Maintenance	94.53	131.12	77.20	68.34	41.72	33.69
	720.35	727.72	565.15	492.79	337.66	267.32
Selling and Distribution Expenses						
Ocean Freight & Forwarding Charges	247.84	192.32	224.43	161.22	146.50	94.32
Anti-dumping Duty	190.38	209.53	162.21	115.53	195.99	65.44
Marketing Cess	10.85	10.93	8.81	8.41	5.94	1.70
Business Promotion	3.23	2.31	6.98	1.78	2.43	1.06
Sales commission	6.55	6.69	2.93	3.86	1.95	1.47
Advertisement Expenses	0.09	0.39	0.14	0.12	0.13	0.12
	458.94	422.17	405.50	290.92	352.94	164.11
Establishment Expenses						
Bank Charges	21.37	38.42	46.82	40.48	13.90	12.10
Conveyance	0.98	1.88	1.59	1.24	0.82	0.57
Rates & Taxes	26.36	22.02	15.46	9.52	8.06	4.96
Corporate Social Responsibility	-	0.70	0.94	-	-	-
Donations	0.57	0.34	0.22	1.19	0.09	0.23
Office Electrical Charges	1.14	0.78	0.54	0.42	0.47	0.38
Office Maintenance	3.28	2.38	2.04	1.15	1.20	0.78
Postage & Couriers	0.68	0.88	1.05	0.62	0.35	0.25
Printing & Stationery	1.09	1.46	1.32	1.22	1.18	0.80
Telephone Charges	1.07	1.64	1.09	0.85	0.63	0.69
Travelling Charges	8.08	9.50	9.63	7.27	4.96	3.72
Insurance	17.12	15.36	9.15	10.79	6.07	3.45
Fees and Renewals	-	1.23	0.15	0.17	0.30	0.53
Audit Fee	0.90	0.25	0.25	0.34	0.34	0.28
Directors Remuneration	42.30	18.12	18.12	12.78	8.46	6.66
Professional Charges	1.64	4.36	2.75	2.12	1.90	1.40
Subscription & Membership Fees	0.75	0.91	0.91	1.96	0.60	0.65
Rent including lease rentals	2.08	4.57	4.64	1.91	0.62	0.71
Keyman Insurance policy	3.00	24.28	23.26	121.01	-	-
Bad debts	-	0.13	-	-	-	-
Advances written off	-	0.21	-	-	-	-
Loss on sale of assets	-	0.61	-	-	-	-
Loss on foreign exchange fluctuation	-	-	-	3.75	2.05	0.26
MTM loss on forward contracts	-	-	9.53	-	-	-
Loss on surrender value of Keyman insurance	-	-	-	-	-	-
General Expenses	-	-	-	-	-	-

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Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
	132.41	150.03	149.46	218.79	52.00	38.42
	1,311.70	1,299.92	1,120.11	1,002.50	742.60	469.85
Prepaid expenses	-	-	-	-	-	-
Total	1,311.70	1,299.92	1,120.11	1,002.50	742.60	469.85
Payment to auditors						
Statutory Audit fees	0.90	0.25	0.25	0.34	0.34	0.28
Total	0.90	0.25	0.25	0.34	0.34	0.28

NOTE 32: FINANCE COSTS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Finance Cost						
Interest on Borrowings	69.28	57.71	30.01	43.64	32.10	20.43
Interest to others	14.03	18.71	18.38	-	-	0.21
Total	83.31	76.42	48.39	43.64	32.10	20.64

NOTE 33: INCOME TAX EXPENSE

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Current tax						
Current tax on profits for the year	350.97	181.12	204.97	201.11	137.06	58.81
Total current tax expense	350.97	181.12	204.97	201.11	137.06	58.81
Deferred tax						
Deferred tax adjustments	48.89	(7.64)	(41.96)	48.64	35.14	3.34
Total deferred tax expense/(benefit)	48.89	(7.64)	(41.96)	48.64	35.14	3.34
Income tax expense	399.86	173.48	163.01	249.75	172.20	62.15

NOTE 34: EARNINGS PER SHARE

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Profit for the year attributable to owners of the Company	1,170.44	553.61	297.06	474.97	328.46	119.06
Restated weighted average number of ordinary shares outstanding	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000
Restated basic earnings per share (Rs)	17.30	8.18	4.39	7.02	4.86	1.76
Restated diluted earnings per share (Rs)	17.30	8.18	4.39	7.02	4.86	1.76

NOTE 35: EARNINGS IN FOREIGN CURRENCY

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Earnings in foreign currency						
FOB value of exports	9,287.69	7,307.32	6,726.37	6,045.49	5,187.25	2,604.40
Total	9,287.69	7,307.32	6,726.37	6,045.49	5,187.25	2,604.40

NOTE 36: EXPENDITURE IN FOREIGN CURRENCY

All figures in ₹ million

Particulars	For the 9 months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Anti-dumping duty etc.	183.97	189.48	203.21	144.13	190.34	62.09
Consumables and Stores	-	-	-	-	-	0.25
Capital goods and Spares	-	-	-	3.97	14.18	14.76
Professional and consultation fees	-	-	-	1.92	0.91	1.80
Travel expenses	3.55	3.12	7.13	1.95	1.21	1.16
Other expenses	27.42	20.06	28.02	45.19	5.81	3.70
Total	214.94	212.66	238.36	197.16	212.45	83.76

NOTE 37: VALUE OF IMPORTS ON CIF BASIS

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Value of Imports (on C.I.F basis)						
Consumables and Stores	18.71	33.38	19.11	-	-	0.25
Capital goods and Spares	7.39	28.39	188.89	3.97	14.18	14.93
Total	26.10	61.77	208.00	3.97	14.18	15.18

NOTE 38: VALUE OF IMPORTED AND INDIGENEOUS RAW MATERIALS, PACKING MATERIALS CONSUMED AND CONSUMABLE SPARES AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Imported(Value)	18.71	74.17	17.31		-	0.25
Imported (%)	0.24%	1.00%	0.30%	0.00%	0.00%	0.01%
Indigenous value	7,922.34	7,365.17	5,784.85	5,763.06	4,871.25	2,405.54
Indigenous (%)	99.76%	99.00%	99.70%	100.00%	100.00%	99.99%
Total(percentage)	100%	100%	100%	100%	100%	100%
Total(Value)	7,941.05	7,439.34	5,802.16	5,763.06	4,871.25	2,405.79

NOTE 39: DISCLOSURES REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
(a) The principal amount remaining unpaid at the end of the year	-	-	-	-	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-	-	-	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-	-	-	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-	-	-	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-	-	-	-	-

*This information has been determined to the extent such parties have been identified based on information available with the Company.

NOTE 40: COMMITMENTS AND CONTINGENT LIABILITIES

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Contingent Liability						
Standby Letters of Credit	132.09	131.41	135.14	108.89	86.48	51.38
Claims against company not acknowledged as debts	31.16	31.55	22.70	21.33	21.33	21.33
Bank Guarantee	0.72	0.72	0.72	-	-	-
Corporate Guarantees	8.20	-	-	-	-	-
Capital Commitments	-	-	-	-	-	-
Estimated amount of investments remaining to be executed on capital account and not provided for Tangible assets	-	50.00	50.00	45.00	27.00	6.3

NOTE 41: OPERATING SEGMENTS

The company is engaged in the business of "Processing and Export of Shrimp and other Seafood Products" and therefore, has only one reportable segment in accordance with Ind AS 108 'Operating Segments'.

NOTE 42: OPERATING LEASE ARRANGEMENTS

The company does not have non-cancellable leases up to F.Y 2014-15. The Company have taken farmland on lease arrangements during the year 2015-16. The non-cancellable lease arrangements have lease term of 6 to 8 years

The total future minimum lease payments under non-cancellable operating lease are:

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
not later than one year	10.95	10.95	8.38	-	-	-
later than one year but not later than 5 years	43.2	44.85	46.51	-	-	-
later than five years	0	9.30	18.60	-	-	-

NOTE 43: DETAILS OF GOVERNMENT GRANTS

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Government grants received by the Company during the year towards						
- Subsidies (Freight subsidy issued by MPEDA)	-	-	-	-	-	4.88
- Subsidies (Capital subsidy received from MPEDA/ Ministry of Food processing)	-	100.00	5.05	-	6.22	-
- Interest subvention on export finance	-	-	-	-	1.00	1.76
- Duty rebate under EPCG scheme	-	75.51	-	1.85	2.47	1.03
	-	175.51	5.05	1.85	9.69	7.67

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NOTE 44: STATEMENT OF FAIR VALUE HIERARCHY

Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

All figures in ₹ million

Particulars	As at December 31, 2017				As at March 31, 2017				As at March 31, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
FVTPL												
Investments:												
Equity Shares(other than those held in subsidiary & Associate companies)	21.04	0.00	8.97	30.01	0.00	0.00	8.97	8.97	0.00	0.00	8.97	8.97
Preference Shares	0.00	20.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mutual fund units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	-	0.00	0.00	0
MTM Forward Contract	0.00	53.03	0.00	53.03	0.00	21.33	0.00	21.33	0.00	6.18	0.00	6.18
Unamortised Interest Expenses	0.00	0.00	0.00	0.00	0.00	14.04	0.00	14.04	0.00	32.75	0.00	32.75
FVTOCI												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Liabilities												
at FVTPL												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
at FVTOCI												
Employee benefits	0.00	2.10	0.00	2.10	0.00	0.33	0.00	0.33	0.00	0.00	0.00	0.00

All figures in ₹ million

Particulars	As at March 31, 2015				As at March 31, 2014				As at March 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
FVTPL												
Investments:												
Equity Shares(other than those held in subsidiary & Associate companies)	0.00	0.00	8.97	8.97	0.00	0.00	8.97	8.97	0.00	0.00	8.97	8.97
Mutual fund units	-	0.00	0.00	0	-	0.00	0.00	0	1.00	0.00	0.00	1.00
MTM Forward Contract	0.00	15.71	0.00	15.71	0.00	9.26	0.00	9.26	0.00	6.92	0.00	6.92
Unamortised interest expense	0.00	43.60		43.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FVTOCI												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Liabilities												
at FVTPL												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
at FVTOCI												
Employee benefits	0.00	0.00	0.00	0.00	0.00	0.36	0.00	0.36	0.00	0.00	0.00	0.00

There are no transfers between levels 1 and 2 during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All of the resulting fair value estimates are included in level 2.

Valuation Techniques used for fair value measurement

Particulars	Fair value as on Dec 31, 2017	Valuation Technique	Unobservable input	Range
Unquoted Equity-not active in Exchanges	8.97	Present Value	Market enquiry	NA
Preference Shares	20.00	Present value	Market enquiry	
Quoted Equity	21.04	Market quote	NA	NA
Debt Securities	NA	NA	NA	NA
Hedge Funds	NA	NA	NA	NA
Investment Properties	NA	NA	NA	NA
Security Deposit	NA	Present Value	Market Rate	NA
Forward Contract	53.03	Present Value	Reports from Bank	NA

Valuation processes

The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the group's quarterly reporting periods.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The carrying amounts of trade receivables, cash and cash equivalents and other current assets are considered to be the same as their fair value due to their short-term nature. The carrying amount of security deposit with Government Organisations such as Electricity Companies, which are, interest bearing are considered to be close to the fair value.

The carrying amount of redeemable Preference shares with preference dividend clause is considered to be the fair value.

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The carrying amount of trade and other payables are considered to be their fair values due to their short-term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

NOTE 45: FAIR VALUE OF ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

All figures in ₹ million

Particulars	As at December 31, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets												
Investments												
Investments-Equity	158.05	158.05	135.07	135.07	0.12	0.12	0.06	0.06	0.06	0.06	0.06	0.06
Investments in Share Application money	-	-	-	-	1.59	1.59	11.24	11.24	238.83	238.83	212.43	212.43
Investments-Preference Shares	20.00	20.00	-	-	-	-	-	-	-	-	-	-
Investments- Mutual funds	-	-	-	-	-	-	-	-	-	-	1.00	1.00
Investment in CCDs	-	-	253.84	253.84	235.04	235.04	183.99	183.99	-	-	-	-
Other Financial Assets	22.54	22.54	28.21	28.21	43.88	43.88	51.37	51.37	7.77	7.77	6.68	6.68
Trade receivables	980.43	980.43	167.64	167.64	177.76	177.76	34.81	34.81	566.29	566.29	67.10	67.10
Cash and Cash Equivalents	104.49	104.49	42.79	42.79	24.22	24.22	10.92	10.92	23.85	23.85	2.58	2.58
Other bank balances	26.08	26.08	17.86	17.86	30.86	30.86	15.18	15.18	11.58	11.58	10.69	10.69
Forward contract receivables	53.03	53.03	21.33	21.33	6.18	6.18	15.71	15.71	9.26	9.26	6.92	6.92
Total Financial Assets	1364.62	1364.62	666.74	666.74	519.65	519.65	323.28	323.28	857.64	857.64	307.46	307.46
Financial Liabilities												
Borrowings	832.06	832.06	1,059.61	1,059.61	250.11	250.11	186.91	186.91	547.83	547.83	216.78	216.78
Trade Payables	285.44	285.44	212.34	212.34	65.80	65.80	186.63	186.63	232.06	232.06	74.21	74.21
Other Financial Liabilities- Current Maturities	1.50	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-	-
Total Financial Liabilities	1,119.00	1,119.00	1,273.45	1,273.45	317.41	317.41	373.54	373.54	779.89	779.89	290.99	290.99

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The company has not classified any financial asset as cash flow hedge instrument and hence, hedge accounting is not applicable.

NOTE 45A: RESTATED STATEMENT OF FINANCIAL RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing Analysis	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines and borrowing facilities
Market Risk			
-Forex	Future commercial transactions	Sensitivity analysis	Forward foreign exchange contracts
- Interest Rates	Long term borrowings at variable rates	Sensitivity analysis	Interest rate

NOTE 46: STATEMENT OF RECONCILIATION BETWEEN THE INDIAN GAAP AND IND AS

All figures in ₹ Million

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
(a) Reconciliation of equity						
Total equity / shareholders' funds as per Indian GAAP	3,092.79	2,027.99	1,484.17	1,126.67	765.95	510.44
Ind AS Adjustments						
Reversal of proposed dividend and tax on the same	-	8.14	8.14	8.11	4.75	3.17
Remeasurement of depreciation on PPE	(45.68)	(7.75)	(9.20)	(10.99)	(17.93)	(11.37)
Net impact of revenue recognition as per Ind AS	(36.60)	(64.38)	(41.97)	(48.56)	(40.84)	(50.01)
Impact of recognition of government grants as per Ind AS	190.01	63.39	131.53	234.83	173.40	74.40
Remeasurement of financial liabilities	40.00	55.34	10.57	32.39	8.64	9.85
Remeasurement of defined benefit plans	(2.10)	(0.32)	1.26	0.62	(0.35)	0.19
Others	155.20	124.70	91.46	70.75	1.37	0.52
Remeasurement of forward contracts	53.03	21.33	6.18	15.71	9.26	6.92
Deferred tax impact on Ind AS adjustments	(122.71)	(66.81)	(65.97)	(102.30)	(47.23)	(12.39)
Total equity / shareholders' funds as per Indian GAAP	3,092.79	2,027.99	1,484.17	1,126.67	765.95	510.44
Total equity/ shareholders' funds as per Ind AS	3,323.94	2,161.63	1,616.17	1,327.23	857.02	531.72

All figures in ₹ million

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
(b) Reconciliation of Profits						
Total comprehensive income as per Indian GAAP	1,064.80	551.97	365.65	370.31	260.25	130.97
Ind AS Adjustments						
Remeasurement of depreciation on PPE	(37.93)	1.45	1.79	5.47	(6.56)	(5.47)
Net impact of revenue recognition as per Ind AS	27.78	(22.41)	6.59	(7.72)	9.17	(36.19)
Impact of recognition of government grants as per Ind AS	126.62	(68.14)	(103.30)	61.43	99.00	17.15
Remeasurement of financial liabilities	(15.34)	44.77	(21.82)	23.75	(1.21)	0.80
Remeasurement of defined benefit plans	(1.78)	(1.58)	0.64	0.97	(0.54)	0.21
Remeasurement of forward contracts	31.70	15.15	(9.53)	6.45	2.34	10.49
Others	30.50	33.24	20.71	69.38	0.85	0.52
Deferred tax impact on Ind AS adjustments	(55.90)	(0.84)	36.33	(55.07)	(34.84)	0.58
Total comprehensive income as per Ind AS	1,170.45	553.61	297.06	474.97	328.46	119.06

NOTE 47: RECONCILIATION OF TAX

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Profit Before Tax - (A)	1,571.90	728.21	459.66	725.30	501.17	181.37
Less Exempted Profits U/s 80IB	(604.91)	(228.29)	-	-	-	-
Taxable profits	966.99	499.92	459.66	725.30	501.17	181.37
Statutory Tax Rate (%)	34.608%	34.608%	34.608%	33.990%	33.990%	32.445%
Tax at statutory tax rate	334.66	173.01	159.08	246.53	170.35	58.85
Permanent Differences :						
Donations	0.57	0.90	1.15	1.15	0.09	0.20
Disallowance u/s 37	0.01	0.21	-	-	-	-
Capital gains considered separately	(6.29)	-	-	-	-	-
(Profit)/Loss on sale of Assets	(0.63)	0.57	-	(0.11)	(0.80)	(17.83)
Deduction u/s 36(i)(iii) of I.T.Act,1961 for gold units	-	-	-	-	(0.03)	-
Total Permanent Difference - (B)	(6.34)	1.68	1.15	1.04	(0.74)	(17.63)
Timing Differences :						
Difference between Depreciation as per Companies Act & I.T.Act, 1961	70.47	25.65	15.70	17.56	1.15	1.07
Deferred Revenue/Expenditure net	-	-	-	-	-	-
Sec 43 B Disallowances	-	-	-	-	-	-
Lease payment Charges	-	-	-	-	-	-
Payment made to parties on which TDS not deducted	-	-	-	-	-	-
Foreign Exchange Gain/Loss	-	-	-	-	-	-
Other Ind AS Adjustments to Income	(56.42)	(4.20)	105.54	(160.31)	(103.82)	12.26
Others	-	-	-	-	-	-
Total Timing Differences - (C)	14.05	21.45	121.24	(142.75)	(102.67)	13.33
Restated Profit - (A)+(B)+(C)	1,579.61	751.34	582.05	583.59	397.76	177.07
Deductions	604.91	228.29	-	-	-	-
Total Taxable Income	974.70	523.05	582.05	583.59	397.76	177.07
Tax	292.41	156.91	174.62	175.08	119.33	53.12
Tax on capital gains at concessional rate	0.94	-	-	-	0.06	0.78
Surcharge	35.20	18.83	20.95	17.51	11.94	2.70
SC & SHEC	9.86	5.27	5.87	5.78	3.94	1.70
Additional Tax Provision	12.56	0.10	3.53	2.75	1.80	0.51
Deferred Tax on fixed assets						
MAT Credit Availed	-	-	-	-	-	-
Total Tax Liability on restated profit	350.97	181.12	204.97	201.11	137.06	58.81
IND AS tax provision	350.97	181.12	204.97	201.11	137.06	58.81
Difference of tax	0.00	(0.00)	(0.00)	0.00	0.00	(0.00)
Current Tax Asset/ (Liability)						
Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Income Tax asset/(liability) at the beginning of the reporting period	(0.19)	(1.81)	(40.89)	(6.87)	(0.49)	(4.34)
Income Tax paid/(net off refund)	261.16	182.74	244.05	167.09	130.68	62.66
Current income tax payable for the year	350.97	181.12	204.97	201.11	137.06	58.81
Net Current Income Tax Asset/(liability) at the end of the period	(90.00)	(0.19)	(1.81)	(40.89)	(6.87)	(0.49)
Income Tax Asset / (Liability)	(90.00)	(0.19)	(1.81)	(40.89)	(6.87)	(0.49)
Deferred Tax Liabilities/(Assets)						
Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13

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Particulars	For the nine months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
The balances comprises temporary differences attributable to :						
Deferred Tax Liabilities						
On Fixed Assets	(20.80)	(4.48)	(1.16)	(0.45)	3.83	6.75
On gratuity and compensated absence	-	-	0.42	0.20	-	0.05
On other items	2,617.41	1,735.74	1,195.65	840.99	464.99	293.33
Adjustments	-	-	-	-	-	-
	2,596.61	1,731.26	1,194.91	840.74	468.82	300.13
Deferred Tax Assets						
Fixed Assets	21.55	13.70	4.62	-	-	-
Others	2,473.90	1,664.45	1,128.94	737.64	414.36	280.54
	2,495.45	1,678.15	1,133.56	737.64	414.36	280.54
Net Deferred Tax liability/(Assets)	101.16	53.11	61.35	103.10	54.46	19.59

Movements in Deferred Tax Liability / (Assets)

All figures in ₹ million

Particulars	Property, Plant & Equipment	43 B Disallowances	Financial Assets at Fair Value through P&L	Other Items	TOTAL
As at 01.04.2012	1.42	0	0	14.89	16.31
Charged/(credited) to	-		-		
-P&L	5.33	0.05	-	(2.10)	3.28
-OCI	-		-		-
-Others	-		-		-
As at 01.04.2013	6.75	0.05	0	12.79	19.59
Charged/(credited) to	-		-		-
-P&L	(2.92)	(0.05)	-	37.84	34.87
-OCI	-		-		-
-Others	-		-		-
As at 31.03.2014	3.83	0	0	50.63	54.46
Charged/(credited) to					-
-P&L	(4.28)	0.20		52.72	48.64
-OCI					-
-Others					-
As at 31.03.2015	(0.45)	0.2	0	103.35	103.1
Charged/(credited) to					-
-P&L	(5.33)	0.22		(36.64)	(41.75)
-OCI					-
-Others					-
As at 31.03.2016	(5.78)	0.42	0	66.71	61.35
Charged/(credited) to					-
-P&L	(12.40)	(0.42)		4.58	(8.24)
-OCI					-
-Others					-
As at 31.03.2017	(18.18)	-	-	71.29	53.11
Charged/(credited) to					-
-P&L	(24.17)	-		72.22	48.05
-OCI					-
-Others					-
As at 31.12.2017	(42.35)	-	-	143.51	101.16

NOTE 48: CREDIT RISK MANAGEMENT

Credit risk is managed on a group basis. For banks and financial institutions, only high rated banks/institutions are considered

For other financial assets, the group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

Class 1 Quality

Class 2 Standard

Class 3 Sub Standard

Class 4 Doubtful

Class 5 Loss

All figures in ₹ million

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.12.2017)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	980.43	-	-	980.43
Other Financial Assets	Class 2	22.54	-	-	22.54
Investments	Class 1	21.04	-	-	21.04
	Class2	157.01		-	157.01
	Class5	8.97	1.00	8.97	-
	Total	1,189.99		8.97	1,181.02

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2017)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	167.64	-	-	167.64
Other Financial Assets	Class 2	28.21	-	-	28.21
Investments	Class 1	-	-	-	-
	Class2	388.91		-	388.91
	Class5	8.97	1.00	8.97	-
	Total	593.73		8.97	584.76

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2016)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	177.76	-	-	177.76
Other Financial Assets	Class 2	43.88	-	-	43.88
Investments	Class 1	-	-	-	-
	Class2	235.16		-	235.16
	Class5	8.97	1.00	8.97	-
	Total	465.77		8.97	456.8

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2015)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	34.81	-	-	34.81
Other Financial Assets	Class 2	51.37	-	-	51.37
Investments	Class 1	-	-	-	-
	Class2	184.05		-	184.05
	Class5	8.97	1.00	8.97	-
	Total	279.2		8.97	270.23

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2014)

All figures in ₹ million

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	566.29	-	-	566.29
Other Financial Assets	Class 2	7.77	-	-	7.77
Investments	Class 1	-	-	-	-
	Class2	0.06		-	0.06
	Class5	8.97	1.00	8.97	-
	Total	583.09		8.97	574.12

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2013)

All figures in ₹ million

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	67.10	-	-	67.10
Other Financial Assets	Class 2	6.68	-	-	6.68
Investments	Class 1	-	-	-	-
	Class2	0.06		-	0.06
	Class5	8.97	1.00	8.97	-
	Total	82.81		8.97	73.84

NOTE 49: LOSS ALLOWANCE PROVISION

All figures in ₹ million

Reconciliation of Loss Allowance	Loss allowance measured at 12 month Expected Losses	Loss allowance measured at Life Time Expected Losses	
		Financial asset for which credit risk has increased significantly & credit impaired	Financial asset for which credit risk has increased significantly & not credit impaired
Loss allowance as on 1 April 2012		8.97	-
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-	(8.97)	
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2013	-		
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2014	-		
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2015	-		
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2016	-	-	-
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2017	-		
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 December 2017	-		

NOTE 50: STATEMENT OF LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing Arrangements

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Floating Rate						
Expiring within 1 year						
Fund based	2,000.00	1,800.00	960.00	680.00	570.00	360.00
Non-fund based	250.00	250.00	181.00	181.00	151.00	151.00
Expiring beyond 1 year	-	-	-	-	-	-

Maturities of financial liabilities as on 31.12.2017

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	832.06	-	832.06
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	287.89	-	287.89
Security Deposit		1.50	1.50
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.3.2017

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	1,059.61	-	1,059.61
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	212.34	-	212.34
Security Deposit		1.50	1.50
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2016

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	250.11	-	250.11
Current maturities of Long Term Borrowings	20.00	-	20.00
Trade Payables	65.80	-	65.80
Security Deposit		1.50	1.50
Long Term Borrowings	-	30.00	30.00
Derivative	NA	NA	NA

Nekkanti Sea Foods Limited

Maturities of financial liabilities as on 31.03.2015

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	186.91	-	186.91
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	186.63	-	186.63
Security Deposit		-	-
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2014

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	547.83	-	547.83
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	232.06	-	232.06
Security Deposit		-	-
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2013

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	216.78	-	216.78
Current maturities of Long Term Borrowings	0.39	-	0.39
Trade Payables	74.21	-	74.21
Security Deposit		-	-
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

NOTE 51: RELATED PARTY DISCLOSURE**a) List of parties having significant influence**

Holding company: The Company does not have any holding company

Subsidiaries

Nekkanti Mega Food Park Private Limited

NSF Laboratories Park Private Limited

Associate Companies

Nekkanti Sugars Private Limited

Nekkanti Power Private Limited

Other Entities

Srinivasa Marines, a partnership firm in which managing director is interested

Key management personnel

(i)	N.S.R.Murty	Chairman and Director
(ii)	N.Subba Rayudu	Executive Director upto December 6, 2017
(iii)	N.Venkat Rao	Managing Director
(iv)	N.Mahesh,	Joint Managing Director
(v)	M.Nagesh	Director Finance and Chief Financial Officer
(vi)	N.V.Lakshmi	Director upto December 6,2017
(vii)	N.Aslesha	Director upto December 6,2017

b)Transactions during the year

All figures in ₹ million

S.No .	Nature of transactions	For the 9 months ended till December 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
1	Receiving of Services (Managerial Remuneration)	55.80	24.12	24.12	14.58	9.06	6.60
2	Leasing or hire purchase arrangements (Rents)	1.49	1.66	1.66	0.46	0.33	0.33
3	Purchase of Raw Materials	27.23	39.90	14.06	23.89	17.20	8.44
	Balance Outstanding :						
4	Investment in Share capital	137.01	135.06	0.11	0.06	0.06	0.05
5	Share Application Money	-	-	1.59	11.24	238.83	212.43
6	Compulsorily Convertible Debentures	-	269.09	269.09	227.59	0	0
7	Trade payables		4.47			0.96	

NOTE 52: FINANCIAL INSTRUMENTS**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

The capital structure of the Company consists both debt and equity.

All figures in ₹ million

Gearing Ratio:	As at Dec 31 2017	As at March 31,				
		2017	2016	2015	2014	2013
Long Term Debt	-	-	30.00	-	-	-
Less: Cash and bank balances	130.57	60.65	55.08	26.10	35.43	13.27
Net Long-Term Debt	-130.57	(60.65)	(25.08)	(26.10)	(35.43)	(13.27)
Total Equity	3,323.94	2,161.63	1,616.17	1,327.23	857.02	531.72
Net Long-Term Debt to equity ratio (%)	-3.93%	-2.81%	-1.55%	-1.97%	-4.13%	-2.50%

All figures in ₹ million

Categories of Financial Instruments	As at Dec 31 2017	As at March 31,				
		2017	2016	2015	2014	2013
Financial assets						
a. Measured at amortised cost						
Other non-current financial assets	22.54	28.21	43.88	51.37	7.77	6.68
Trade receivables	980.43	167.64	177.76	34.81	566.29	67.10
Cash and cash equivalents	104.49	42.79	24.22	10.92	23.85	2.58
Bank balances other than above	26.08	17.86	30.86	15.18	11.58	10.69
Other financial Assets	53.03	21.33	6.18	15.71	9.26	6.92
b. Mandatorily measured at fair value through profit or loss (FVTPL)						
Investments	178.05	388.91	236.75	195.29	238.89	213.49
Financial liabilities						
a. Measured at amortised cost						
Borrowings (short term)	832.06	1,059.61	250.11	186.91	547.83	216.78
Trade payables	285.44	212.34	65.80	186.63	232.06	74.21
Other financial liabilities	-	-	-	-	-	-
b. Mandatorily measured at fair value through profit or loss (FVTPL)						
Derivative instruments	-	-	-	-	-	-

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports, which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written

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principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on December 31, 2017 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	30.71	25.05	5.66	5.66
EUR			-	-		-	-
In INR			-	1,943.68	1,585.89	357.79	357.79

As on March 31, 2017 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	19.25	4.20	15.05	15.05
EUR		-	-	-		-	-
In INR			-	1,233.62	269.22	964.40	964.40

As on March 31, 2016 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	6.02	4.20	1.82	1.82
EUR			-	0.11		0.11	0.11
In INR	-		-	404.71	276.86	127.85	127.85

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As on March 31, 2015 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	10.08	15.40	-5.32	(5.32)
EUR		-	-	0.19	-	0.19	0.19
In INR	-		-	639.58	958.19	-318.61	(318.61)

As on March 31, 2014 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD	-	-	-	11.56	5.20	6.36	6.36
EUR	-		-	0.46		0.46	0.46
In INR	-		-	726.86	310.13	416.73	416.73

As on March 31, 2013 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD	-	-	-	4.68	5.40	-0.72	(0.72)
EUR	-	-	-	-	-	-	-
In INR	-		-	253.09	292.03	-38.94	(38.94)

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

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Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
The 25basis point interest rate change will impact the profitability by	1.81	1.51	0.77	1.03	1.08	0.66

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to major credit risk as the majority of its trade receivables are foreign customers secured by letters of credit.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

All figures in ₹ million

December 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	285.44	-	-	285.44
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	285.44	-	-	285.44

All figures in ₹ million

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	212.34	-	-	212.34
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	212.34	-	-	212.34

All figures in ₹ million

March 31, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	65.80	-	-	65.80
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	20.00	30.00	-	50.00
	85.80	-	-	115.80

All figures in ₹ million

March 31, 2015	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	186.63	-	-	186.63
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	186.63	-	-	186.63

All figures in ₹ million

March 31, 2014	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	232.06	-	-	232.06
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	232.06	-	-	232.06

All figures in ₹ million

March 31, 2013	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	74.21	-	-	74.21
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	74.21	-	-	74.21

All figures in ₹ million

	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil	Nil	Nil	Nil

NOTE 53:EMPLOYEE BENEFITS**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Contribution to defined contribution plans	8.98	5.9	4.3	3.38	2.24	1.87

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Company's liability towards gratuity (unfunded), other retirement benefits, and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

"Company has an independent Gratuity Trust. The liability of each year is valued as per Accounting Standard 15-"Employee Benefits-(Revised-2005)" by an independent Actuary and the amount as per the actuarial valuation report is provided in the accounts each year and paid to the Trust.

During the year 2013-14 the following activities of Gratuity Trust is entrusted to Life Insurance Corporation of India (LIC):

1. Managing investment part of Gratuity Trust Fund through Life Insurance Corporation of India*
2. To enable the Gratuity Trust Fund to subscribe the master policy with LIC in order to provide death cum retirement gratuity benefits to the regular employees of the company.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Mortality Table	Indian Assured Lives Mortality Ultimate (1994-96)					
Attrition Rate	Modified q(x) values under above Mortality Table					
Discount Rate	7.50% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Rate of increase in compensation level	6.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Rate of Return on Plan Assets	7.50% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Expected Average Remaining Working Lives of Employees (years)	12.45	12.45	12.45	12.45	12.45	12.45

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

All figures in ₹ million

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Current service cost	0.87	0.95	0.62	0.43	0.43	0.39
Net interest expense	0.54	0.67	0.69	0.59	0.49	0.42
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	(0.71)	(0.83)	(0.64)	(0.55)	(0.51)
Components of defined benefit costs recognised in profit or loss	0.84	0.91	0.48	0.38	0.37	0.30
Remeasurement on the net defined benefit liability comprising:						
Actuarial (gains)/losses recognised during the period	2.44	1.72	(0.62)	0.58	0.77	0.23
Components of defined benefit costs recognised in other comprehensive income	2.44	1.72	(0.62)	0.58	0.77	0.23
	3.28	2.63	(0.14)	0.96	1.14	0.53

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

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The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	14.48	10.66	9.26	8.58	7.35	6.17
Fair value of plan assets	(12.37)	(10.33)	(10.52)	(9.20)	(6.99)	(6.36)
Net liability arising from defined benefit obligation	43,102.11	42,825.33	(1.26)	(0.62)	0.36	(0.19)
Funded	43,102.11	0.33	(1.26)	(0.62)	0.36	(0.19)
Unfunded	-	-	-	-	-	-
	43,102.11	42,825.33	(1.26)	(0.62)	0.36	(0.19)

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 18]. Excess of fair value of plan assets over present value of obligation is reflected under 'Prepaid expenses- gratuity' (other current assets) [Refer note 13].

Movements in the present value of the defined benefit obligation in the current year were as follows:

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Opening defined benefit obligation	10.66	9.26	8.58	7.35	6.17	5.27
Current service cost	0.87	0.95	0.62	0.43	0.43	0.39
Interest cost	0.54	0.67	0.69	0.59	0.49	0.42
Actuarial (gains)/losses	2.44	1.66	(0.62)	0.58	0.77	0.23
Benefits paid	(0.03)	(1.88)	(0.01)	(0.37)	(0.51)	(0.14)
Closing defined benefit obligation	14.48	10.66	9.26	8.58	7.35	6.17

Movements in the fair value of the plan assets in the current year were as follows:

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Opening fair value of plan assets	10.33	10.52	9.20	6.99	6.36	5.29
Return on plan assets	0.57	0.71	0.83	0.64	0.55	0.51
Contributions	1.50	1.04	0.50	1.94	0.59	0.70
Benefits paid	(0.03)	(1.88)	(0.01)	(0.37)	(0.51)	(0.14)
Actuarial gains/(loss)	-	(0.06)	-	-	-	-
Others	-	-	-	-	-	-
Closing fair value of plan assets	12.37	10.33	10.52	9.20	6.99	6.36

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Compensated absences

As per the policy of the Company, the compensated absences are not entitled to be carried forward to the subsequent financial year and lapse at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

NOTE 54: CASH FLOW AND FAIR VALUE INTEREST RATE RISK**Cash flow and fair value interest rate risk**

The group's main interest rate risk arises from long-term borrowings including the renewable bank overdraft facilities with variable rates, which expose the group to cash flow interest rate risk. The group's borrowings at variable rate were denominated in INR

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

All figures in ₹ million

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Variable Rate borrowings	832.06	1,059.61	300.11	186.91	547.83	217.17
Fixed Rate Borrowings	NA	NA	NA	NA	NA	NA

At the end of each reporting period, the group had the following variable rate borrowings and interest rate swap contracts.

Particulars	31-12-17			31-03-17			31-03-16		
	Year-end Interest Rate	Balance	%of Total Loan	Yearend Interest Rate	Balance	%of Total Loan	Year-end Interest Rate	Balance	%of Total Loan
Bank overdrafts, Loans	9.55%	832.06	100%	9.55%	1,059.61	100%	9.75%	300.11	100%
Interest Rate Swaps	-	-	-	-	-	-	-	-	-
Net Exposure	9.55%	832.06	100.00%	9.55%	1,059.61	100.00%	9.75%	300.11	100.00%

Particulars	31-03-15			31-03-14			31-03-13		
	Yearend Interest Rate	Balance	%of Total Loan	Year-end Interest Rate	Balance	%of Total Loan	Yearend Interest Rate	Balance	%of Total Loan
Bank overdrafts, Loans	10.45%	186.91	100%	7.45%	547.83	100%	7.75%	217.17	100%
Interest Rate Swaps	-	-	-	-	-	-	-	-	-
Net Exposure	10.45%	186.91	100%	7.45%	547.83	100%	7.75%	217.17	100%

(b) Sensitivity Analysis

Particulars	Impact on PAT					
	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Interest Rate – increase by 25 basis points	1.81	1.51	0.77	1.04	1.08	0.66
Interest Rate – increase by 50 basis points	3.62	3.02	1.54	2.08	2.16	1.32

Particulars	Impact on other components of equity					
	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Interest Rate – increase by 25 basis points	NA	NA	NA	NA	NA	NA
Interest Rate – increase by 50 basis points	NA	NA	NA	NA	NA	NA

(c) Price Risk

The entity does not have any in investments in quoted/unquoted securities or other equity instruments, which are material in Value except for investments in group entities. Thus, the company is not exposed to any price risk.

NOTE 55: CAPITAL MANAGEMENT

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

All figures in ₹ million

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Total borrowings	832.06	1,059.61	300.11	186.91	547.83	217.17
Less: cash and cash equivalents	130.57	60.65	55.08	26.10	35.43	13.27
Net Debt	701.49	998.96	245.03	160.81	512.40	203.90
Total Equity	3,323.94	2,161.63	1,616.17	1,327.23	857.02	531.72
Debt Equity Ratio	0.21	0.46	0.15	0.12	0.60	0.38

NOTE 56: INCOME TAXES

All figures in ₹ million

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Current Tax	350.97	181.12	204.97	201.11	137.06	58.81
Deferred Tax	48.89	(7.64)	(41.96)	48.64	35.14	3.34
Increase/(Decrease) in deferred tax asset	817.30	544.59	395.92	323.28	133.82	140.18
(Increase)/Decrease in deferred tax liability	(865.35)	(536.35)	(354.17)	(371.92)	(168.69)	(143.46)
Adjustment in other equity	(0.84)	(0.60)	0.21	-	(0.26)	(0.07)
Total Income Tax (Expenses)/credit	399.86)	173.48	163.01	249.75	172.20	62.15

ANNEXURE VII: RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIOS

Particulars	For nine months ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Net profit after tax, as restated	1,170.44	553.61	297.06	474.97	328.46	119.06
Share Capital	135.28	27.06	27.06	13.53	6.76	6.76
Reserves and Surplus, as restated	3,188.66	2,134.57	1,589.11	1,313.70	850.26	524.96
Net Worth	3,323.94	2,161.63	1,616.17	1,327.23	857.02	531.72
Earnings Per Share (Equity Shares, Par Value of Rs. 2/- each)						
Basic (Rs.)	17.30	8.18	4.39	7.02	4.86	1.76
Diluted (Rs.)	17.30	8.18	4.39	7.02	4.86	1.76
Return on net worth %	35.21%	25.61%	18.38%	35.79%	38.33%	22.39%
Net asset value per equity share (Rs.)	49.14	31.96	23.89	19.62	12.67	7.86
Net asset value per equity share (considering weighted average number of shares)(Rs.)	49.14	31.96	23.89	19.62	12.67	7.86
Number of equity shares outstanding at the end of the year / period	67,640,000	2,705,600	2,705,600	1,352,800	676,400	676,400
Restated weighted average number of equity shares outstanding during the year/ period for calculation of Basic Earnings per Share	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000
Restated weighted average number of equity shares outstanding during the year/ period for calculation of Diluted Earnings per Share	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000

The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (₹)	:	$\frac{\text{Net profit as restated, attributable to owners of the company}}{\text{Weighted average number of equity shares outstanding during the year / period}}$
Diluted Earnings per share (₹)	:	$\frac{\text{Net profit as restated, attributable to owners of the company}}{\text{Weighted average number of dilutive equity shares outstanding during the year / period}}$
Return on net worth (%)	:	$\frac{\text{Net profit after tax, as restated attributable to owners of the company}}{\text{Net worth as restated, including Share Capital and Reserves and surplus, as restated at the end of the year / period}}$
Net Asset Value (NAV) per equity share (₹)	:	$\frac{\text{Net worth as restated, including Share Capital and Reserves and surplus, as restated at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of the year / period}}$

Note:-

1. Earnings per share calculations are done in accordance with Ind AS 33 “Earnings Per Share” . 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 and subsequent to the balance sheet date but before approval of accounts in the board is ,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. The split of one equity share of ₹ 10/- each into 5equity share of ₹ 2/- each along with issue of bonus shares in the ratio of 4 fully paid up equity shares of face value of ₹ 2 each for each existing equity shares of face value of ₹ 2 each is an issue without consideration, the issue is treated as if it had occurred in the beginning of the year 2012-13, the earliest period reported. However, the effect of such bonus issue is given based on the number of weighted average equity shares calculated as above for each of the years multiplied with the bonus ratio. Further, there was a bonus issue during the financial year 2014-15 and 2015-16 in the ratio of 1:1 in each of those years .since the increase in the share capital without consideration the same is also considered as if occurred at the beginning of the financial year 2012-13.
2. All calculations where the denominator includes outstanding equity shares at the end of the year have been adjusted for the aforementioned split of the face value from ₹ 10 per Equity Share to ₹ 2 per Equity Share and the bonus share issuance in the ratio of 1:1 in each of the years 2014-15 and 2015-16 and a further bonus issuance of 4 shares per equity share held in the nine month period ending 31 March, 2017.

ANNEXURE VIII: RESTATED STANDALONE STATEMENT OF CAPITALISATION

Particulars	Pre-Issue	Post Issue
	As at December 31, 2017	As at December 31, 2017
A) Short term debt	832.06	*
B) Long term debt	-	*
C) Current Maturities of Long Term Debt	-	*
(D) Shareholders' funds		
Share Capital	135.28	*
Reserves & Surplus	3,188.66	*
E) Total Shareholder's funds	3,323.94	*
G) Long term debt / Equity Ratio ((B+C)/E)	-	*

Notes:

* Post Issue Capitalization will be determined after finalization of issue price

1. The above have been computed on the basis of restated statement of accounts.

2. For the purpose of Long term debt / Equity ratio, Long term debt has been considered including current maturities of long term debt.

ANNEXURE IX: RESTATED STANDALONE STATEMENT OF DIVIDEND PAID

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended at March 31,				
		2017	2016	2015	2014	2013
Total Dividend paid(excluding dividend distribution tax)	6.76	6.76	6.76	4.06	2.71	2.71

Rights, preferences and restrictions in respect of equity shares issued by the Company: The company has only one class of equity shares having a par value of Rs.2 each. The equity shares of the company having par value of Rs.2/- rank pari-passu in all respects including voting rights and entitlement to dividend

Independent Auditor's Report on Restated Ind AS Consolidated Financial Information

The Board of Directors

Nekkanti Sea Foods Limited

D.No.15-1-37/6, G-1, Jayaprada Apartments,

Nowroji Road, Maharanipeta,

Visakhapatnam,

Andhra Pradesh - 530002

Dear Sirs,

1. We have examined the attached **Restated Ind AS Consolidated Financial Information** of **Nekkanti Sea Foods Limited** ("the Company") and its subsidiaries, (collectively referred to as "the Group") and of its associates, which comprise of the Restated Consolidated Statement of Assets and Liabilities as at **31 December 2017, 31 March 2017, 2016, 2015, 2014 and 2013**, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the nine months ended 31 December 2017 and for each of the years ended 31 March 2017, 2016, 2015, 2014 and 2013 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated consolidated financial information explained in paragraph 8 below for the purpose of inclusion in the Offer Document prepared by the Company in connection with its proposed initial public offer of equity shares by way of fresh issue of equity shares by the Company and also by way of an Offer For Sale by the existing shareholders. The Restated Ind AS Consolidated Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations").
2. The preparation of the Restated Ind AS Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, Rules and ICDR regulations.
3. We have examined such Restated Ind AS Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 19 January 2018 in connection with the proposed issue of equity shares of the Company; and
 - b) The Guidance Note on Reports in Company's Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").
4. These Restated Ind AS Consolidated Financial Information have been compiled by the management from the audited consolidated Ind AS financial statements of the Group and its associates as at, and for the nine months ended 31 December 2017 and years ended 31 March 2017, 2016, 2015, 2014, 2013 (which were expressed in Indian Rupees in millions), prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) (Amendment) Rules 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 07 March 2018.
5. The Audit of the Restated Ind AS Consolidated Financial Information for the years ended 31 March 2016, 2015, 2014 and 2013 was conducted by the previous auditors' M/s Pendyala Sarvani & Co., Chartered Accountants and accordingly, reliance has been placed on the Restated Ind AS Consolidated Financial Information examined by them for the said years. The financial report included for these years ended 31 March 2016, 2015, 2014 and 2013 are based solely on the report dated 07 March 2018 submitted by them. M/s. Pendyala Sarvani & Co., Chartered Accountants, have also confirmed that the Restated Ind AS Consolidated Financial Information:
 - a) have been prepared after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;
 - b) have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - c) do not contain any exceptional items that need to be disclosed separately in the respective financial years and do not contain any qualification requiring adjustments.

Nekkanti Sea Foods Limited

6. The Restated Ind AS Consolidated Financial information includes, the financials of two subsidiaries, names and brief financial particulars are as set out in the table below, for the nine months ended 31 December 2017 and year ended 31 March 2017 whose financial statements have not been audited by us. These financial statements have been audited by the other firms of Chartered Accountants, as set out in the table below, whose reports have been furnished to us and our opinion in so far as it relates to the amounts of those subsidiaries included in these Restated Ind As Consolidated Financial Information is based solely on their report.

Name of the subsidiary	Share in the equity	Year/period ending:	Total Assets	Total liabilities	Profit/(loss)	Name of the Auditor
Nekkanti Mega Food park Private Limited	60%	31 Dec 17	540.55	320.45	(2.35)	Pendyala Sarvani & Co., Chartered Accountants, Hyderabad.
	60%	31 Mar 17	228.45	6.00	(2.55)	
NSF Laboratories Private Limited	100%	31 Dec 17	1.99	0.04	(0.06)	Pendyala Sarvani & Co., Chartered Accountants, Hyderabad.
	100%	31 Mar 17	0.05	0.04	Nil	

7. The Restated Ind AS Consolidated Financial Information includes, the Group's share of net profit / (loss) (including other comprehensive income) of Rs.14.23 million and Rs.(0.03) million for the nine months ended 31 December 2017 and year ended 31 March 2017 respectively, in respect of its associates, whose financial statements have not been audited by us. These financial statements have been audited by other firms of Chartered Accountants, as set out in the table below, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Ind AS Consolidated Financial Information is based solely on their report.

Name of Associates	Name of Auditor
Nekkanti Sugars Private Limited	Pendyala Sarvani & Co., Chartered Accountants
Nekkanti Power Private limited	Pendyala Sarvani & Co., Chartered Accountants

8. Based on our examination and 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, the Guidance Note and terms of our engagement agreed with you, we report that:
- The Restated Consolidated Statement of Assets and Liabilities of the Group and its associates as at 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and as at 31 December 2017 and 31 March 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Consolidated Financial Statement, Note 2: Basis of preparation of Consolidated financial statements and Note 3: Significant Accounting policies of Annexure V;
 - The Restated Consolidated Statement of Profit and Loss of the Group and its associates for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and for nine months ended 31 December 2017 and the year ended 31 March 2017 examined by us, asset out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Consolidated Financial Statement, Note 2: Basis of preparation of Consolidated financial statements and Note 3: Significant Accounting policies of Annexure V;
 - The Restated Consolidated Statement of Cash Flows of the Group and its associates for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and nine months ended 31 December 2017 and for the year ended 31 March 2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Consolidated Financial Statement, Note 2: Basis of preparation of Consolidated financial statements and Note 3: Significant Accounting policies of Annexure V;
 - The Restated Consolidated Statement of Changes in Equity of the Group and its associates for the years ended 31 March 2016, 2015, 2014 and 2013 examined and reported upon by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, on which reliance has been placed by us, and for nine months ended 31 December 2017 and the year ended 31 March 2017 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in Note 1: First Time Adoption of Ind AS of the Annexure VI: Notes To Restated Consolidated Financial Statement, Note 2: Basis of preparation of Consolidated financial statements and Note 3: Significant Accounting policies of Annexure V;
 - Based on the above and according to the information and explanations given to us and as per the reliance placed on the reports submitted by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants for the respective years, we further report that the Restated Ind AS Consolidated Financial Information:

Nekkanti Sea Foods Limited

- i. have been prepared after incorporating adjustments for change in accounting policies retrospectively in respective financial years/ period to reflect the same accounting treatment as per changed accounting policy for all the reporting years/ period;
 - ii. have been prepared after incorporating adjustments for the material amounts in the respective financial years/ period to which they relate; and
 - iii. do not contain any exceptional items that need to be disclosed separately in the respective financial years/period and do not contain any qualification requiring adjustments.
9. We have also examined the following Restated Ind AS Consolidated Financial Information of the Group and its associates as set out in the Annexures prepared by the management and approved by the Board of Directors, on 07 March 2018 for the nine months ended 31 December 2017 and for each of the years ended 31 March 2017, 2016, 2015, 2014 and 2013. In respect of the years ended 31 March 2016, 2015, 2014 and 2013 this information has been included based upon the reports submitted by previous auditor, M/s. Pendyala Sarvani & Co., Chartered Accountants, and relied upon by us:
 - (i) Basis of preparation and significant accounting policies as enclosed in Annexure V;
 - (ii) Notes to the Restated Ind AS Consolidated Financial Information as enclosed in Annexure VI;
 - (iii) Restated Consolidated Statement of Accounting Ratios, as enclosed in Annexure VII;
 - (iv) Restated Consolidated Statement of Capitalisation, as enclosed in Annexure VIII;
 - (v) Restated Consolidated Statement of Dividend, as enclosed in Annexure IX.
10. In our opinion and to the best of our information and according to the explanation given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s. Pendyala Sarvani & Co., Chartered Accountants, the Restated Ind AS Consolidated Financial Information of the Group and its associates as at and for the nine months ended 31 December 2017 and as at and for the years ended 31 March 2017, 2016, 2015, 2014 and 2013 including the above mentioned other restated consolidated financial Information contained in Annexures VI to IX, read with basis of preparation and 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 Act, read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. 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, and stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of Equity Shares by way of a fresh issue of Equity Shares of the Company and by way of an offer for sale by the existing shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For J V S L & Associates

Chartered Accountants

Firm's Registration No: 15002S

J. VENKATESWARLU

Partner

Membership No: 22481

Place: Visakhapatnam

Date: 07 March 2018

ANNEXURE I: RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

All figures in ₹ million

	Particulars	Note no	As at Dec 31, 2017	As at March 31,				
				2017	2016	2015	2014	2013
I	ASSETS							
1	Non-current assets							
	Property, plant and equipment	2	921.92	950.47	257.36	245.24	230.24	168.90
	Intangible assets	2	2.48	1.78	-	-	-	-
	Capital work in progress	3	202.54	43.64	429.99	3.60	7.71	14.62
	Investment Property	4	2.64	2.64	2.64	2.64	2.64	2.64
	Financial assets							
	Investments	5	41.04	239.67	220.90	181.96	226.99	202.04
	Other financial assets	6	29.60	32.09	43.88	51.37	7.77	6.68
	Other non-current assets	7	515.24	301.57	168.49	91.51	22.94	27.92
	Total non-current assets		1,715.46	1,571.86	1,123.26	576.32	498.29	422.80
2	Current assets							
	Inventories	8	1,680.93	1,664.64	544.75	934.15	414.96	241.83
	Financial assets							
	Trade receivables	9	980.43	167.64	177.76	34.81	566.29	67.10
	Cash and cash equivalents	10	149.02	116.00	24.71	10.92	23.85	2.58
	Bank balances other than above	11	26.08	17.86	30.86	15.18	11.58	10.69
	Other financial assets	12	53.03	21.33	6.18	15.71	9.26	6.92
	Other current assets	13	614.05	218.51	154.60	274.01	185.66	94.04
	Total current assets		3,503.54	2,205.98	938.86	1,284.78	1,211.60	423.16
	Total Assets		5,219.00	3,777.84	2,062.12	1,861.10	1,709.89	845.96
II	EQUITY AND LIABILITIES							
1	Equity							
	Equity share capital	14	135.28	27.06	27.06	13.53	6.76	6.76
	Other equity	15	3,185.66	2,118.81	1,574.91	1,300.37	838.36	513.51
	Non-controlling interest		88.04	88.98	0.04			
	Total equity		3,408.98	2,234.85	1,602.01	1,313.90	845.12	520.27
	Liabilities							
2	Non-current liabilities							
	Financial liabilities							
	Borrowings	16	120.00	-	30.00	-	-	-
	Other financial liabilities	17	1.50	1.50	1.50	-	-	-
	Provisions	18	2.10	0.33	-	-	0.36	-
	Deferred tax liabilities (net)	19	101.16	53.11	61.35	103.10	54.46	19.59
	Other non-current liabilities	20	298.40	169.29	16.09	12.85	14.68	7.58
	Total non-current liabilities		523.16	224.23	108.94	115.95	69.50	27.17
3	Current liabilities							
	Financial liabilities							
	Borrowings	21	832.06	1,059.61	250.11	186.91	547.83	216.78
	Trade payables	22	334.76	216.74	65.82	186.63	232.06	74.21
	Provisions	23	91.50	0.19	1.81	40.89	6.87	0.49
	Other current liabilities	24	28.54	42.22	33.43	16.82	8.51	7.04
	Total current liabilities		1,286.86	1,318.76	351.17	431.25	795.27	298.52
	Total liabilities		1,810.02	1,542.99	460.11	547.20	864.77	325.69
	Total Equity and Liabilities		5,219.00	3,777.84	2,062.12	1,861.10	1,709.89	845.96

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated consolidated financial statement appearing in Annexure VI

ANNEXURE II: RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All figures in ₹ million

Particulars	Note No	For the nine months ended on Dec31,2017	For the year ended at March 31,				
			2017	2016	2015	2014	2013
Continuing Operations							
Income							
1 Revenue from operations	25	10,747.60	8,302.07	7,741.50	6,860.94	5,862.62	2,967.79
2 Other income	26	109.27	99.57	56.13	80.31	7.99	33.42
3 Total income (1+2)		10,856.87	8,401.64	7,797.63	6,941.25	5,870.61	3,001.21
Expenses							
Cost of materials consumed	27	7,716.81	7,211.34	5,652.75	5,624.44	4,705.49	2,311.45
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(33.87)	(1,100.55)	433.01	(521.88)	(165.17)	(25.72)
Employee benefits expense	29	55.99	43.72	35.06	21.57	18.80	15.12
Depreciation and amortisation expense	30	151.06	142.48	48.65	45.68	35.62	28.50
Other expenses	31	1,314.08	1,302.57	1,120.11	1,002.50	742.60	469.85
Finance costs	32	83.31	76.42	48.39	43.64	32.10	20.64
Total expenses(4)		9,287.38	7,675.98	7,337.97	6,215.95	5,369.44	2,819.84
5 Profit before exceptional items and tax(3-4)		1,569.49	725.66	459.66	725.30	501.17	181.37
6 Exceptional items		-	-	-	-	-	-
7 Profit before tax from continuing operations(5-6)		1,569.49	725.66	459.66	725.30	501.17	181.37
8 Income tax expense	33						
i)Current tax		350.97	181.12	204.97	201.11	137.06	58.81
ii)Deferred tax charge (credit)		48.89	(7.64)	(41.96)	48.64	35.14	3.34
9 Profit for the year(7-8)		1,169.63	552.18	296.65	475.55	328.97	119.22
10 Share of profit/loss from associates accounted for using equity method		14.23	(0.03)	(0.87)	(1.43)	(0.45)	(2.28)
Other comprehensive income							
Items that will not be reclassified to profit or loss							
11 Remeasurement of post-employment benefit obligations		(2.44)	(1.72)	0.62	(0.58)	(0.77)	(0.23)
12 Income tax relating to these items		0.84	0.60	(0.21)	-	0.26	0.07
13 Restated profit/(loss) for the year(9+10+11+12)		1,182.26	551.03	296.19	473.54	328.01	116.78
14 Total comprehensive income attributable to							
Owners of the company		1,183.20	552.05	296.19	473.54	328.01	116.78
Non-controlling interest		(0.94)	(1.02)	-	-	-	-
15 Earnings per share as restated	34						
Basic		17.49	8.16	4.38	7.00	4.85	1.73
Diluted		17.49	8.16	4.38	7.00	4.85	1.73

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated consolidated financial statement appearing in Annexure VI.

Weighted average ordinary shares have been adjusted with retrospective effect from F.Y 2012-13 for the bonus issue made in F.Y 2014-15,2015-16 ,2017-18 and split of ordinary shares in FY 2017-18.

ANNEXURE III: RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

All figures in ₹ million

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
A Cash flow from Operating Activities						
Profit before income tax	1,569.49	725.66	459.66	725.30	501.17	181.37
Adjustments for						
Profit/(loss) attributable to non-controlling interest	0.94	1.02				
Depreciation and amortisation expense	151.06	142.48	48.65	45.68	35.62	28.5
(Profit) on sale of fixed asset	(0.63)	0.61	-	(0.11)	(0.54)	(18.35)
Fair Value changes of investments considered to profit and loss	(15.43)	-	-	-	-	-
Interest received	(25.40)	(26.28)	(25.95)	(1.76)	(2.47)	(3.16)
Finance costs	83.31	76.42	48.39	43.64	32.10	20.64
MTM (gain) on forward contract	(31.70)	(15.15)	(2.47)	(6.45)	-	(10.49)
	1,731.64	904.76	528.28	806.30	565.88	198.51
Change in operating assets and liabilities						
(Increase)/ decrease in other financial assets	(29.21)	(3.36)	17.02	(50.05)	(3.43)	(7.51)
(Increase)/ decrease in inventories	(16.29)	(1,119.89)	389.40	(519.19)	(173.13)	(29.70)
(Increase)/ decrease in trade receivables	(812.79)	10.12	(142.95)	531.48	(499.19)	44.08
(Increase)/ decrease in other assets	(424.47)	(95.70)	96.20	(157.77)	(91.62)	(24.23)
Increase/ (decrease) in provisions and other liabilities	116.25	160.59	22.26	5.52	7.40	(5.32)
Increase/ (decrease) in trade payables	118.02	150.92	(120.81)	(45.43)	157.85	(33.09)
Cash generated from operations	683.15	7.44	789.40	570.86	(36.24)	142.74
Less: Income taxes paid (net of refunds)	(261.16)	(182.74)	(244.05)	(167.09)	(130.68)	(62.66)
Net cash from/ (used in) operating activities (A)	421.99	(175.30)	545.35	403.77	(166.92)	80.08
B Cash flows from Investing Activities						
Purchase of PPE (including changes in CWIP)	(467.22)	(554.41)	(541.22)	(55.83)	(85.48)	(79.97)
Sale proceeds of PPE (including changes in CWIP)	3.19	0.90	-	0.26	1.77	24.99
(Purchase)/ disposal proceeds of Investments	228.29	(18.80)	(39.81)	43.60	(25.40)	(58.20)
(Investments in)/ Maturity of fixed deposits with banks	(8.22)	13.00	(15.68)	(3.60)	(0.89)	(1.23)
Interest income	23.23	26.87	25.94	1.72	2.41	2.98
Non-controlling interest	(0.94)	88.94	0.04			
Net cash from/ (used in) investing activities (B)	(221.67)	(443.50)	(570.73)	(13.85)	(107.59)	(111.43)
C Cash flows from Financing Activities						
Proceeds from issue of equity share capital (net of share application money)	-	-	-	-	-	-
Proceeds from/ (repayment of) long term borrowings	120.00	(30.00)	30.00	-	-	(0.39)
Proceeds from/ (repayment of) short term borrowings	(227.55)	809.50	63.20	(360.91)	331.05	41.21
MTM gain/(loss) on forward contract	31.70	15.15	2.47	6.45	-	10.49
Finance costs	(83.31)	(76.42)	(48.39)	(43.64)	(32.10)	(20.64)
Dividend paid	(6.76)	(6.76)	(6.76)	(4.06)	(2.71)	(2.71)
Tax on dividend	(1.38)	(1.38)	(1.35)	(0.69)	(0.46)	(0.44)
			-			
Net cash from/ (used in) financing activities (C)	(167.30)	710.09	39.17	(402.85)	295.78	27.52
D Net increase (decrease) in cash and cash equivalents (A+B+C)	33.02	91.29	13.79	(12.93)	21.27	(3.83)
Cash and cash equivalents at the beginning of the financial year	116.00	24.71	10.92	23.85	2.58	6.41
Cash and cash equivalents at end of the year	149.02	116.00	24.71	10.92	23.85	2.58
Notes:						
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".						
2. Components of cash and cash equivalents						
Balances with banks						
- in current accounts	118.97	113.31	17.23	8.71	20.10	1.03
- in EEFC Account	28.93	1.90	4.71	1.60	3.21	0.84
- in Treasury bank savings accounts	-	-	-	-	-	0
Cash on hand	1.12	0.79	2.77	0.61	0.54	0.71
	149.02	116.00	24.71	10.92	23.85	2.58

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated consolidated financial statement appearing in Annexure VI

ANNEXURE IV: RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	For period ended December 31,	For the period ended March 31,				
(A) Equity Share Capital	2017	2017	2016	2015	2014	2013
Balance at the beginning of the year	27.06	27.06	13.53	6.76	6.76	6.76
Changes in equity share capital during the year	108.22	-	13.53	6.77	-	-
Balance at the end of the year	135.28	27.06	27.06	13.53	6.76	6.76

B) Other Equity

All figures in ₹ million

Particulars	General Reserve	Capital Redemption Reserve	Other comprehensive income	Retained Earnings	Share of profit /Loss from consolidation of associates	Total attributable owners of the company	Total Attributable to non-controlling interest	Total
Balance as at March 31, 2017	1,590.34	-	(2.35)	545.05	(14.23)	2,119.83	(1.02)	2,118.81
Additions/ (deductions) during the year	545.05	-	-	(545.05)	-	-	-	-
Total Comprehensive Income for the year	-	-	(1.60)	1,169.63	14.23	1,183.20	-0.94	1,182.26
Ind AS adjustments	-	-	-	(115.41)	-	(115.41)	0	(115.41)
Balance as at December 31, 2017	2,135.39	-	(3.95)	1,054.22	-	3,187.62	(1.96)	3,185.66
Balance as at March 31, 2016	1,301.81	-	(1.23)	288.53	(14.20)	1,574.91	-	1,574.91
Additions/ (deductions) during the year	288.53	-	-	(288.53)	-	-	-	-
Total Comprehensive Income for the year	-	-	(1.12)	552.18	(0.03)	552.05	-1.02	551.03
Ind AS adjustments	-	-	-	(7.13)	-	(7.13)	-	(7.13)
Balance as at March 31, 2017	1,590.34	-	(2.35)	545.05	(14.23)	2,119.83	(1.02)	2,118.81
Balance as at March 31, 2015	844.54	-	(1.64)	470.80	(13.33)	1,300.37	-	1,300.37
Additions/ (deductions) during the year	470.80	-	-	(470.80)	-	-	-	-
Appropriated towards bonus issue	(13.53)	-	-	-	-	(13.53)	-	(13.53)
Total Comprehensive Income for the year	-	-	0.41	296.65	(0.87)	296.19	-	296.19
Ind AS adjustments	-	-	-	(8.12)	-	(8.12)	-	(8.12)
Balance as at March 31, 2016	1,301.81	-	(1.23)	288.53	(14.20)	1,574.91	-	1,574.91
Balance as at March 31, 2014	523.27	2.24	(1.06)	325.81	(11.90)	838.36	-	838.36
Additions/ (deductions) during the year	325.81	(2.24)	-	(325.81)	-	(2.24)	-	(2.24)
Transferred from Capital Redemption Reserve	2.24	-	-	-	-	2.24	-	2.24
Appropriated towards bonus issue	(6.76)	-	-	-	-	(6.76)	-	(6.76)
Total Comprehensive Income for the year	-	-	(0.58)	475.55	(1.43)	473.54	-	473.54
Ind AS adjustments	(0.02)	-	-	(4.75)	-	(4.77)	-	(4.77)
Balance as at March 31, 2015	844.54	-	(1.64)	470.80	(13.33)	1,300.37	-	1,300.37
Balance as at March 31, 2013	407.19	2.24	(0.55)	116.08	(11.45)	513.51	-	513.51
Additions/ (deductions) during the year	116.08	-	-	(116.08)	-	0	-	0
Total Comprehensive Income for the year	-	-	(0.51)	328.97	(0.45)	328.01	-	328.01
Ind AS adjustments	-	-	-	(3.16)	-	(3.16)	-	(3.16)
Balance as at March 31, 2014	523.27	2.24	(1.06)	325.81	(11.90)	838.36	-	838.36
Balance as at April 1, 2011	230.79	2.24	-	53.53	(5.83)	280.73	-	280.73
Additions/ (deductions) during the year	53.53	-	-	(53.53)	-	-	-	-

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Particulars	General Reserve	Capital Redemption Reserve	Other comprehensive income	Retained Earnings	Share of profit /Loss from consolidation of associates	Total attributable owners of the company	Total Attributable to non-controlling interest	Total
Total Comprehensive Income for the year	-	-	(0.39)	124.43	(3.34)	120.70	-	120.70
Ind AS adjustments	-	-	-	(1.56)		(1.56)	-	(1.56)
Balance as at March 31,2012	284.32	2.24	(0.39)	122.87	(9.17)	399.87	-	399.87
Additions/ (deductions) during the year	122.87	-	-	(122.87)		-	-	-
Total Comprehensive Income for the year	-	-	(0.16)	119.22	(2.28)	116.78	-	116.78
Ind AS adjustments				(3.14)		(3.14)	-	(3.14)
Balance as at March 31, 2013	407.19	2.24	(0.55)	116.08	(11.45)	513.51	-	513.51

The above statement should be read with the Basis of preparation and significant accounting policies appearing in Annexure V and notes to the restated consolidated financial statement appearing in Annexure VI

ANNEXURE V: BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

Nekkanti Sea Foods Limited ("NSFL" or the company") was established in 1983 with registered office at Visakhapatnam. The Company is engaged primarily in the business of processing and export of shrimp and other seafood products. The Company has processing facilities at Visakhapatnam and Ravulapalem. The company commissioned another processing facility on 1st July 2016 at J-Thimmapuram village near Kakinada.

2 Basis of preparation of Consolidated financial statements

- i) The Restated Consolidated Statement of Assets and Liabilities of the Company and its Subsidiaries and Associates (together called the "Group" as at December 31, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the nine month period ended December 31, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 and Restated other Consolidated Financial Information (together referred as Restated Consolidated Financial Information) are prepared for the special purpose of inclusion in the prospectus of the Company during the initial public offering. These special purpose financial Information of the group have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 as amended from time to time. The group has prepared the financial statements to comply in all material aspects with Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 besides the pronouncements/ guidelines of the Institute of Chartered Accountants of India. The financial statements have been prepared on an accrual basis. The Restated Consolidated Financials relates to the Company, its subsidiary companies and associates (collectively referred to as "the Group")

The Restated Consolidated financial information have been prepared by the management in connection with the proposed initial public offering and inclusion in the Prospectus of the Company to be filed with the Securities and Exchange Board of India, Registrar of Companies and the concerned Stock Exchanges in accordance with the requirements of the Companies (Prospectus and Allotment of Securities) Rules 2014 to the companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009 as amended to date.

For all periods up to and including the year ended March 31, 2012, the Company/Group prepared its financial statements in accordance with accounting standards notified under the Companies Act (Indian GAAP). This special purpose Restated financial statements are prepared by the Group/Company under Ind AS commencing from the year ended March 31, 2013 from the audited standalone and Consolidated Financial Statements of the Company/Group. These financial statements for the year ended December 31, 2017 are the sixth financial statements, the Group/Company has prepared in accordance with Ind AS with the date of transition as April 1, 2011.

These Restated Consolidated Financial Statements have been compiled by the Group/Company from the Audited Consolidated Financial Statements of the nine months period ended 31 December 2017 and for the years ended March 2017, 2016, 2015, 2014 and 2013 and:

- a) There were no audit qualifications on these restated financial statements.
- b) there were no changes in accounting policies under Previous GAAP during the years of these financial statements except the accounting for depreciation on PPE which has been applied with retrospective effect from the year ended on 31 March 2012.
- c) material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted.
- d) adjustments for remeasurement, reclassification and regrouping of the corresponding items of income, expenses, assets and liabilities have been made to bring them in line with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013, and the requirements of the SEBI regulations.
- e) the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- a) Derivative financial instruments

- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These financial statements are presented in INR and values are rounded off to nearest million except when otherwise indicated.

ii) Use of estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

3 Significant Accounting Policies

i) Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its Subsidiary and Associates Companies for the nine months period ended December 31, 2017, for the year ended March 31, 2017, 2016, 2015, 2014, 2013. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the Investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

ii) Consolidation procedure in respect of Investments in Subsidiaries:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.”

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent’s share of components previously recognised in OCI to Profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related Assets or liabilities.

iii)Investment in Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group’s investments in its associates and jointly controlled entities are accounted for using the equity method. Under the equity method, the investment in an associate or jointly controlled entities is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associates or joint venture since the acquisition date.

The statement of profit and loss reflects the Group’s share of the results of operations of the jointly controlled entities. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entities, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entities are eliminated to the extent of the interest in the jointly controlled entities.

If an entity’s share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group’s net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group’s share of profit or loss of a jointly controlled entities is shown on the face of the statement of profit and loss.

The financial statements of the jointly controlled entities are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entities. At each reporting date, the Group determines whether there is objective evidence that

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the investment in the jointly controlled entities are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entities and its carrying value, and then recognises the loss as 'Share of profit/(loss) of a jointly controlled entities' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entities, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

iv) Subsidiary Companies and Associate companies considered for consolidation:

Associate Companies

- i) Following Associate companies have been considered in the preparation of consolidated Financial statements.

S No	Company Name	As at December 31, 2017	As at 31st March 2017,2016,2015,2014,2013
1	Nekkanti sugar private limited	0%	25%
2	Nekkanti power private limited	0%	25%

- Nekkanti sugar private limited, where the group has 25% equity holding during the years 2012-13 to 2016-17 is in process of setting up of sugar refining plant.
- Nekkanti power private limited, where the group has 25% equity holding during the years 2012-13 to 2016-17 is in process of setting up of coal-based power plant.

Subsidiary Companies:

- ii) Following Subsidiary company have been considered in the preparation of consolidated Financial statements.

Name of the company	Country of Incorporation	Principal activities	Proportion(%) of equity interest		
			As at 31st Dec 2017 and 31st March, 2017	AS at 31st March 2016	AS at 31st March 2015,2014,2013
Nekkanti Mega Food Park Private Limited	India	Food processing infrastructure facilities	60%	60%	-
NSF Laboratories Private Limited	India	Research and testing activities	100%	-	-

v)

a. Current versus non-current classification

The Group/Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group/Company has identified 3 months as its operating cycle.

b. Fair value measurement

The Group/Company has applied the fair value measurement wherever necessitated at each reporting period.

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

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

Level 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group/Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Group/Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c. Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group/Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discount.

Export incentives/ benefits

Incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licences are accounted on due basis on the FOB value of the exports recognized during the year.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group/Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the Group/company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d. Property, plant and equipment and capital work in progress

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Group/company has elected to continue to measure the property, plant and equipment at their previous GAAP values. Hence, no fair valuation or retrospective application of Ind AS 16 is required.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group/Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairment if any.

Revenue expenses and revenue receipts incurred in connection with project implementation in so far as such expense relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalised.

All material/ significant components have been identified for the plant and have been accounted separately. The useful life of such components is analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components is considered for calculation of depreciation.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Properties held to earn rentals and/or capital appreciation are classified as Investment property and are measured and reported at cost, including transaction cost.

e. Depreciation on property, plant and equipment

Depreciation is provided on the basis of useful life of the asset, as estimated by the management, based on technical evaluation, on written down value method. Additions to fixed assets, costing Rs.5,000 each or less are fully charged off to profit and loss. Depreciation on additions to fixed assets and sale of fixed assets are provided on pro-rata basis.

The useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Estimated useful life (in years)
Buildings	
Factory buildings	30
Other buildings	60
Plant and Machinery	15
Electrical Equipment	10
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of inventories is determined using the first in first out (FIFO) method and includes freight, taxes and duties, net of duty credits wherever applicable.

In respect of finished goods and work in progress cost includes all direct costs and applicable manufacturing overheads incurred in bringing them to their present location and condition.

g. Biological asset

A biological asset is a living animal or plant. Biological transformation comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.

The aquaculture carried out by the Group/Company is in the nature of consumable biological asset, which is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for the case described in paragraph 30 of Ind AS 41 where the fair value cannot be measured reliably.

The aquaculture produce harvested from the Group/Company's consumable biological assets are captively consumed and are measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying Ind AS 2 Inventories or another applicable Standard."

h. Foreign currency transactions and translations

The Group/Company's financial statements are presented in INR, which is also the Group/Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group/Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses the rate that approximates exchange rates or an average rate.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

i. Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants related to assets, including non-monetary grants at fair value, is presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset."

j. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group/Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group/Company has no obligation, other than the contribution payable to the provident fund. The Group/Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

As per the policy of the Group/Company, the compensated absences are not entitled to be carried forward to the subsequent financial year and lapse at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

The Group/Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

l. Leases

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

For arrangements entered into prior to April 1, 2011, the Group/Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group/Company is classified as a finance lease. All other leases are operating leases

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group/Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

m. Impairment of non-financial assets

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

n. Provisions

General

Provisions are recognised when the Group/Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Necessary provision for doubtful debts, claims, etc., is made if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group/company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Group/Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Commitments:

Commitments are future liabilities for contractual expenditure. These are classified and disclosed as i) estimated number of contracts remaining to be executed on capital account, but not provided for; b) uncalled liability on shares and other investments partly paid; c) funding related commitment to subsidiary, associate and JV companies and d) other non-cancellable commitments if any.

o. Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group/Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)]
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Group/Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Group/Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Group/Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Group/Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group/Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group/Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group/Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group/Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Group/Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group/Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group/Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group/Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Group/Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group/company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group/Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group/Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group/company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group/Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

ANNEXURE VI: NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENT

NOTE 1: FIRST TIME ADOPTION OF IND AS

The restated financials for the year 2012-13 are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening Ind AS balance sheet at April 1, 2011 (The Group's date of transition).

In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the group (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance is set out as reconciliation consolidated statement of Assets and liabilities, consolidated statement of profit and loss from IGAAP to IND AS for the F.Y 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 (Upto December).

A. Exemptions and exceptions availed

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

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for PPE and Intangibles

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the group has elected to continue the property, plant and equipment at their previous GAAP values.

A.1.2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in equity investments.

A.1.3. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2011 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B. Notes to first-time adoption

B.1 Trade receivables

As per Ind AS 109, the group is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the group has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.2 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.

As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. Since the company does not have any long-term borrowings, no adjustment is considered necessary.

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications.

B.4 Constructive obligations

Under Ind AS, any constructive obligation shall also be considered and provided for in the financial statements. Accordingly, the Company has measured its constructive obligation relating to salary revision based on best estimate and considered the same in the Ind AS financial statements.

B.5 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The group has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.6 Government Grants

Under Ind AS, Government grants related to assets, including non-monetary grants at fair value, is presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset. The group has remeasured the capital grants as aforesaid and accounted in the Ind AS financial statements.

B.7 Proposed dividends

Under Ind AS, liability to pay dividends arises only when the shareholders approve the dividends recommended by the board of directors. Till such approval the proposed dividends do not meet the recognition criteria of a liability. The group has accordingly, reversed the provisions for proposed dividends and the related taxes. Only a disclosure as required by Ind AS has been made

B.8 Depreciation

Under Ind AS, depreciation on property, plant and equipment has to be provided based on the economic useful life estimated by the management. The group has, accordingly, remeasured the depreciation which was hitherto provided based on the minimum depreciation rates prescribed by the erstwhile Companies Act, 1956

B.9 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

Nekkanti Sea Foods Limited

Statement of reconciliation between previous GAAP and Ind AS

Consolidated Statement of Assets and liabilities as at March 31, 2013

(All figures in ₹ Million)

Particulars	IGAAP	Ind As Adjustment	Adjusted Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	175.67	(6.77)	168.90
Capital work in progress	14.62	-	14.62
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Financial Assets			
Investments	213.49	(11.45)	202.04
Other financial assets	6.68	-	6.68
Other non-current assets	6.45	21.47	27.92
Non-current assets	416.91	5.89	422.80
Current assets			
Inventories	105.84	135.99	241.83
Financial Assets			
Trade receivables	253.10	(186.00)	67.10
Cash and cash equivalents	13.27	(10.69)	2.58
Bank balances other than above	-	10.69	10.69
Other financial assets	-	6.92	6.92
Other current assets	31.07	62.97	94.04
Current assets	403.28	19.88	423.16
TOTAL ASSETS	820.19	25.77	845.96
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6.76	-	6.76
Other Equity	503.68	9.83	513.51
	510.44	9.83	520.27
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities	-	-	-
Provisions	0.18	(0.18)	-
Deferred tax liabilities (Net)	7.20	12.39	19.59
Other non-current Liabilities	0.86	6.72	7.58
Non-Current Liabilities	8.24	18.93	27.17
Current liabilities			
Financial Liabilities			
Borrowings	216.78	-	216.78
Trade payables	69.36	4.85	74.21
Provisions	3.66	(3.17)	0.49
Other current liabilities	11.71	(4.67)	7.04
Current liabilities	301.51	(2.99)	298.52
TOTAL EQUITY AND LIABILITIES	820.19	25.77	845.96

Nekkanti Sea Foods Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(All figures in ₹ Million)

Particulars	For the year ended March 31 2013 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2013 (Ind AS)
INCOME				
Revenue from Operations	2,958.87	(1.63)	10.55	2,967.79
Other Income	21.00	0.41	12.01	33.42
Total Income	2,979.87	(1.22)	22.56	3,001.21
EXPENSES				
Cost of materials consumed	2,312.93	(1.48)	-	2,311.45
Changes in inventories of work-in-progress, stock in trade and finished goods	(55.05)	-	29.33	(25.72)
Employee benefit expenses	15.56	(0.23)	(0.21)	15.12
Depreciation and amortization expense	21.77	-	6.73	28.50
Other expenses	470.39	0.26	(0.80)	469.85
Finance costs	20.64	-	-	20.64
Total Expenses	2,786.24	(1.45)	35.05	2,819.84
Profit / (loss) before exceptional items and tax	193.63	0.23	(12.49)	181.37
Exceptional Items	-	-	-	-
Profit / (loss) before tax	193.63	0.23	(12.49)	181.37
Income Tax expense:				
Current tax	58.81	-	-	58.81
Deferred tax	3.85	0.07	(0.58)	3.34
Profit (loss) for the period from continuing operations	130.97	0.16	(11.91)	119.22
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	130.97	0.16	(11.91)	119.22
Share of loss from associates accounted for using equity method			(2.28)	(2.28)
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post employment benefit obligations		(0.23)		(0.23)
				-
Income tax relating to items that will not be reclassified to profit or loss		0.07		0.07
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	130.97	0.00	(14.19)	116.78

Nekkanti Sea Foods Limited

Consolidated Statement of Assets and liabilities as at March 31, 2014

(All figures in ₹ Million)

	IGAAP	Ind As Adjustment	Adjusted Ind AS Numbers
ASSETS			
Non-current assets			
Property, plant and equipment	236.38	(6.14)	230.24
Capital work in progress	7.71	-	7.71
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Financial Assets			
Investments	238.89	(11.90)	226.99
Other financial assets	7.77	-	7.77
Other non-current assets	1.47	21.47	22.94
Non-current assets	492.22	6.07	498.29
Current assets			
Inventories	293.43	121.53	414.96
Financial Assets			
Trade receivables	728.66	(162.37)	566.29
Cash and cash equivalents	35.43	(11.58)	23.85
Bank balances other than above	-	11.58	11.58
Other financial assets	-	9.26	9.26
Other current assets	25.08	160.58	185.66
Current assets	1,082.60	129.00	1,211.60
TOTAL ASSETS	1,574.82	135.07	1,709.89
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6.76	-	6.76
Other Equity	759.19	79.17	838.36
	765.95	79.17	845.12
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities	-	-	-
Provisions	0.81	(0.45)	0.36
Deferred tax liabilities (Net)	7.23	47.23	54.46
Other non-current Liabilities	1.62	13.06	14.68
Non-Current Liabilities	9.66	59.84	69.50
Current liabilities			
Financial Liabilities			
Borrowings	547.83	-	547.83
Trade payables	217.30	14.76	232.06
Provisions	11.62	(4.75)	6.87
Other current liabilities	22.46	(13.95)	8.51
Current liabilities	799.21	(3.94)	795.27
TOTAL EQUITY AND LIABILITIES	1,574.82	135.07	1,709.89

Nekkanti Sea Foods Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2014

(All figures in ₹ Million)

Particulars	For the year ended March 31 2014 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2014 (Ind AS)
INCOME				
Revenue from Operations	5,737.94	-	124.68	5,862.62
Other Income	3.72	(0.14)	4.41	7.99
Total Income	5,741.66	(0.14)	129.09	5,870.61
EXPENSES				
Cost of materials consumed	4,705.49	-	-	4,705.49
Changes in inventories of work-in-progress, stock in trade and finished goods	(179.63)	-	14.46	(165.17)
Employee benefit expenses	19.03	(0.77)	0.54	18.80
Depreciation and amortization expense	27.84	-	7.78	35.62
Other expenses	739.48	(0.14)	3.26	742.60
Finance costs	32.10	-	-	32.10
Total Expenses	5,344.31	(0.91)	26.04	5,369.44
Profit / (loss) before exceptional items and tax	397.35	0.77	103.05	501.17
Exceptional Items	-	-	-	-
Profit / (loss) before tax	397.35	0.77	103.05	501.17
Income Tax expense:				
Current tax	137.06	-	-	137.06
Deferred tax	0.04	0.26	34.84	35.14
Profit (loss) for the period from continuing operations	260.25	0.51	68.21	328.97
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	260.25	0.51	68.21	328.97
Share of loss from associates accounted for using equity method			(0.45)	(0.45)
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(0.77)		(0.77)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.26		0.26
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	260.25	-	67.76	328.01

Nekkanti Sea Foods Limited

Consolidated Statement of Assets and liabilities as at March 31, 2015

(All figures in ₹ Million)

Particulars	IGAAP	Ind As Adjustment	Adjusted Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	244.03	1.21	245.24
Capital work in progress	3.60	-	3.60
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Financial Assets			
Investments	238.89	(56.93)	181.96
Other financial assets	7.77	43.60	51.37
Other non-current assets	0.62	90.89	91.51
Non-current assets	494.91	81.41	576.32
Current assets			
Inventories	377.87	556.28	934.15
Financial Assets			
Trade receivables	639.65	(604.84)	34.81
Cash and cash equivalents	26.10	(15.18)	10.92
Bank balances other than above	-	15.18	15.18
Other financial assets	-	15.71	15.71
Other current assets	28.60	245.41	274.01
Current assets	1,072.22	212.56	1,284.78
TOTAL ASSETS	1,567.13	293.97	1,861.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13.53	-	13.53
Other Equity	1,113.14	187.23	1,300.37
	1,126.67	187.23	1,313.90
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities	-	-	-
Provisions	-	-	-
Deferred tax liabilities (Net)	0.80	102.30	103.10
Other non-current Liabilities	0.30	12.55	12.85
Non-Current Liabilities	1.10	114.85	115.95
Current liabilities			
Financial Liabilities			
Borrowings	186.91	-	186.91
Trade payables	166.09	20.54	186.63
Provisions	49.00	(8.11)	40.89
Other current liabilities	37.36	(20.54)	16.82
Current liabilities	439.36	(8.11)	431.25
TOTAL EQUITY AND LIABILITIES	1,567.13	293.97	1,861.10

Nekkanti Sea Foods Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(All figures in ₹ Million)

Particulars	For the year ended March 31 2015 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2015 (Ind AS)
INCOME				
Revenue from Operations	7,238.23	-	(377.29)	6,860.94
Other Income	3.04	3.75	73.52	80.31
Total Income	7,241.27	3.75	(303.77)	6,941.25
EXPENSES				
Cost of materials consumed	5,624.44	-	-	5,624.44
Changes in inventories of work-in-progress, stock in trade and finished goods	(87.13)	-	(434.75)	(521.88)
Employee benefit expenses	23.12	(0.58)	(0.97)	21.57
Depreciation and amortization expense	49.71	-	(4.03)	45.68
Other expenses	1,022.50	3.75	(23.75)	1,002.50
Finance costs	43.64	-	-	43.64
Total Expenses	6,676.28	3.17	(463.50)	6,215.95
Profit / (loss) before exceptional items and tax	564.99	0.58	159.73	725.30
Exceptional Items	-	-	-	-
Profit / (loss) before tax	564.99	0.58	159.73	725.30
Income Tax expense:				
Current tax	201.11	-	-	201.11
Deferred tax	(6.43)	-	55.07	48.64
Profit (loss) for the period from continuing operations	370.31	0.58	104.66	475.55
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	370.31	0.58	104.66	475.55
Share of loss from associates accounted for using equity method			(1.43)	(1.43)
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of Post employment benefit obligation		(0.58)		(0.58)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		-		-
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	370.31	0.00	103.23	473.54

Nekkanti Sea Foods Limited
Consolidated Statement of Assets and liabilities as at March 31, 2016
(All figures in ₹ Million)

Particulars	IGAAP	Ind As Adjustment	Adjusted Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	250.83	6.53	257.36
Capital work in progress	429.99	-	429.99
Intangible assets	-	-	-
Investment Property	-	2.64	2.64
Financial Assets			
Investments	269.15	(48.25)	220.90
Other financial assets	11.13	32.75	43.88
Other non-current assets	54.39	114.10	168.49
Non-current assets	1,015.49	107.77	1,123.26
Current assets			
Inventories	359.65	185.10	544.75
Financial Assets			
Trade receivables	404.83	(227.07)	177.76
Cash and cash equivalents	55.57	(30.86)	24.71
Bank balances other than above	-	30.86	30.86
Other financial assets	-	6.18	6.18
Other current assets	34.86	119.74	154.60
Current assets	854.91	83.95	938.86
TOTAL ASSETS	1,870.40	191.72	2,062.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	27.06	-	27.06
Other Equity	1,457.11	117.80	1,574.91
Non-controlling interest	0.04		0.04
	1,484.21	117.80	1,602.01
Non-Current Liabilities			
Financial Liabilities			
Borrowings	30.00	-	30.00
Other financial liabilities	1.50	-	1.50
Provisions	-	-	-
Deferred tax liabilities (Net)	(4.62)	65.97	61.35
Other non-current Liabilities	-	16.09	16.09
Non-Current Liabilities	26.88	82.06	108.94
Current liabilities			
Financial Liabilities			
Borrowings	250.11	-	250.11
Trade payables	41.61	24.21	65.82
Provisions	9.95	(8.14)	1.81
Other current liabilities	57.64	(24.21)	33.43
Current liabilities	359.31	(8.14)	351.17
TOTAL EQUITY AND LIABILITIES	1,870.40	191.72	2,062.12

Nekkanti Sea Foods Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(All figures in ₹ Million)

Particulars	For the year ended March 31 2016 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re-measurement	For the year ended March 31, 2016 (Ind AS)
INCOME				
Revenue from Operations	7,473.11	(3.61)	272.00	7,741.50
Other Income	11.38	-	44.75	56.13
Total Income	7,484.49	(3.61)	316.75	7,797.63
EXPENSES				
Cost of materials consumed	5,656.36	(3.61)	-	5,652.75
Changes in inventories of work-in-progress, stock in trade and finished goods	61.83	-	371.18	433.01
Employee benefit expenses	35.08	0.62	(0.64)	35.06
Depreciation and amortization expense	48.92	-	(0.27)	48.65
Other expenses	1,087.09	-	33.02	1,120.11
Finance costs	30.01	-	18.38	48.39
Total Expenses	6,919.29	(2.99)	421.67	7,337.97
Profit / (loss) before exceptional items and tax	565.20	(0.62)	(104.92)	459.66
Exceptional Items	-	-	-	-
Profit / (loss) before tax	565.20	(0.62)	(104.92)	459.66
Income Tax expense:				
Current tax	204.97	-	-	204.97
Deferred tax	(5.42)	(0.21)	(36.33)	(41.96)
Profit (loss) for the period from continuing operations	365.65	(0.41)	(68.59)	296.65
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	365.65	(0.41)	(68.59)	296.65
Share of loss from associates accounted for using equity method			(0.87)	(0.87)
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligation		0.62		0.62
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		(0.21)		(0.21)
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	365.65	-	(69.46)	296.19

Nekkanti Sea Foods Limited

Consolidated Statement of Assets and liabilities as at March 31, 2017

(All figures in ₹ Million)

Particulars	IGAAP	Ind As Adjustment	Adjusted Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	778.05	172.42	950.47
Capital work in progress	53.44	(9.80)	43.64
Intangible assets	1.78	-	1.78
Investment Property	-	2.64	2.64
Financial Assets			-
Investments	269.15	(29.48)	239.67
Loans	115.37	(115.37)	-
Other financial assets	14.17	17.92	32.09
Other non-current assets	8.54	293.03	301.57
Non-current assets	1,240.50	331.36	1,571.86
Current assets			
Inventories	638.53	1,026.11	1,664.64
Financial Assets			
Trade receivables	1,258.13	(1,090.49)	167.64
Cash and cash equivalents	133.86	(17.86)	116.00
Bank balances other than above	-	17.86	17.86
Other financial assets	-	21.33	21.33
Other current assets	120.59	97.92	218.51
Current assets	2,151.11	54.87	2,205.98
TOTAL ASSETS	3,391.61	386.23	3,777.84
EQUITY AND LIABILITIES			
Equity			
Equity share capital	27.06	-	27.06
Other Equity	2,000.93	117.88	2,118.81
Non-controlling interest	90.00	(1.02)	88.98
	2,117.99	116.86	2,234.85
Non-Current Liabilities			
Financial Liabilities			
Borrowings	-	-	-
Other financial liabilities	1.50	-	1.50
Provisions	-	0.33	0.33
Deferred tax liabilities (Net)	(13.70)	66.81	53.11
Other non-current Liabilities	-	169.29	169.29
Non-Current Liabilities	(12.20)	236.43	224.23
Current liabilities			
Financial Liabilities			
Borrowings	1,059.61	-	1,059.61
Trade payables	139.30	77.44	216.74
Provisions	8.33	(8.14)	0.19
Other current liabilities	78.58	(36.36)	42.22
Current liabilities	1,285.82	32.94	1,318.76
TOTAL EQUITY AND LIABILITIES	3,391.61	386.23	3,777.84

Nekkanti Sea Foods Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2017
(All figures in ₹ Million)

Particulars	For the year ended March 31 2017 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re- measurement	For the year ended March 31, 2017 (Ind AS)
INCOME				
Revenue from Operations	9,248.56	(4.70)	(941.79)	8,302.07
Other Income	9.45	(0.13)	90.25	99.57
Total Income	9,258.01	(4.83)	(851.54)	8,401.64
EXPENSES				
Cost of materials consumed	7,216.04	(4.70)	-	7,211.34
Changes in inventories of work-in-progress, stock in trade and finished goods	(259.54)	-	(841.01)	(1,100.55)
Employee benefit expenses	43.86	(1.72)	1.58	43.72
Depreciation and amortization expense	132.89	-	9.59	142.48
Other expenses	1,343.04	(0.13)	(40.34)	1,302.57
Finance costs	57.71	-	18.71	76.42
Total Expenses	8,534.00	(6.55)	(851.47)	7,675.98
Profit / (loss) before exceptional items and tax	724.01	1.72	(0.07)	725.66
Exceptional Items	-	-	-	-
Profit / (loss) before tax	724.01	1.72	(0.07)	725.66
Income Tax expense:				
Current tax	181.12	-	-	181.12
Deferred tax	(9.08)	0.60	0.84	(7.64)
Profit (loss) for the period from continuing operations	551.97	1.12	(0.91)	552.18
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	551.97	1.12	(0.91)	552.18
Share of loss from associates accounted for using equity method			(0.03)	(0.03)
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(1.72)		(1.72)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.60		0.60
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	551.97	-	(0.94)	551.03

Nekkanti Sea Foods Limited
Consolidated Statement of Assets and liabilities as at December 31, 2017
(All figures in ₹ Million)

Particulars	IGAAP	Ind As Adjustment	Adjusted Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	796.65	125.27	921.92
Capital work in progress	219.83	(17.29)	202.54
Intangible assets	2.48	-	2.48
Investment Property	-	2.64	2.64
Financial Assets			
Investments	25.61	15.43	41.04
Loans	38.31	(38.31)	-
Other financial assets	22.54	7.06	29.60
Other non-current assets	15.50	499.74	515.24
Non-current assets	1,120.92	594.54	1,715.46
Current assets			
Inventories	714.46	966.47	1,680.93
Financial Assets			
Trade receivables	1,983.50	(1,003.07)	980.43
Cash and cash equivalents	175.10	(26.08)	149.02
Bank balances other than above	-	26.08	26.08
Other financial assets	-	53.03	53.03
Other current assets	698.33	(84.28)	614.05
Current assets	3,571.39	(67.85)	3,503.54
TOTAL ASSETS	4,692.31	526.69	5,219.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	135.28	-	135.28
Other Equity	3,107.51	78.15	3,185.66
Non-controlling interest	88.04		88.04
	3,330.83	78.15	3,408.98
Non-Current Liabilities			
Financial Liabilities			
Borrowings	120.00	-	120.00
Other financial liabilities	1.50	-	1.50
Provisions	-	2.10	2.10
Deferred tax liabilities (Net)	(21.55)	122.71	101.16
Other non-current Liabilities	-	298.40	298.40
Non-Current Liabilities	99.95	423.21	523.16
Current liabilities			
Financial Liabilities			
Borrowings	832.06	-	832.06
Trade payables	190.05	144.71	334.76
Other financial liabilities	-	-	-
Provisions	91.50	-	91.50
Other current liabilities	147.92	(119.38)	28.54
Current liabilities	1,261.53	25.33	1,286.86
TOTAL EQUITY AND LIABILITIES	4,692.31	526.69	5,219.00

Consolidated Statement of Profit and Loss for the year ended December 31, 2017

(All figures in ₹ Million)

Particulars	For the year ended December 31, 2017 (Indian GAAP)	Ind AS Adjustments Reclassification	Ind AS Adjustments Re-measurement	For the year ended December 31, 2017 (Ind AS)
INCOME				
Revenue from Operations	10,539.07	-	208.53	10,747.60
Other Income	18.10	(0.50)	91.67	109.27
Total Income	10,557.17	(0.50)	300.20	10,856.87
EXPENSES				
Cost of materials consumed	7,716.81	-	-	7,716.81
Changes in inventories of work-in-progress, stock in trade and finished goods	(93.51)	-	59.64	(33.87)
Employee benefit expenses	56.65	(2.44)	1.78	55.99
Depreciation and amortization expense	103.37	-	47.69	151.06
Other expenses	1,296.65	(0.48)	17.91	1,314.08
Finance costs	69.28	(0.01)	14.04	83.31
Total Expenses	9,149.25	(2.93)	141.06	9,287.38
Profit / (loss) before exceptional items and tax	1,407.92	2.43	159.14	1,569.49
Exceptional Items	-	-	-	-
Profit / (loss) before tax	1,407.92	2.43	159.14	1,569.49
Income Tax expense:				
Current tax	350.97	-	-	350.97
Deferred tax	(7.85)	0.84	55.90	48.89
Profit (loss) for the period from continuing operations	1,064.80	1.59	103.24	1,169.63
Profit (loss) from discontinued operations				-
Tax expense of discontinued operations				-
Profit / (loss) from discontinued operations	-	-	-	-
Profit / (loss) for the period	1,064.80	1.59	103.24	1,169.63
Share of profit from associates accounted for using equity method			14.23	14.23
Other Comprehensive Income (Net of Taxes)				
Items that will not be reclassified to profit or loss:				
Re-measurements of post-employment benefit obligations		(2.44)		(2.44)
Share of other comprehensive income in associates, to the extent not to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will not be reclassified to profit or loss		0.84		0.84
Items that will be reclassified to profit or loss				
Share of other comprehensive income in associates, to the extent to be classified into profit or loss				-
Others (specify nature)				-
Income tax relating to items that will be reclassified to profit or loss				-
Total Comprehensive Income for the period	1,064.80	(0.01)	117.47	1,182.26

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

All figures in ₹ million

Particulars	Tangible Assets								Intangible Assets - Software
	Freehold Land	Lease Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	
Cost as at March 31, 2017	92.58	0.09	337.10	660.26	28.13	115.03	11.65	1,244.84	2.13
Additions	-	0.01	32.12	59.46	8.07	19.09	5.64	124.39	1.38
Disposals	-	-	-	(12.99)	-	(8.98)	-	(21.97)	-
Cost as at December 31, 2017	92.58	0.10	369.22	706.73	36.20	125.14	17.29	1,347.26	3.51
Depreciation/Amortisation									
As at March 31, 2017	-	-	32.87	189.95	6.57	57.89	7.09	294.37	0.35
Charge for the year	-	-	28.45	92.28	6.16	20.12	3.37	150.38	0.68
Disposals	-	-	-	(11.91)	-	(7.50)	-	(19.41)	-
As at December 31, 2017	-	-	61.32	270.32	12.73	70.51	10.46	425.34	1.03
Net Block									
As at December 31, 2017	92.58	0.10	307.90	436.41	23.47	54.63	6.83	921.92	2.48
Cost as at March 31, 2016	39.33	0.09	50.96	246.58	5.08	71.69	5.77	419.50	-
Additions	53.25	-	286.14	423.86	23.05	44.51	5.94	836.75	2.13
Disposals	-	-	-	(10.18)	-	(1.17)	(0.06)	(11.41)	-
Cost as at March 31, 2017	92.58	0.09	337.10	660.26	28.13	115.03	11.65	1,244.84	2.13
Depreciation/Amortisation									
As at March 31, 2016	-	-	11.72	106.27	1.69	38.29	4.17	162.14	-
Charge for the year	-	-	21.15	92.39	4.88	20.71	3.00	142.13	0.35
Disposals	-	-	-	(8.71)	-	(1.11)	(0.08)	(9.90)	-
As at March 31, 2017	-	-	32.87	189.95	6.57	57.89	7.09	294.37	0.35
Net Block									
As at March 31, 2017	92.58	0.09	304.23	470.31	21.56	57.14	4.56	950.47	1.78
Cost as at March 31, 2015	36.63	-	47.97	200.92	5.08	59.91	5.12	355.63	-
Additions	2.70	0.09	2.99	42.56	-	11.78	0.65	60.77	-
Disposals	-	-	-	-	-	-	-	-	-
Cost as at March 31, 2016	39.33	0.09	50.96	243.48	5.08	71.69	5.77	416.40	-
Depreciation/Amortisation									
As at March 31, 2015	-	-	7.83	72.18	0.52	27.24	2.62	110.39	-
Charge for the year	-	-	3.89	30.99	1.17	11.05	1.55	48.65	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2016	-	-	11.72	103.17	1.69	38.29	4.17	159.04	-
Net Block									
As at March 31, 2016	39.33	0.09	39.24	140.31	3.39	33.40	1.60	257.36	-

Nekkanti Sea Foods Limited

Particulars	Tangible Assets								Intangible Assets - Software
	Freehold Land	Lease Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total	
Cost as at March 31, 2014	20.73		42.66	179.24	1.70	50.36	2.75	297.44	-
Additions	15.90		5.31	21.68	3.38	12.19	2.37	60.83	-
Disposals	-		-	-	-	(2.64)	-	(2.64)	-
Cost as at March 31, 2015	36.63		47.97	200.92	5.08	59.91	5.12	355.63	-
Depreciation/Amortisation									
As at March 31, 2014	-		3.91	44.75	(0.39)	17.48	1.45	67.20	-
Charge for the year	-		3.92	27.43	0.91	12.25	1.17	45.68	-
Disposals	-		-	-	-	(2.49)	-	(2.49)	-
As at March 31, 2015	-		7.83	72.18	0.52	27.24	2.62	110.39	-
Net Block									
As at March 31, 2015	36.63		40.14	128.74	4.56	32.67	2.50	245.24	-
Cost as at March 31, 2013	19.28		35.44	123.44	(0.44)	26.82	1.21	205.75	-
Additions	1.70		7.22	59.80	2.14	25.69	1.64	98.19	-
Disposals	(0.25)		-	(4.00)	-	(2.15)	(0.10)	(6.50)	-
Cost as at March 31, 2014	20.73		42.66	179.24	1.70	50.36	2.75	297.44	-
Depreciation/Amortisation									
As at March 31, 2013	-		0.42	25.80	(0.50)	10.47	0.66	36.85	-
Charge for the year	-		3.49	22.48	0.11	8.66	0.88	35.62	-
Disposals	-		-	(3.53)	-	(1.65)	(0.09)	(5.27)	-
As at March 31, 2014	-		3.91	44.75	(0.39)	17.48	1.45	67.20	-
Net Block									
As at March 31, 2014	20.73		38.75	134.49	2.09	32.88	1.30	230.24	-
Cost as at March 31, 2012	8.08		27.97	77.72	0.32	19.20	1.08	134.37	-
Additions	11.83		16.42	53.55	-	7.62	0.43	89.85	-
Disposals	(0.63)		(8.95)	(7.83)	(0.76)	-	(0.30)	(18.47)	-
Cost as at March 31, 2013	19.28		35.44	123.44	(0.44)	26.82	1.21	205.75	-
Depreciation/Amortisation									
As at March 31, 2012	-		2.33	12.30	0.08	4.79	0.68	20.18	
Charge for the year	-		3.31	19.21	0.04	5.68	0.26	28.50	-
Ind AS Adjustments	-								-
Disposals	-		(5.22)	(5.71)	(0.62)	-	(0.28)	(11.83)	-
As at March 31, 2013	-		0.42	25.80	(0.50)	10.47	0.66	36.85	-
Net Block									
As at March 31, 2013	19.28		35.02	97.64	0.06	16.35	0.55	168.90	-

NOTE 3: CAPITAL WORK-IN-PROGRESS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
PPE under development	202.54	43.64	429.99	3.60	7.71	14.62
Total	202.54	43.64	429.99	3.60	7.71	14.62

NOTE 4: INVESTMENT PROPERTY

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Land	2.64	2.64	2.64	2.64	2.64	2.64
Total	2.64	2.64	2.64	2.64	2.64	2.64

NOTE 5: INVESTMENTS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Investment in equity instruments at FVTPL						
Trade - Quoted						
Blue Gold Maritech International Limited	8.97	8.97	8.97	8.97	8.97	8.97
[8,97,000 (Previous year: 8,97,000) fully paid equity shares of Rs.10/-]		-		-	-	-
Non-Trade - Quoted						
Apex Frozen Foods Limited	21.04	-	-	-	-	-
[25,000 (Previous year: Nil) fully paid equity shares of face value Rs.10/-]						
Trade - Unquoted						
Nekkanti Sugars Private Limited	-	-	-	-	-	-
[2,500 (previous year: 2,500) fully paid equity shares of Rs.10/-]				-	-	-
Nekkanti Power Private Limited	-	-	-	-	-	-
[2,500 (previous year: 2,500) fully paid equity shares of Rs.10/-]				-	-	-
Nekkanti Mega Food Park Private Limited	-	-	-	-	-	-
[1,35,00,000 (Previous year: 1,35,00,000) fully paid equity shares of Rs.10/-]				-	-	-
NSF Laboratories Private Limited	-	-	-	-	-	-
[2,01,000 (Previous year: 1,000) fully paid equity shares of Rs.10/-]				-	-	-
Nikshepa Infrastructure & Logistics Private Limited	20.00	-	-	-	-	-
[2,00,000 (Previous year: Nil) 7% non-cumulative redeemable Preference shares of Rs.100/-fully paid]						
Investment in Mutual Funds						
Quoted						

Nekkanti Sea Foods Limited

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Investment in SBI Gold Fund (1,00,000 units of Rs.10 each)	-	-	-	-	-	1.00
Investment in Share Application Money						
Nekkanti Sugars Private Limited	-	-	-	-	216.30	192.19
Nekkanti Power Private Limited	-	-	-	10.67	10.69	8.85
Nekkanti Mega Food Park Private Limited	-	-	-	-	-	-
Investment in 0% Fully Convertible Debentures						
Nekkanti Power Private Limited	-	38.55	35.66	-	-	-
[41,50,000 Debentures of Rs. 10 each]		-		-	-	-
Nekkanti Sugars Private Limited	-	201.12	185.24	171.29	-	-
[2,27,59,100 Debentures of Rs. 10 each]		-				
Total	50.01	248.64	229.87	190.93	235.96	211.01
Less: Provision for diminution in value of Investments	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)
Total	41.04	239.67	220.90	181.96	226.99	202.04
Aggregate amount of quoted investments	30.01	8.97	8.97	8.97	8.97	9.97
Aggregate market value of quoted investments	21.04	-	-	-	-	1.00
Aggregate cost of unquoted investments	20.00	239.67	220.09	181.96	226.99	201.04
Aggregate amount of impairment in value of investments	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)	(8.97)

NOTE 6: OTHER FINANCIAL ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Security deposits	25.54	14.17	11.13	7.77	7.77	6.68
Unamortised interest expense	4.06	17.92	32.75	43.60	-	-
Total	29.60	32.09	43.88	51.37	7.77	6.68

NOTE 7: OTHER NON-CURRENT ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Capital advances	338.25	155.70	53.80	0.04	0.93	5.97
Advance income tax and taxes paid under protest	62.41	33.48	23.62	22.43	21.47	21.47
Interest accrued but not due	-	-	0.59	0.58	0.54	0.48
Keyman Insurance	114.58	112.39	90.48	68.46	-	-
Total	515.24	301.57	168.49	91.51	22.94	27.92

NOTE 8: INVENTORIES

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Valued at lower of cost and net realisable value						
Raw materials	11.03	18.55	-	7.07	8.16	3.00
Work-in-progress	1.59	23.52	27.75	-	-	-
Finished products (Other than acquired for trading)	1,624.51	1,590.64	490.08	923.09	401.20	236.04
Stores and spares	43.80	31.93	26.92	3.99	5.60	2.79
		-				-
Total	1,680.93	1,664.64	544.75	934.15	414.96	241.83

NOTE 9: TRADE RECEIVABLES

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Outstanding for a period exceeding six months from due date of payment	-	-	9.55	-	-	-
Others	980.43	167.64	168.21	34.81	566.29	67.10
Total	980.43	167.64	177.76	34.81	566.29	67.10

NOTE 10: CASH AND CASH EQUIVALENTS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Cash on hand	1.12	0.79	2.77	0.61	0.54	0.71
Balances with banks						
In current accounts	118.97	113.31	17.23	8.71	20.10	1.03
In EEFC account	28.93	1.90	4.71	1.60	3.21	0.84
Total	149.02	116.00	24.71	10.92	23.85	2.58

NOTE 11: OTHER BANK BALANCES

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
In margin money deposit with banks*	26.08	17.86	30.86	15.18	11.58	10.69
						-
Total	26.08	17.86	30.86	15.18	11.58	10.69
<i>*Lien marked against outstanding letters of credit</i>						

NOTE 12: OTHER FINANCIAL ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Forward contract receivable	53.03	21.33	6.18	15.71	9.26	6.92
Total	53.03	21.33	6.18	15.71	9.26	6.92

NOTE 13:OTHER CURRENT ASSETS

All figures in ₹ million

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Unsecured, considered good unless otherwise stated						
Advance to suppliers	-	-	8.39	2.59	-	8.00
Advances to employees	0.02	0.03	0.06	0.09	0.05	0.03
Andhra Value Added Tax receivable	-	-	-	-	-	0.03
Pre-paid expenses						
Ocean freight	27.49	24.83	4.01	15.25	3.05	4.72
Anti-dumping duty	12.51	30.51	6.56	17.14	5.59	5.13
Gratuity	-	0.01	1.26	0.62	0.01	0.19
Others	2.20	2.70	2.59	3.49	3.56	1.54
Debit Balance in standby EPC	-	-	0.20	-	-	-
Interest receivable	5.03	1.30	-	-	-	-
Other receivables	202.57	-	-	-	-	-
Duty drawback receivable	22.05	53.24	12.76	32.46	35.08	18.61
Import licences on hand	215.34	104.47	118.77	202.37	138.32	55.79
Other advances	126.84	1.42	-	-	-	-
Total	614.05	218.51	154.60	274.01	185.66	94.04

NOTE 14:EQUITY SHARE CAPITAL

All figures in ₹ million, except for number of shares

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Authorised Share Capital						
12,50,00,000 Equity shares of Rs. 2 each	250.00	50.00	50.00	50.00	50.00	50.00
(2012-13 to 2016-17:50,00,000 Equity shares of Rs. 10 each)						
Total	250.00	50.00	50.00	50.00	50.00	50.00
Issued Share Capital						
6,76,40,000 Equity shares of Rs. 2 each	135.28	27.06	27.06	13.53	6.76	6.76
(2016-17, 2015-16: 27,05,600, 2014-15: 13,52,800 & 2013-14, 2012-13: 6,76,400 Equity shares of Rs. 10 each)						
Total	135.28	27.06	27.06	13.53	6.76	6.76
Subscribed and fully paid up share capital						
6,76,40,000 Equity shares of Rs. 2 each	135.28	27.06	27.06	13.53	6.76	6.76
(2016-17, 2015-16: 27,05,600, 2014-15: 13,52,800 & 2013-14, 2012-13: 6,76,400 Equity shares of Rs. 10 each)						
Total	135.28	27.06	27.06	13.53	6.76	6.76

During the nine-month period ending 31 December 2017, the parent company split its equity shares from face value of Rs 10 each to Rs 2 each.

RECONCILIATION OF NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at Dec 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Balance as at the beginning of the year	2,705,600	2,705,600	1,352,800	676,400	676,400	676,400
Add: Issued during the year		-	-	-	-	-
Add: Bonus issued during the year	54,112,000	-	1,352,800	676,400	-	-
Add: Conversion	10,822,400	-	-	-	-	-
Balance at the end of the year	67,640,000	2,705,600	2,705,600	1,352,800	676,400	676,400

Nekkanti Sea Foods Limited

Shares issued for consideration other than cash

There are no shares which have been issued for consideration other than cash (except the issuance of Bonus as detailed above) during the last 5 years.

Shareholders holding more than 5% of the total share capital

Name of the share holder	2017-18(upto December)		2017		2016		2015		2014		2013	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%	No of shares	%	No of shares	%
N.S.R Murty	17,790,000	26%	711,600	26%	711,600	26%	355,800	26%	177,900	26%	177,900	26%
N.S.R Murty (HUF)	9,000,000	13%	360,000	13%	360,000	13%	180,000	13%	90,000	13%	90,000	13%
N.V. Lakshmi	24,490,000	36%	979,600	36%	979,600	36%	489,800	36%	244,900	36%	244,900	36%
N. Venkat Rao	4,140,000	6%	165,600	6%	165,600	6%	82,800	6%	41,400	6%	41,400	6%
A. Sreeram	4,710,000	7%	188,400	7%	188,400	7%	94,200	7%	47,100	7%	47,100	7%

Rights, preferences and restrictions in respect of equity shares issued by the Company

The company has only one class of equity shares having a par value of Rs. 2 each (upto 31 March 2017 Rs10 each). The equity shares of the company having par value of Rs. 2 each (upto 31 March 2017 Rs10 each), rank pari-passu in all respects including voting rights and entitlement to dividend.

NOTE 15: OTHER EQUITY

All figures in ₹ million

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Other Equity						
General reserve	2,135.39	1,590.34	1,301.81	844.54	523.27	407.19
Capital redemption reserve	-	-	-	-	2.24	2.24
Other comprehensive income	(3.95)	(2.35)	(1.23)	(1.64)	(1.06)	(0.55)
Retained earnings	1,054.22	545.05	288.53	470.80	325.81	116.08
Share of profit /loss from consolidation of associates	-	(14.23)	(14.20)	(13.33)	(11.90)	(11.45)
Total	3,185.66	2,118.81	1,574.91	1,300.37	838.36	513.51
Non-controlling interest	88.04	88.98	0.04	-	-	-
a) General reserve						
Opening balance	1,590.34	1,301.81	844.54	523.27	407.19	284.32
Additions during the year	545.05	288.53	470.80	325.81	116.08	122.87
Transferred from Capital Redemption Reserve	-	-	-	2.24	-	-
Appropriated towards issue of Bonus shares	-	-	(13.53)	(6.76)	-	-
Deductions/Adjustments during the year	-	-	-	(0.02)	-	-
Closing balance	2,135.39	1,590.34	1,301.81	844.54	523.27	407.19
b) Capital Redemption Reserve						
Opening balance	-	-	-	2.24	2.24	2.24
Additions during the year	-	-	-	-	-	-
Deductions/Adjustments during the year	-	-	-	(2.24)	-	-
Closing balance	-	-	-	-	2.24	2.24
c) Other comprehensive income						
Opening balance	(2.35)	(1.23)	(1.64)	(1.06)	(0.55)	(0.39)
Additions, Deductions/Adjustments during the year	(1.60)	(1.12)	0.41	(0.58)	(0.51)	(0.16)

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
		-				
Closing balance	(3.95)	(2.35)	(1.23)	(1.64)	(1.06)	(0.55)
d) Retained earnings						
Opening balance	545.05	288.53	470.80	325.81	116.08	122.87
Net profit for the period	1,169.63	552.18	296.65	475.55	328.97	119.22
Transfers to general reserve	(545.05)	(288.53)	(470.80)	(325.81)	(116.08)	(122.87)
Ind AS adjustments	(115.41)	(7.13)	(8.12)	(4.75)	(3.16)	(3.14)
Closing balance	1,054.22	545.05	288.53	470.80	325.81	116.08

NOTE 16: BORROWINGS

All figures in ₹ million

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
From Banks – Yes Bank 1	-	-	30.00	-	-	-
From banks - Yes Bank 2	120.00	-				
Total	120.00	-	30.00	-	-	-

NOTE 17: OTHER NON-CURRENT FINANCIAL LIABILITIES

All figures in ₹ million

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Security deposit	1.50	1.50	1.50	-	-	-
Total	1.50	1.50	1.50	-	-	-

NOTE 18: PROVISIONS

All figures in ₹ million

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Provision for Employee Benefits						
Gratuity	2.10	0.33	-	-	0.36	-
Total	2.10	0.33	-	-	0.36	-

NOTE 19: DEFERRED TAX LIABILITY/(ASSET) NET

All figures in ₹ million

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Deferred Tax Liability						
On Fixed Assets	(20.80)	(4.48)	(1.16)	(0.45)	3.83	6.75
On gratuity and compensated absence	-	-	0.42	0.20	-	0.05
On other items	2,617.41	1,735.74	1,195.65	840.99	464.99	293.33
Adjustments	-	-	-	-	-	-

Nekkanti Sea Foods Limited

PARTICULARS	As at December 31,2017	As at March 31,				
		2017	2016	2015	2014	2013
Total	2,596.61	1,731.26	1,194.91	840.74	468.82	300.13
Deferred Tax Asset						
Carried Forward Losses	21.55	13.70	4.62	-	-	-
Others	2,473.90	1,664.45	1,128.94	737.64	414.36	280.54
					-	
Total	2,495.45	1,678.15	1,133.56	737.64	414.36	280.54
Net deferred tax liability/ (asset)	101.16	53.11	61.35	103.10	54.46	19.59
				-		
Total	101.16	53.11	61.35	103.10	54.46	19.59

NOTE 20: OTHER NON-CURRENT LIABILITIES

All figures in ₹ million

PARTICULARS	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
Creditors against purchase of fixed assets	-	-	-	0.30	1.62	0.86
Deferred Income	294.76	165.84	14.42	12.55	13.06	6.72
Liability on rent straight lining	3.64	3.45	1.67	-	-	-
Total	298.40	169.29	16.09	12.85	14.68	7.58

NOTE 21: BORROWINGS

All figures in ₹ million

PARTICULARS	As at December 31,2017	As at March 31,				
		2017	2016	2015	2014	2013
Secured						
Loans repayable on demand						
From Banks						
State Bank of India	832.06	1,059.61	250.11	186.91	547.83	216.78
Total	832.06	1,059.61	250.11	186.91	547.83	216.78

NOTE 22:TRADE PAYABLES

All figures in ₹ million

PARTICULARS	As at December 31,2017	As at March 31,				
		2017	2016	2015	2014	2013
Trade payables	334.76	216.74	65.82	186.63	232.06	74.21
Total	334.76	216.74	65.82	186.63	232.06	74.21

NOTE 23:PROVISIONS

All figures in ₹ million

PARTICULARS	As at December 31,2017	As at March 31,				
		2017	2016	2015	2014	2013
Provision for tax (Net of taxes paid)	90.00	0.19	1.81	40.89	6.87	0.49
Provision for gratuity fund contribution	1.50	-				
Total	91.50	0.19	1.81	40.89	6.87	0.49

NOTE 24: OTHER CURRENT LIABILITIES

All figures in ₹ million

PARTICULARS	As at December 31,	As at March 31,				
	2017	2017	2016	2015	2014	2013
Current maturities of long term debt						
From Banks		-	20.00	-	-	0.39
From Others		-	-	0.90	-	-
Advance from Customers		-	-	15.92	-	-
Employee payable	2.34	2.63	1.85	-	1.86	1.64
Statutory dues payable	26.20	39.59	11.58	-	6.65	5.01
					-	-
Total	28.54	42.22	33.43	16.82	8.51	7.04

NOTE 25: REVENUE FROM OPERATIONS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Sale of Products						
Manufactured goods						
Shrimp	9,948.35	7,684.26	7,176.82	6,419.80	5,501.34	2,768.71
Ice Blocks	-	-	0.15	0.34	0.31	-
Others	-	-	7.38	3.75	-	-
	9,948.35	7,684.26	7,184.35	6,423.89	5,501.65	2,768.71
Other Operating Revenue						
DEPB Licence sales	467.56	349.21	325.55	303.14	231.10	99.04
Duty Draw Back	331.69	268.60	231.60	133.91	129.87	100.04
Total	10,747.60	8,302.07	7,741.50	6,860.94	5,862.62	2,967.79

NOTE 26: OTHER INCOME

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Interest on deposit	10.17	7.48	8.87	1.76	0.71	1.51
Interest others	15.23	18.80	17.08	-	1.76	1.65
Freight Subsidy	-	-	0.46	-	-	-
Profit on sale of fixed assets	0.63	-	-	0.11	0.54	18.35
Lease Rentals	0.75	1.00	1.00	-	-	-
Brokerage	0.02	0.55	0.99	0.38	-	-
Gain on foreign exchange fluctuation	5.51	10.23	2.47	-	-	-
MTM gain on forward contracts	31.70	15.15	-	6.45	2.34	10.49
Government grants received	21.08	24.09	3.18	2.36	2.34	1.26
Gain on surrender value of Keyman insurance	2.19	21.91	22.02	68.46	-	-
Gain on fair valuation of investments	15.43	-	-	-	-	-
Capital Gains	6.29	-	-	-	-	-
Miscellaneous income	0.27	0.26	0.06	0.79	0.30	0.16
Sale of tender documents		0.10				
Total	109.27	99.57	56.13	80.31	7.99	33.42

NOTE 27: COST OF MATERIAL CONSUMED

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Opening inventory of raw materials	18.55	-	7.07	8.16	3.00	-
Add: Purchases	7,709.29	7,229.89	5,645.68	5,623.35	4,710.65	2,314.45
Less: Closing inventory of raw materials	(11.03)	(18.55)	-	(7.07)	(8.16)	(3.00)
Total	7,716.81	7,211.34	5,652.75	5,624.44	4,705.49	2,311.45

NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Opening Balance						
Work-in-progress	-	-	-	-	-	-
Finished goods	1,590.64	490.08	923.09	401.21	236.04	210.32
Total	1,590.64	490.08	923.09	401.21	236.04	210.32
Closing Balance						
Work-in-progress	-	-	-	-	-	-
Finished goods	1,624.51	1,590.63	490.08	923.09	401.21	236.04
Total	1,624.51	1,590.63	490.08	923.09	401.21	236.04
Total change in inventories	33.87	1,100.55	(433.01)	521.88	165.17	25.72

NOTE 29: EMPLOYEE BENEFIT EXPENSES

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Salaries, wages and bonus	44.26	34.49	26.60	16.49	14.53	12.23
Contribution to provident and other funds	10.63	7.83	5.66	4.04	3.46	2.20
Staff welfare expenses	1.10	1.40	2.80	1.04	0.81	0.69
Total	55.99	43.72	35.06	21.57	18.80	15.12

NOTE 30: DEPRECIATION AND AMORTISATION EXPENSE

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,					
		2017	2016	2015	2014	2013	
Depreciation of property, plant and equipment	150.38	142.13	48.65	45.68	35.62	28.50	
Amortization of Intangible assets	0.68	0.35	-	-	-	-	
Total	151.06	142.48	48.65	45.68	35.62	28.50	

NOTE 31: OTHER EXPENSES

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Manufacturing Expenses						
Processing Charges	191.30	189.59	206.36	164.77	68.49	53.48
Consumption of stores and spare parts	64.35	41.97	30.37	23.28	16.48	21.58
Consumption of packing materials	159.85	181.33	115.43	115.33	95.80	71.29
Power & Fuel	122.02	118.10	76.27	73.94	72.33	60.25
Freight & Carriage Inwards	50.18	26.98	26.68	10.86	13.04	3.24
Vehicle Maintenance	38.12	38.63	32.84	36.27	29.80	23.79
Plant Repairs & Maintenance	94.53	131.12	77.20	68.34	41.72	33.69
	720.35	727.72	565.15	492.79	337.66	267.32

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Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Selling and Distribution Expenses						
Ocean Freight & Forwarding Charges	247.84	192.32	224.43	161.22	146.50	94.32
Anti-dumping Duty	190.38	209.53	162.21	115.53	195.99	65.44
Marketing Cess	10.85	10.93	8.81	8.41	5.94	1.70
Business Promotion	3.27	2.44	6.98	1.78	2.43	1.06
Sales commission	6.55	6.69	2.93	3.86	1.95	1.47
Advertisement Expenses	0.09	0.45	0.14	0.12	0.13	0.12
	458.98	422.36	405.50	290.92	352.94	164.11
Establishment Expenses						
Bank Charges	21.65	38.47	46.82	40.48	13.90	12.10
Conveyance	0.99	1.88	1.59	1.24	0.82	0.57
Rates & Taxes	26.38	22.05	15.46	9.52	8.06	4.96
Corporate Social Responsibility	-	0.70	0.94	-	-	-
Donations	0.57	0.34	0.22	1.19	0.09	0.23
Office Electrical Charges	1.14	0.78	0.54	0.42	0.47	0.38
Office Maintenance	3.42	2.43	2.04	1.15	1.20	0.78
Postage & Couriers	0.68	0.88	1.05	0.62	0.35	0.25
Printing & Stationery	1.11	1.48	1.32	1.22	1.18	0.80
Telephone Charges	1.08	1.64	1.09	0.85	0.63	0.69
Travelling Charges	8.10	9.50	9.63	7.27	4.96	3.72
Insurance	17.27	15.36	9.15	10.79	6.07	3.45
Fees and Renewals	-	1.23	0.15	0.17	0.30	0.53
Audit Fee	0.90	0.30	0.25	0.34	0.34	0.28
Directors Remuneration	42.30	18.12	18.12	12.78	8.46	6.66
Professional Charges	1.64	4.36	2.75	2.12	1.90	1.40
Subscription & Membership Fees	0.76	0.91	0.91	1.96	0.60	0.65
Rent including lease rentals	2.08	4.57	4.64	1.91	0.62	0.71
Keyman Insurance policy	3.00	24.28	23.26	121.01	-	-
Bad debts	-	0.13	-	-	-	-
Advances written off	-	0.21	-	-	-	-
Loss on sale of assets	-	0.61	-	-	-	-
Loss on foreign exchange fluctuation	-	-	-	3.75	2.05	0.26
MTM loss on forward contracts	-	-	9.53	-	-	-
General Expenses	1.61	-	-	-	-	-
Preliminary expenses	0.02	0.01	-	-	-	-
Registration and filing fee	0.05	2.25	-	-	-	-
	134.75	152.49	149.46	218.79	52.00	38.42
	1,314.08	1,302.57	1,120.11	1,002.50	742.60	469.85
Prepaid expenses	-	-	-	-	-	-
Total	1,314.08	1,302.57	1,120.11	1,002.50	742.60	469.85
Payment to auditors						
Statutory Audit fees	0.90	0.30	0.25	0.34	0.34	0.28
Total	0.90	0.30	0.25	0.34	0.34	0.28

NOTE 32: FINANCE COSTS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Interest on Borrowings	69.28	57.71	30.01	43.64	32.10	20.43
Interest to others	14.03	18.71	18.38	-	-	0.21
Total	83.31	76.42	48.39	43.64	32.10	20.64

NOTE 33: INCOME TAX EXPENSE

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Current tax						
Current tax on profits for the year	350.97	181.12	204.97	201.11	137.06	58.81
Total current tax expense	350.97	181.12	204.97	201.11	137.06	58.81
Deferred tax						
Deferred tax adjustments	48.89	(7.64)	(41.96)	48.64	35.14	3.34
Total deferred tax expense/(benefit)	48.89	(7.64)	(41.96)	48.64	35.14	3.34
Income tax expense	399.86	173.48	163.01	249.75	172.20	62.15

NOTE 34: EARNINGS PER SHARE

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Profit for the year attributable to owners of the Company	1,183.20	552.05	296.19	473.54	328.01	116.78
Restated weighted average number of ordinary shares outstanding	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000
Restated basic earnings per share (Rs)	17.49	8.16	4.38	7.00	4.85	1.73
Restated diluted earnings per share (Rs)	17.49	8.16	4.38	7.00	4.85	1.73

NOTE 35: EARNINGS IN FOREIGN CURRENCY

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Earnings in foreign currency						
FOB value of exports	9,287.69	7,307.32	6,726.37	6,045.49	5,187.25	2,604.40
Total	9,287.69	7,307.32	6,726.37	6,045.49	5,187.25	2,604.40

NOTE 36: EXPENDITURE IN FOREIGN CURRENCY

All figures in ₹ million

Particulars	For the 9 months ended on December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Anti-dumping duty etc	183.97	189.48	203.21	144.13	190.34	62.09
Consumables and Stores	-	-	-	-	-	0.25
Capital goods and Spares	21.96	-	-	3.97	14.18	14.76
Professional and consultation fees	-	-	-	1.92	0.91	1.80
Travel expenses	3.55	3.12	7.13	1.95	1.21	1.16
Other expenses	27.42	20.06	28.02	45.19	5.81	3.70
Total	236.90	212.66	238.36	197.16	212.45	83.76

NOTE 37: VALUE OF IMPORTS ON CIF BASIS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Value of Imports (on C.I.F basis)						
Consumables and Stores	18.71	33.38	19.11	-	-	0.25
Capital goods and Spares	29.35	28.39	188.89	3.97	14.18	14.93
Total	48.06	61.77	208.00	3.97	14.18	15.18

NOTE 38: VALUE OF IMPORTED AND INDIGENEOUS RAW MATERIALS, PACKING MATERIALS CONSUMED AND CONSUMABLE SPARES AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Value/percentage (%)						
Imported(Value)	18.71	74.17	17.31	-	-	0.25
Imported(%)	0.24%	1.00%	0.30%	0.00%	0.00%	0.01%
Indigenous value	7,922.34	7,365.17	5,784.85	5,763.06	4,871.25	2,405.54
Indigenous(%)	99.76%	99.00%	99.70%	100.00%	100.00%	99.99%
Total(percentage)	100%	100%	100%	100%	100%	100%
Total(Value)	7,941.05	7,439.34	5,802.16	5,763.06	4,871.25	2,405.79

NOTE 39: DISCLOSURES REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
(a) The principal amount remaining unpaid at the end of the year	-	-	-	-	-	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-	-	-	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-	-	-	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-	-	-	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-	-	-	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 40: COMMITMENTS AND CONTINGENT LIABILITIES

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Contingent Liability						
Standby Letters of Credit	132.09	131.41	135.14	108.89	86.48	51.38
Claims against company not acknowledged as debts	31.17	31.55	22.70	21.33	21.33	21.33
Bank Guarantee	0.72	0.72	0.72	-	-	-
Corporate Guarantee	8.20	-	-	-	-	-
Capital Commitments						
Estimated number of contracts remaining to be executed on capital account and not provided for	210.07	303.78	50.00	45.00	27.00	6.30

NOTE 41: OPERATING SEGMENTS

The company is engaged in the business of "Processing and Export of Shrimp and other Seafood Products" and therefore, has only one reportable segment in accordance with Ind AS 108 'Operating Segments'.

NOTE 42: OPERATING LEASE ARRANGEMENTS

The company does not have non-cancellable leases up to F.Y 2014-15. The Company have taken farm land on lease arrangements during the year 2015-16. The non-cancellable lease arrangements have lease term of 6 to 8 years

The total future minimum lease payments under non-cancellable operating lease are :

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
not later than one year	10.95	10.95	8.38	-	-	-
later than one year but not later than 5 years	43.2	44.85	46.51	-	-	-
later than five years	0	9.3	18.6	-	-	-

NOTE 43: DETAILS OF GOVERNMENT GRANTS

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Government grants received by the Company during the year towards						
Subsidies (freight subsidy issued by MPEDA)	-	-	-	-	-	4.88
Subsidies from Andhra Pradesh Food Processing society	150.00	-	-	-	-	-
Subsidies (Capital subsidy received from MPEDA/ Ministry of Food processing)	-	100.00	5.05	-	6.22	-
Interest subvention on export finance	-	-	-	-	1.00	1.76
Duty rebate under EPCG scheme	-	75.51	-	1.85	2.47	1.03
Total	150.00	175.51	5.05	1.85	9.69	7.67

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NOTE 44: STATEMENT OF FAIR VALUE HIERARCHY

Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

All figures in ₹ million

Particulars	As at December 31, 2017				As at March 31, 2017				As at March 31, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
FVTPL												
Investments:												
Equity Shares(other than those held in subsidiary & Associate companies)	21.04	0.00	8.97	30.01	0.00	0.00	8.97	8.97	0.00	0.00	8.97	8.97
Preference Shares		20.00		20.00								
Mutual fund units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	-	0.00	0.00	0
MTM Forward Contract	0.00	53.03	0.00	53.03	0.00	21.33	0.00	21.33	0.00	6.18	0.00	6.18
Unamortised interest expense	0.00	4.06	0.00	4.06	0.00	17.92	0.00	17.92	0.00	32.75	0.00	32.75
FVTOCI												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Liabilities												
at FVTPL												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
at FVTOCI												
Employee benefits	0.00	2.10	0.00	2.10	0.00	0.33	0.00	0.33	0.00	0.00	0.00	0.00

Particulars	As at March 31, 2015				As at March 31, 2014				As at March 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
FVTPL												
Investments:												
Equity Shares(other than those held in subsidiary & Associate companies)	0.00	0.00	8.97	8.97	0.00	0.00	8.97	8.97	0.00	0.00	8.97	8.97
Mutual fund units	-	0.00	0.00	0	-	0.00	0.00	0	1.00	0.00	0.00	1.00
MTM Forward Contract	0.00	15.71	0.00	15.71	0.00	9.26	0.00	9.26	0.00	6.92	0.00	6.92
Unamortised interest expense	0.00	43.60	0.00	43.6	0.00	0.00	0.00	0	0.00	0.00	0.00	0
FVTOCI												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial Liabilities												
at FVTPL												
Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Not Designated as Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
at FVTOCI												
Employee benefits	0.00	0.00	0.00	0.00	0.00	0.36	0.00	0.36	0.00	0.00	0.00	0.00

There are no transfers between levels 1 and 2 during the year.

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Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

Valuation Techniques used for fair value measurement

Particulars	Fair value as on Dec 31, 2017	Valuation Technique	Unobservable input	Range
Unquoted Equity	8.97	Present Value	Market enquiry	NA
Quoted Equity	21.04	Market quote	NA	NA
Preference shares	20.00	Present value	Market enquiry	
Debt Securities	NA	NA	NA	NA
Hedge Funds	NA	NA	NA	NA
Investment Properties	NA	NA	NA	NA
Security Deposit	NA	Present Value	Market Rate	NA
Forward Contract	53.03	Present Value	Reports from Bank	NA

Valuation processes

The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

The carrying amounts of trade receivables, cash and cash equivalents and other current assets are considered to be the same as their fair value due to their short-term nature. The carrying amount of security deposit with Government Organisations such as Electricity Companies which are interest bearing are considered to be close to the fair value.

The carrying amount of redeemable Preference shares with preference dividend clause is considered to be the fair value.

The carrying amount of trade and other payables are considered to be their fair values due to their short-term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

NOTE 45: FAIR VALUE OF ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

All figures in ₹ million

Particulars	As at December 31, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets												
Investments												
Investments-Equity	21.04	21.04	-	-	-	-	-	-	-	-	-	-
Investments-Share application money	-	-	-	-	-	-	10.67	10.67	226.99	226.99	201.04	201.04
Investments-Preference shares	20.00	20.00	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	-	-	-	-	-	-	-	-	1.00	1.00
Investment in CCDs	-	-	239.67	239.67	220.90	220.90	171.29	171.29	-	-	-	-
Other Financial Assets	29.60	29.60	32.09	32.09	43.88	43.88	51.37	51.37	7.77	7.77	6.68	6.68
Trade receivables	980.43	980.43	167.64	167.64	177.76	177.76	34.81	34.81	566.29	566.29	67.10	67.10
Cash and Cash Equivalents	149.02	149.02	116.00	116.00	24.71	24.71	10.92	10.92	23.85	23.85	2.58	2.58
Other bank balances	26.08	26.08	17.86	17.86	30.86	30.86	15.18	15.18	11.58	11.58	10.69	10.69
Forward contract receivable	53.03	53.03	21.33	21.33	6.18	6.18	15.71	15.71	9.26	9.26	6.92	6.92
Total Financial Assets	1279.20	1279.20	594.59	594.59	504.29	504.29	309.95	309.95	845.74	845.74	296.01	296.01
Financial Liabilities												
Total Borrowings	952.06	952.06	1,059.61	1,059.61	300.11	300.11	186.91	186.91	547.83	547.83	217.17	217.17
Trade Payables	334.76	334.76	216.74	216.74	65.82	65.82	186.63	186.63	232.06	232.06	74.21	74.21
Other Financial Liabilities-Current Maturities	1.50	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-	-
Total Financial Liabilities	1,288.32	1,288.32	1,277.85	1,277.85	367.43	367.43	373.54	373.54	779.89	779.89	291.38	291.38

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The company has not classified any financial asset as cash flow hedge instrument and hence, hedge accounting is not applicable.

NOTE 45A: RESTATED STATEMENT OF FINANCIAL RISK MANAGEMENT

The group's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing Analysis	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines and borrowing facilities
Market Risk			
-Forex	Future commercial transactions	Sensitivity analysis	Forward foreign exchange contracts
- Interest Rates	Long term borrowings at variable rates	Sensitivity analysis	Interest rate

NOTE 46: STATEMENT OF RECONCILIATION BETWEEN THE INDIAN GAAP AND IND AS

All figures in ₹ Million

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
(a) Reconciliation of equity						
Total equity / shareholders' funds as per Indian GAAP	3330.83	2,117.99	1,484.21	1,126.67	765.95	510.44
Ind AS Adjustments						
Reversal of proposed dividend and tax on the same	-	8.14	8.14	8.11	4.75	3.17
Remeasurement of depreciation on PPE	(45.68)	(7.75)	(9.20)	(10.99)	(17.93)	(11.37)
Net impact of revenue recognition as per Ind AS	(36.60)	(64.38)	(41.97)	(48.56)	(40.84)	(50.01)
Impact of recognition of government grants as per Ind AS	40.01	63.39	131.53	234.83	173.40	74.40
Remeasurement of financial liabilities	40.00	55.34	10.57	32.39	8.64	9.85
Remeasurement of defined benefit plans	(2.10)	(0.32)	1.26	0.62	(0.35)	0.19
Others	155.20	124.70	91.46	70.75	1.37	0.52
Remeasurement of forward contracts	53.03	21.33	6.18	15.71	9.26	6.92
Deferred tax impact on Ind AS adjustments	(122.71)	(66.81)	(65.97)	(102.30)	(47.23)	(12.39)
Profit/ (loss) from associates due to consolidation	-	(14.23)	(14.20)	(13.33)	(11.90)	(11.45)
Non-controlling interest	0	(1.02)				
Loss from subsidiaries	(3.00)	(1.53)				
Total equity/ shareholders' funds as per Ind AS	3,408.98	2,234.85	1,602.01	1,313.90	845.12	520.27

Particulars	As at December 31, 2017	As at March 31,				
		2017	2016	2015	2014	2013
(b) Reconciliation of Profits						
Total comprehensive income as per Indian GAAP	1,064.80	551.97	365.65	370.31	260.25	130.97
Ind AS Adjustments						
Remeasurement of depreciation on PPE	(37.93)	1.45	1.79	5.47	(6.56)	(5.47)
Net impact of revenue recognition as per Ind AS	27.78	(22.41)	6.59	(7.72)	9.17	(36.19)
Impact of recognition of government grants as per Ind AS	126.62	(68.14)	(103.30)	61.43	99.00	17.15
Remeasurement of financial liabilities	(15.34)	44.77	(21.82)	23.75	(1.21)	0.80
Remeasurement of defined benefit plans	(1.78)	(1.58)	0.64	0.97	(0.54)	0.21
Remeasurement of forward contracts	31.70	15.15	(9.53)	6.45	2.34	10.49
Others	30.50	33.24	20.71	69.38	0.85	0.52
Deferred tax impact on Ind AS adjustments	(55.90)	(0.84)	36.33	(55.07)	(34.84)	0.58
Profit/ (loss) from associates due to consolidation	14.23	(0.03)	(0.87)	(1.43)	(0.45)	(2.28)
Loss from subsidiaries	(2.42)	(2.55)				
Total comprehensive income as per Ind AS	1,182.26	551.03	296.19	473.54	328.01	116.78

NOTE 47: RECONCILIATION OF TAX

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

All figures in ₹ million

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Profit Before Tax - (A)	1,569.49	725.66	459.66	725.30	501.17	181.37
Loss from subsidiaries	(2.41)	(2.55)	-	-	-	-
Consolidated profit /(loss) before tax	1,571.90	728.21	459.66	725.30	501.17	181.37
Less Exempted Profits U/s 80IB	(604.91)	(228.29)	-	-	-	-

Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Taxable profits	966.99	499.92	459.66	725.30	501.17	181.37
Statutory Tax Rate (%)	34.608 %	34.608 %	34.608 %	33.990 %	33.990 %	32.445 %
Tax at statutory tax rate	334.66	173.01	159.08	246.53	170.35	58.85
Permanent Differences :						
Donations	0.57	0.90	1.15	1.15	0.09	0.20
Disallowance u/s 37	0.01	0.21	-	-	-	-
Capital gains considered separately	(6.29)	-	-	-	-	-
(Profit)/Loss on sale of Assets	(0.63)	0.57	-	(0.11)	(0.80)	(17.83)
Deduction u/s 36(i)(iii) of I.T.Act,1961 for gold units	-	-	-	-	(0.03)	-
Total Permanent Difference - (B)	(6.34)	1.68	1.15	1.04	(0.74)	(17.63)
Timing Differences :						
Difference between Depreciation as per Companies Act & I.T.Act, 1961	70.47	25.65	15.70	17.56	1.15	1.07
Deferred Revenue/Expenditure net	-	-	-	-	-	-
Sec 43 B Disallowances	-	-	-	-	-	-
Lease payment Charges	-	-	-	-	-	-
Payment made to parties on which TDS not deducted	-	-	-	-	-	-
Foreign Exchange Gain/Loss	-	-	-	-	-	-
Other IND AS adjustments to income	(56.42)	(4.20)	105.54	(160.31)	(103.82)	12.26
Others	-	-	-	-	-	-
Total Timing Differences - (C)	14.05	21.45	121.24	(142.75)	(102.67)	13.33
Restated Profit - (A)+(B)+(C)	1579.61	751.34	582.05	583.59	397.76	177.07
Deductions	604.91	228.29	-	-	-	-
Total Taxable Income	974.70	523.05	582.05	583.59	397.76	177.07
Tax	292.41	156.92	174.62	175.08	119.33	53.12
Tax on capital gains at concessional rate	0.94	-	-	-	0.06	0.78
Surcharge	35.20	18.83	20.95	17.51	11.94	2.70
SC & SHEC	9.86	5.27	5.87	5.78	3.94	1.70
Additional tax provision	12.56	0.10	3.53	2.75	1.80	0.51
Deferred Tax on fixed assets						
MAT Credit Availed	-	-	-	-	-	-
Total Tax Liability on restated profit	350.97	181.12	204.97	201.11	137.06	58.81
Ind AS tax provision	350.97	181.12	204.97	201.11	137.06	58.81
Difference of tax	0.00	0.00	0.00	0.00	0.00	0.00
<u>Current Tax Asset/ (Liability)</u>						
Particulars						
Income Tax asset/(liability) at the beginning of the reporting period	(0.19)	(1.81)	(40.89)	(6.87)	(0.49)	(4.34)
Income Tax paid/(net off refund)	261.16	182.74	244.05	167.09	130.68	62.66
Current income tax payable for the year	350.97	181.12	204.97	201.11	137.06	58.81
Net Current Income Tax Asset/(liability) at the end of the period	(90.00)	(0.19)	(1.81)	(40.89)	(6.87)	(0.49)
Income Tax Asset / (Liability)	(90.00)	(0.19)	(1.81)	(40.89)	(6.87)	(0.49)
<u>Deferred Tax Liabilities/(Assets)</u>						
Particulars						
The balances comprise temporary differences attributable to :						
Deferred Tax Liabilities						
On Fixed Assets	(20.80)	(4.48)	(1.16)	(0.45)	3.83	6.75
On gratuity and compensated absence	-	-	0.42	0.20	-	0.05
On other items	2,617.41	1,735.74	1,195.65	840.99	464.99	293.33
Adjustments	-	-	-	-	-	-

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Particulars	For the nine months ended Dec 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
	2,596.61	1,731.26	1,194.91	840.74	468.82	300.13
Deferred Tax Assets						
Fixed Assets	21.55	13.70	4.62	-	-	-
Others	2,473.90	1,664.45	1,128.94	737.64	414.36	280.54
	2,495.45	1,678.15	1,133.56	737.64	414.36	280.54
Net Deferred Tax liability/(Assets)	101.16	53.11	61.35	103.10	54.46	19.59

Movements in Deferred Tax Liability / (Assets)

Particulars	Property, Plant & Equipment	43 B Disallowances	Financial Assets at Fair Value through P&L	Other Items	TOTAL
As at 01.04.2012	1.42	0	0	14.89	16.31
Charged/(credited) to	-		-		
- P&L	5.33	0.05	-	(2.10)	3.28
- OCI	-		-		-
- Others	-		-		-
As at 01.04.2013	6.75	0.05	0	12.79	19.59
Charged/(credited) to	-		-		-
- P&L	(2.92)	(0.05)	-	37.84	34.87
- OCI	-		-		-
- Others	-		-		-
As at 31.03.2014	3.83	0	0	50.63	54.46
Charged/(credited) to					-
- P&L	(4.28)	0.20		52.72	48.64
- OCI					-
- Others					-
As at 31.03.2015	(0.45)	0.2	0	103.35	103.1
Charged/(credited) to					-
- P&L	(5.33)	0.22		(36.64)	(41.75)
- OCI					-
- Others					-
As at 31.03.2016	(5.78)	0.42	0	66.71	61.35
Charged/(credited) to					-
- P&L	(12.40)	(0.42)		4.58	(8.24)
- OCI					-
- Others					-
As at 31.03.2017	(18.18)	-	-	71.29	53.11
Charged/(credited) to					-
- P&L	(24.17)	-		72.22	48.05
- OCI					-
- Others					-
As at 31.12.2017	(42.35)	-	-	143.51	101.16

NOTE 48: CREDIT RISK MANAGEMENT

Credit risk is managed on a group basis. For banks and financial institutions, only high rated banks/institutions are considered

For other financial assets, the group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

Class 1 Quality

Class 2 Standard

Class 3 Sub Standard

Class 4 Doubtful

Class 5 Loss

All figures in ₹ million

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.12.2017)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	980.43	-	-	980.43
Other financial assets	Class 2	29.60	-	-	29.60
Investments	Class 1	21.04	-	-	21.04
	Class 2	20.00		-	20.00
	Class 5	8.97	1.00	8.97	-
	Total	1060.04		8.97	1051.07

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2017)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	167.64	-	-	167.64
Other financial assets	Class 2	32.09	-	-	32.09
Investments	Class 1	-	-	-	-
	Class 2	239.67		-	239.67
	Class 5	8.97	1.00	8.97	-
	Total	448.37		8.97	439.40

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2016)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	177.76	-	-	177.76
Other financial assets	Class 2	43.88	-	-	43.88
Investments	Class 1	-	-	-	-
	Class 2	220.90	-	-	220.90
	Class 5	8.97	1.00	8.97	-
	Total	451.51		8.97	442.54

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2015)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	34.81	-	-	34.81
Other financial assets	Class 2	51.37	-	-	51.37
Investments	Class 1	-	-	-	-
	Class 2	171.29		-	171.29
	Class 5	8.97	1.00	8.97	-
	Total	266.44		8.97	257.47

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Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2014)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	566.29	-	-	566.29
Other financial assets	Class 2	7.77	-	-	7.77
Investments	Class 1	-	-	-	-
	Class 2	-	-	-	-
	Class 5	8.97	1.00	8.97	-
	Total	583.03		8.97	574.06

Expected Credit Loss for Trade receivables, Loans, Security Deposit & Investments (31.03.2013)

Asset Group	Rating	Gross Carrying Amount	Expected Probability	Expected Credit Loss	Net Carrying Amount
Trade Receivables	Class 1	67.10	-	-	67.10
Other financial assets	Class 2	6.68	-	-	6.68
Investments	Class 1	-	-	-	-
	Class 2	-	-	-	-
	Class 5	8.97	1.00	8.97	-
	Total	82.75		8.97	73.78

NOTE 49: LOSS ALLOWANCE PROVISION

Reconciliation of Loss Allowance	Loss allowance measured at 12 month Expected Losses	Loss allowance measured at Life Time Expected Losses	
		Financial asset for which credit risk has increased significantly & credit impaired	Financial asset for which credit risk has increased significantly & not credit impaired
Loss allowance as on 1 April 2012		8.97	-
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions		(8.97)	
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2013	-		
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2014			
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2015	-		
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-

Reconciliation of Loss Allowance	Loss allowance measured at 12 month Expected Losses	Loss allowance measured at Life Time Expected Losses	
		Financial asset for which credit risk has increased significantly & credit impaired	Financial asset for which credit risk has increased significantly & not credit impaired
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2016	-	-	-
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 March 2017			
-Changes due to purchase of asset	-	-	-
Adjustment Against Provisions	-		
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 months to life time expected measurement and vice-versa	-	-	-
Loss allowance as on 31 December 2017			

NOTE 50: STATEMENT OF LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing Arrangements

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Floating Rate						
Expiring within 1 year						
Fund based	2,000.00	1,800.00	960.00	680.00	570.00	360.00
Non-fund based	250.00	250.00	181.00	181.00	151.00	151.00
Expiring beyond 1 year (term loan)	337.10	337.10	-	-	-	-

Maturities of financial liabilities as on 31.12.2017

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	832.06	-	832.06
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	334.76	-	334.76
Security Deposit		1.50	1.50
Long Term Borrowings	-	120.00	120.00
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.3.2017

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	1,059.61	-	1,059.61
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	216.74	-	216.74
Security Deposit		1.50	1.50
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2016

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	250.11	-	250.11
Current maturities of Long Term Borrowings	20.00	-	20.00
Trade Payables	65.82	-	65.82
Security Deposit		1.50	1.50
Long Term Borrowings	-	30.00	30.00
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2015

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	186.91	-	186.91
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	186.63	-	186.63
Security Deposit		-	-
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2014

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	547.83	-	547.83
Current maturities of Long Term Borrowings	-	-	-
Trade Payables	232.06	-	232.06
Security Deposit		-	-
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

Maturities of financial liabilities as on 31.03.2013

All figures in ₹ million

Financial Liabilities	<12 month	>12 month	Total
Non-Derivative			
Short term borrowings	216.78	-	216.78
Current maturities of Long Term Borrowings	0.39	-	0.39

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Financial Liabilities	<12 month	>12 month	Total
Trade Payables	74.21	-	74.21
Security Deposit		-	-
Long Term Borrowings	-	-	-
Derivative	NA	NA	NA

NOTE 51: CONSOLIDATED SUMMARY STATEMENT OF RELATED PARTY DISCLOSURE
Related party disclosure
a) List of parties having significant influence
Other Entities

- i) Srinivasa Marines, a partnership firm in which managing director is interested
- ii) RVR Projects Private Limited (non-controlling interest in Nekkanti Mega Food Park Private Limited)

Key management personnel

- | | | |
|--------|----------------|--|
| (i) | N.S.R.Murty | Chairman and Director |
| (ii) | N.Subba Rayudu | Executive Director upto December 6, 2017 |
| (iii) | N.Venkat Rao | Managing Director |
| (iv) | N.Mahesh, | Joint Managing Director |
| (v) | M.Nagesh | Director Finance and Chief Financial Officer |
| (vi) | N.V.Lakshmi | Director upto December 6,2017 |
| (vii) | N.Aslesha | Director upto December 6,2017 |
| (viii) | N.Raghu Rayala | Director (Nekkanti Mega Food Park Private Limited) |

b) Transactions during the year

All figures in ₹ million

All figures in ₹ million

S.No.	Nature of transactions	KMP/Holding company					
		For the 9 months ended till December 2017	For the year ended March 31,				
			2017	2016	2015	2014	2013
1	Receiving of Services (Managerial Remuneration)	55.80	24.12	24.12	14.58	9.06	6.66
2	Leasing or hire purchase arrangements (Rents)	1.49	1.66	1.66	0.46	0.33	0.33
3	Purchase of Raw Materials	27.23	39.90	14.06	23.89	17.20	8.44
4	Settlement of expenses	(0.01)	0.01	-	-	-	-
	(w.r.t Nekkanti Mega Food Park by NSR Murty)						
5	Settlement of liabilities	0.02	-	-	-	-	-
	(w.r.t NSF Laboratories Private Ltd by Nekkanti Sea Foods Limited)						
	Balances outstanding						
	Investment in equity shares	137.01	135.06	0.11	0.06	0.06	0.06
	Share application money	-	-	1.59	11.24	238.83	212.43
	Compulsory convertible debentures	-	269.09	269.09	227.59	-	-
	Trade payables	-	4.47	-	-	0.96	

NOTE 52: FINANCIAL INSTRUMENTS**Capital management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

The capital structure of the Group consists both debt and equity.

All figures in ₹ million

Gearing Ratio:	As at Dec 31 2017	As at March 31,				
		2017	2016	2015	2014	2013
Long term Debt	120.00	-	30.00	-	-	-
Less: Cash and bank balances	175.10	133.86	55.57	26.10	35.43	13.27
Net long-term Debt	-55.10	(133.86)	(25.57)	(26.10)	(35.43)	(13.27)
Total Equity	3,408.98	2,234.85	1,602.01	1,313.90	845.12	520.27
Net long-term debt to equity ratio (%)	-1.62%	-5.99%	-1.60%	-1.99%	-4.19%	-2.55%

Categories of Financial Instruments	As at Dec 31 2017	As at March 31,				
		2017	2016	2015	2014	2013
Financial assets						
a. Measured at amortised cost						
Loans Given			-	-		
Other non-current financial assets	29.60	32.09	43.88	51.37	7.77	6.68
Trade receivables	980.43	167.64	177.76	34.81	566.29	67.10
Cash and cash equivalents	149.02	116.00	24.71	10.92	23.85	2.58
Bank balances other than above	26.08	17.86	30.86	15.18	11.58	10.69
Other financial assets	53.03	21.33	6.18	15.71	9.26	6.92
b. Mandatorily measured at fair value through profit or loss (FVTPL)						
Investments	41.04	239.67	220.90	181.96	226.99	202.04
Derivative instruments			-	-		
	1,226.17	573.26	498.11	294.24	836.48	289.09
Financial liabilities						
a. Measured at amortised cost						
Borrowings (short term)	832.06	1,059.61	250.11	186.91	547.83	216.78
Trade payables	334.76	216.74	65.82	186.63	232.06	74.21
Other financial liabilities			-	-		
b. Mandatorily measured at fair value through profit or loss (FVTPL)						
Derivative instruments	-	-	-	-	-	-

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Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on December 31, 2017 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	30.71	25.05	5.66	5.66
EUR		-	-	-	-	-	-
In INR			-	1,943.68	1,585.89	357.79	357.79

As on March 31, 2017 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	19.25	4.20	15.05	15.05
EUR		-	-	-	-	-	-
In INR			-	1,233.62	269.22	964.40	964.40

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As on March 31, 2016 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	6.02	4.20	1.82	1.82
EUR			-	0.11		0.11	0.11
In INR	-		-	404.71	276.86	127.85	127.85

As on March 31, 2015 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD		-	-	10.08	15.40	-5.32	(5.32)
EUR		-	-	0.19	-	0.19	0.19
In INR	-		-	639.58	958.19	-318.61	(318.61)

As on March 31, 2014 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD	-	-	-	11.56	5.20	6.36	6.36
EUR	-		-	0.46		0.46	0.46
In INR	-		-	726.86	310.13	416.73	416.73

As on March 31, 2013 (all amounts are in equivalent Rs. in millions)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using forward contracts	Net asset exposure on the currency	
USD	-	-	-	4.68	5.40	-0.72	(0.72)
EUR	-	-	-	-	-	-	-
In INR	-		-	253.09	292.03	-38.94	(38.94)

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Group's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in

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foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
The 25basis point interest rate change will impact the profitability by	1.81	1.51	0.77	1.04	1.08	0.66

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to major credit risk as the majority of its trade receivables are foreign customers secured by letters of credit.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

All figures in ₹ million

December 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	334.76	-	-	334.76
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	120.00	-	120.00
	334.76	120.00	-	454.76

All figures in ₹ million

March 31, 2017	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	216.74	-	-	216.74
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	216.74	-	-	216.74

All figures in ₹ million

March 31, 2016	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	65.82	-	-	65.82
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	20.00	30.00	-	50.00
	85.82	30.00	-	115.82

All figures in ₹ million

March 31, 2015	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	186.63	-	-	186.63
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	186.63	-	-	186.63

All figures in ₹ million

March 31, 2014	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	232.06	-	-	232.06
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	-	-	-	-
	232.06	-	-	232.06

All figures in ₹ million

March 31, 2013	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	74.21	-	-	74.21
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon up to the reporting date)	0.39	-	-	0.39
	74.60	-	-	74.60

	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil	Nil	Nil	Nil

NOTE 53: EMPLOYEE BENEFITS

(All amounts are in ₹ Millions, unless otherwise stated)

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The expenses given in below table recognised in Statement of profit and loss represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Contribution to defined contribution plans	8.98	5.9	4.3	3.38	2.24	1.87

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Company's liability towards gratuity (unfunded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

"Company has an independent Gratuity Trust. The liability of each year is valued as per Accounting Standard 15-"Employee Benefits-(Revised-2005)" by an independent Actuary and the amount as per the actuarial valuation report is provided in the accounts each year and paid to the Trust.

During the year 2013-14 the following activities of Gratuity Trust is entrusted to Life Insurance Corporation of India (LIC):

1. Managing investment part of Gratuity Trust Fund through Life Insurance Corporation of India*
2. To enable the Gratuity Trust Fund to subscribe the master policy with LIC in order to provide death cum retirement gratuity benefits to the regular employees of the company.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Mortality Table	Indian Assured Lives Mortality Ultimate (1994-96)					
Attrition Rate	Modified q(x) values under above Mortality Table					
Discount Rate	7.50% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Rate of increase in compensation level	6.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.

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Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Rate of Return on Plan Assets	7.50% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Expected Average Remaining Working Lives of Employees (years)	12.45	12.45	12.45	12.45	12.45	12.45

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

All figures in ₹ million

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Current service cost	0.87	0.95	0.62	0.43	0.43	0.39
Net interest expense	0.54	0.67	0.69	0.59	0.49	0.42
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	(0.71)	(0.83)	(0.64)	(0.55)	(0.51)
Components of defined benefit costs recognised in profit or loss	0.84	0.91	0.48	0.38	0.37	0.30
Remeasurement on the net defined benefit liability comprising:						
Actuarial (gains)/losses recognised during the period	2.44	1.72	(0.62)	0.58	0.77	0.23
Components of defined benefit costs recognised in other comprehensive income	2.44	1.72	(0.62)	0.58	0.77	0.23
	3.28	2.63	(0.14)	0.96	1.14	0.53

The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	14.48	10.66	9.26	8.58	7.35	6.17
Fair value of plan assets	(12.37)	(10.33)	(10.52)	(9.20)	(6.99)	(6.36)
Net liability arising from defined benefit obligation	43,102.11	42,825.33	(1.26)	(0.62)	0.36	(0.19)
Funded	43,102.11	0.33	(1.26)	(0.62)	0.36	(0.19)
Unfunded	-	-	-	-	-	-
	43,102.11	42,825.33	(1.26)	(0.62)	0.36	(0.19)

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 18]. Excess of fair value of plan assets over present value of obligation is reflected under 'Prepaid expenses- gratuity' (other current assets) [Refer note 13].

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Movements in the present value of the defined benefit obligation in the current year were as follows:

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Opening defined benefit obligation	10.66	9.26	8.58	7.35	6.17	5.27
Current service cost	0.87	0.95	0.62	0.43	0.43	0.39
Interest cost	0.54	0.67	0.69	0.59	0.49	0.42
Actuarial (gains)/losses	2.44	1.66	(0.62)	0.58	0.77	0.23
Benefits paid	(0.03)	(1.88)	(0.01)	(0.37)	(0.51)	(0.14)
Closing defined benefit obligation	14.48	10.66	9.26	8.58	7.35	6.17

Movements in the fair value of the plan assets in the current year were as follows:

All figures in ₹ million

Particulars	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Opening fair value of plan assets	10.33	10.52	9.20	6.99	6.36	5.29
Return on plan assets	0.57	0.71	0.83	0.64	0.55	0.51
Contributions	1.50	1.04	0.50	1.94	0.59	0.70
Benefits paid	(0.03)	(1.88)	(0.01)	(0.37)	(0.51)	(0.14)
Actuarial gains/(loss)	-	(0.06)	-	-	-	-
Others	-	-	-	-	-	-
Closing fair value of plan assets	12.37	10.33	10.52	9.20	6.99	6.36

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Compensated absences

As per the policy of the Company, the compensated absences are not entitled to be carried forward to the subsequent financial year and lapse at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

NOTE 54: CASH FLOW AND FAIR VALUE INTEREST RATE RISK**Cash flow and fair value interest rate risk**

The group's main interest rate risk arises from long-term borrowings including the renewable bank overdraft facilities with variable rates, which expose the group to cash flow interest rate risk. The group's borrowings at variable rate were denominated in INR

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

All figures in ₹ million

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Variable Rate borrowings	952.06	1,059.61	300.11	186.91	547.83	217.17
Fixed Rate Borrowings	NA	NA	NA	NA	NA	NA

At the end of each reporting period the group had the following variable rate borrowings and interest rate swap contracts.

Particulars	31-12-17			31-03-17			31-03-16		
	Year-end Interest Rate	Balance	%of Total Loan	Yearend Interest Rate	Balance	%of Total Loan	Year-end Interest Rate	Balance	%of Total Loan
Bank overdrafts, Loans	9.55%	952.06	100%	9.55%	1,059.61	100%	9.75%	300.11	100%
Interest Rate Swaps	-	-	-	-	-	-	-	-	-
Net Exposure	9.55%	952.06	100%	9.55%	1,059.61	100%	9.75%	300.11	100%

Particulars	31-03-15			31-03-14			31-03-13		
	Yearend Interest Rate	Balance	%of Total Loan	Year-end Interest Rate	Balance	%of Total Loan	Yearend Interest Rate	Balance	%of Total Loan
Bank overdrafts, Loans	10.45%	186.91	100%	7.45%	547.83	100%	7.75%	217.17	100%
Interest Rate Swaps	-	-	-	-	-	-	-	-	-
Net Exposure	10.45%	186.91	100%	7.45%	547.83	100%	7.75%	217.17	100%

(b) Sensitivity Analysis

Particulars	Impact on PAT					
	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Interest Rate – increase by 25 basis points	1.81	1.51	0.77	1.04	1.08	0.66
Interest Rate – increase by 50 basis points	3.62	3.02	1.54	2.08	2.16	1.32

Particulars	Impact on other components of equity					
	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Interest Rate – increase by 25 basis points	NA	NA	NA	NA	NA	NA
Interest Rate – increase by 50 basis points	NA	NA	NA	NA	NA	NA

(c) Price Risk

The entity does not have any in investments in quoted/unquoted securities or other equity instruments which are material in value except for investments in group entities. Thus, the company is not exposed to any price risk.

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NOTE 55: CAPITAL MANAGEMENT

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Total borrowings	952.06	1,059.61	300.11	186.91	547.83	217.17
Less: cash and cash equivalents	175.10	133.86	55.57	26.10	35.43	13.27
Net Debt	776.96	925.75	244.54	160.81	512.40	203.90
Total Equity	3,408.98	2,234.85	1,602.01	1,313.90	845.12	520.27
Debt Equity Ratio	0.23	0.41	0.15	0.12	0.61	0.39

NOTE 56: INCOME TAXES

Particulars	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Current Tax	350.97	181.12	204.97	201.11	137.06	58.81
Deferred Tax	48.89	(7.64)	(41.96)	48.64	35.14	3.34
Increase/(Decrease) in deferred tax asset	817.30	544.59	395.92	323.28	133.82	140.18
(Increase)/Decrease in deferred tax liability	(865.35)	(536.35)	(354.17)	(371.92)	(168.70)	(143.45)
Adjustment in other equity	(0.84)	(0.60)	0.21	-	(0.26)	(0.07)
Total Income Tax Expenses/credit	399.86	173.48	163.01	249.75	172.20	62.15

NOTE 57: NON-CONTROLLING INTEREST

Set out below is financial information of subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for subsidiary are before inter-company eliminations

Nekkanti Mega Food Park Private Limited

Rs in millions

Balance sheet	31-Dec-2017	31-Mar-2017	31-Mar-2016
Current Assets	44.46	73.2	0.49
Current Liabilities	50.45	6.00	1.61
Net Current Assets	(5.99)	67.2	(1.12)
Non-Current Assets	496.09	155.25	1.22
Noncurrent liabilities	270	-	-
Net Assets	220.1	222.45	0.10
Non-controlling interest	88.04	88.98	0.04

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Statement of profit and loss	31-Dec-2017	31-Mar-2017	31-Mar-2016
Revenue		0.10	-
Profit /(loss) for the year	(2.35)	(2.55)	-
other comprehensive income	-	-	-
Total comprehensive income	(2.35)	(2.55)	-
Profit /(loss) allocated to non-controlling interest	(0.94)	(1.02)	-
Dividend paid to non-controlling interest	-	-	-

NOTE 58: Investment in associates

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method
Nekkanti Sugars Private Limited	India	25%	Associates	Equity
Nekkanti Power Private Limited	India	25%	Associates	Equity

Name of the entity	Carrying amount					
	31-Dec-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Nekkanti Sugars Private Limited	-	201.12	185.24	171.29	216.3	192.19
Nekkanti Power Private Limited	-	38.55	35.66	10.67	10.69	8.85

ANNEXURE VII: RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	For nine months ended December 31, 2017	For the year ended March 31,				
		2017	2016	2015	2014	2013
Net profit after tax, as restated attributable to owners of the company (₹ million)	1,183.20	552.05	296.19	473.54	328.01	116.78
Share Capital (₹ million)	135.28	27.06	27.06	13.53	6.76	6.76
Reserves and Surplus, as restated attributable to owners of the company (₹ million)	3,185.66	2,118.81	1,574.91	1,300.37	838.36	513.51
Net Worth (₹ million)	3,320.94	2,145.87	1,601.97	1,313.90	845.12	520.27
Earnings Per Share (Equity Shares, Par Value of Rs. 2/- each)						
Restated basic (Rs.)	17.49	8.16	4.38	7.00	4.85	1.73
Restated diluted (Rs.)	17.49	8.16	4.38	7.00	4.85	1.73
Restated return on net worth %	35.63%	25.73%	18.49%	36.04%	38.81%	22.45%
Restated net asset value per equity share (Rs.)	49.10	31.72	23.68	19.42	12.49	7.69
Net asset value per equity share (considering weighted average number of shares)(Rs.)	49.10	31.72	23.68	19.42	12.49	7.69
Number of equity shares outstanding at the end of the year / period	67,640,000	2,705,600	2,705,600	1,352,800	676,400	676,400
Restated weighted average number of equity shares outstanding during the year / period for calculation of Basic Earnings per Share	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000
Restated weighted average number of equity shares outstanding during the year / period for calculation of Diluted Earnings per Share	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000	67,640,000

The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (₹)	:	$\frac{\text{Net profit as restated, attributable to owners of the company}}{\text{Weighted average number of equity shares outstanding during the year / period}}$
Diluted Earnings per share (₹)	:	$\frac{\text{Net profit as restated, attributable to owners of the company}}{\text{Weighted average number of dilutive equity shares outstanding during the year / period}}$
Return on net worth (%)	:	$\frac{\text{Net profit after tax, as restated attributable to owners of the company}}{\text{Net worth as restated, including Share Capital and Reserves and surplus, as restated at the end of the year / period}}$
Net Asset Value (NAV) per equity share (₹)	:	$\frac{\text{Net worth as restated, including Share Capital and Reserves and surplus, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$

Nekkanti Sea Foods Limited

Note:-

1. Earnings per share calculations are done in accordance with Ind AS 33 "Earnings Per Share". 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 and subsequent to the balance sheet date but before approval of accounts in the board is 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. The split of one equity share of ₹ 10/- each into 5 equity share of ₹ 2/- each along with issue of bonus shares in the ratio of 4 fully paid up equity shares of face value of ₹ 2 each for each existing equity shares of face value of ₹ 2 each is an issue without consideration, the issue is treated as if it had occurred in the beginning of the year 2012-13, the earliest period reported. However, the effect of such bonus issue is given based on the number of weighted average equity shares calculated as above for each of the years multiplied with the bonus ratio. Further there was a bonus issue during the financial year 2014-15 and 2015-16 in the ratio of 1:1 in each of those years .since the increase in the share capital without consideration the same is also considered as if occurred at the beginning of the financial year 2012-13.
2. All calculations where the denominator includes outstanding equity shares at the end of the year have been adjusted for the aforementioned split of the face value from ₹ 10 per Equity Share to ₹ 2 per Equity Share and the bonus share issuance in the ratio of 1:1 in each of the years 2014-15 and 2015-16 and a further bonus issuance of 4 shares per equity share held in the nine month period ending 31 March, 2017.

ANNEXURE VIII: RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION

Particulars	Pre-Issue	Post Issue
	As at December 31, 2017	As at December 31, 2017
A) Short term debt	832.06	*
B) Long term debt	120.00	*
C) Current Maturities of Long Term Debt	-	*
(D) Shareholders' funds		
Share Capital	135.28	*
Reserves & Surplus	3,273.70	*
E) Total Shareholder's funds	3,408.98	*
G) Long term debt / Equity Ratio ((B+C)/E)	0.04	*

Notes:

* Post Issue Capitalization will be determined after finalization of issue price

1. The above have been computed on the basis of restated statement of accounts.

2. For the purpose of Long term debt / Equity ratio, Long term debt has been considered including current maturities of long term debt.

ANNEXURE IX: RESTATED CONSOLIDATED STATEMENT OF DIVIDEND PAID

All figures in ₹ million

Particulars	For the nine months ended on December 31, 2017	For the year ended at March 31,				
		2017	2016	2015	2014	2013
Total Dividend paid (excluding dividend distribution tax)	6.76	6.76	6.76	4.06	2.71	2.71

Rights, preferences and restrictions in respect of equity shares issued by the Company: The company has only one class of equity shares having a par value of Rs. 2 (upto 31 March 2017 Rs. 10) each. The equity shares of the company having par value of Rs. 2/- rank pari-passu in all respects including voting rights and entitlement to dividend

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Statements and our Restated Standalone Financial Statements on pages 197 and 273, respectively, prepared in accordance with the Companies Act, Ind AS and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 196.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" beginning on page 15 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

Unless the context otherwise requires, any references to "our Company" refers to Nekkanti Sea Foods Limited on an standalone basis, while any references to "we", "us" or "our" refers to Nekkanti Sea Foods Limited on a consolidated basis.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 196.

Unless otherwise indicated, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled "Shrimp Processing Industry in India" dated February 2018 issued by CRISIL Limited (the "CRISIL Limited"). Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are among India's leading processors and exporters of processed frozen shrimp products with over three decades of operations (*Source: CRISIL Report*). We have been consistently profitable since incorporation and have declared dividends for more than 25 years of our operations. We serve customers in the packaged food industry, food service companies and distributors catering to the retail segment with a focus on exports to the United States and Europe.

In Fiscal 2017, we had a volume share in the Indian shrimp industry of 2.49% with a value share of 3.31% of the total exports in such periods (*Source: Based on information derived from the CRISIL Report*). Our revenues from operations have grown at a CAGR of 29.33% from Fiscal 2013 to Fiscal 2017. In comparison, India's shrimp exports grew at a CAGR of 15% over fiscal 2013 and 2017 (*Source: CRISIL Report*).

As of the date of this Draft Red Herring Prospectus, we own and operate three processing facilities located along the coastal belt of Andhra Pradesh. Andhra Pradesh is India's leading farmed shrimp producer by far, accounting for more than two-thirds of Indian farmed shrimp production in 2016 - 2017 (*Source: CRISIL Report*). Our processing facilities have been accredited by leading global certification bodies including Best Aquaculture Practices ("BAP"), Aquaculture Stewardship Council ("ASC"), British Retail Consortium ("BRC") and International Feature Standard ("IFS"). We are also in the process of commissioning another processing facility located at Kothapatnam, Nellore, which is expected to be operational by July 2018. Our processing facilities are also approved by the customers who source their shrimp products from us, and certified by various regulatory bodies, including the Export Inspection Agency, the Marine Products Exports Development Authority and United States Food and Drug Administration. We source raw shrimp used in our processing facilities from third party farms, as well as our ASC certified shrimp farms spread across 330 acres.

Our products are broadly classified into the following four categories, based on extent of processing required for such products:

Shell-on Products. These products include head-on shell-on shrimps and headless shell-on shrimps. In Fiscal 2017 and in the nine months ended December 31, 2017, shell-on products accounted for 9.71% and 10.32%, respectively, of our revenue from operations in such periods.

Peeled Products. These products are ready-to-cook range of shrimp, and include raw shell-on easy peel, raw peeled deveined tail-on and raw peeled deveined tail-off shrimps. In Fiscal 2017 and in the nine months ended December 31, 2017, peeled products accounted for 80.39% and 76.19%, respectively, of our revenue from operations in such periods.

Cooked Products. These products are ready-to-eat range of shrimp and include cooked easy peel, cooked peeled deveined tail-on and cooked peeled deveined tail-off products. In Fiscal 2017 and in the nine months ended December 31, 2017, cooked products accounted for 7.85% and 12.80%, respectively, of our revenue from operations in such periods.

Breaded and Other Products. Breaded shrimps are value-added products that involve additional processing, such as coating with breadcrumbs and frying before being individually quick frozen (“IQF”). Other products include butterfly, skewered and Nobashi shrimp products. In Fiscal 2017 and in the nine months ended December 31, 2017, breaded and other products accounted for 2.05% and 0.69%, respectively, of our revenue from operations in such periods.

Our products are frozen using individual quick freezing or block freezing technology. Our IQF products represented 88.67% and 89.31% of our revenue from operations in Fiscal 2017 and in the nine months ended December 31, 2017, respectively.

In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017 our revenue from operations were ₹ 6,860.94 million, ₹ 7,741.50 million, ₹ 8,302.07 million and ₹ 10,747.60 million, respectively. Our EBITDA was ₹ 812.61 million, ₹ 556.03 million, ₹ 944.01 million and ₹ 1,817.33 million in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017. Our restated profit for the year was ₹ 473.54 million, ₹ 296.19 million, ₹ 551.03 million and ₹ 1,182.26 million, respectively in such periods.

Presentation of Financial Information

We have historically prepared our financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 (referred to as “Indian GAAP”). As required under applicable law, our Company transitioned from Indian GAAP to Ind AS commencing April 1, 2017. However, for purposes of this Draft Red Herring Prospectus, we have prepared the standalone and consolidated statement of assets and liabilities as at March 31, 2013, 2014, 2015, 2016 and 2017 and as at December 31, 2017, and the statement of profit and loss, statement of cash flows and condensed statement of changes in equity for the years ended March 31, 2013, 2014, 2015, 2016 and 2017 and for the nine month period ended December 31, 2017, together with the notes and schedules thereto (collectively, the “Ind AS Financial Statements”). The Ind AS Financial statements have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The Ind AS Financial Statements have been subject to audit by our Statutory Auditors and the previous statutory auditor of the Company.

As the Ind AS Financial Statements are our first set of financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards have been applied to the Ind AS Financial Statements and for the purposes of the transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First Time Adoption of Indian Accounting Standards with April 1, 2011 being the transition date. Certain Ind AS accounting policies used in the preparation of the Ind AS Financial Statements vary from accounting policies under Indian GAAP, and accordingly, adjustments have been made to restate the opening balances in accordance with Ind AS. The Ind AS Financial Statements have been restated in accordance with the SEBI ICDR Regulations.

First Time Adoption of Ind AS

In preparing the Restated Financial Statements, our opening balance sheet was prepared as at April 1, 2011, the date of transition to Ind AS as applicable to the Ind AS Financial Statements. Under Ind AS 101, the first Ind AS financial statements is required to apply recognition and measurement principles that are based on standards and interpretations that are effective at the date of the first set of financial statements prepared in accordance with Ind AS. These accounting and measurement principles are required to be applied retrospectively to the date of transition to Ind AS and for all periods presented within such first set of financial statements prepared under Ind AS. In preparing our opening Ind AS balance sheet, we have adjusted the amounts reported previously in financial statements prepared in accordance with Indian GAAP and other relevant provisions of the Companies Act. A reconciliation of the consolidated statement of assets and liabilities and the consolidated statement of profit and loss as of and for Fiscal 2013, 2014, 2015, 2016 and 2017 and for the nine months ended December 31, 2017 to explain the transition from Indian GAAP to Ind AS is set out in Annexure VI – Notes to Restated Consolidated Financial Statement – Statement of Reconciliation between previous GAAP and Ind AS on page 296.

Set out below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS:

Ind AS Optional Exemptions

Deemed cost for property, plant and equipment and intangibles

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, we have elected to continue the property, plant and equipment at their values under Indian GAAP.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. We have elected to apply such exemption for our investment in equity investments.

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment is required to be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make such assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. We have elected to apply such exemption for such contracts/ arrangements.

Ind AS Mandatory Exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS is required to be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that such estimates were in error. Ind AS estimates as at April 1, 2011 are consistent with the estimates as at the same date made in conformity with Indian GAAP. We have made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under Indian GAAP.

Significant Factors Affecting Our Results of Operations and Financial Condition

Consumer preference and consumption trends

According to CRISIL, the global demand for seafood has been increasing. The United States, Japan, Spain, China and France are the key importing countries of shrimp and prawns products, together accounting for approximately 57% of total shrimp and prawns imports (in volume terms, in 2016). India's share in the total shrimp and prawn exports to the world increased approximately from 16% to 21% between 2010 and 2015. In fiscal 2017, shrimp and prawns exports from India recorded a year-on-year growth of approximately 21.5% in value terms and approximately 15% in volume terms. (Source: CRISIL Report) We focus on the export of value-added shrimp products to major consumer markets, in particular to the United States, the largest importer of shrimp globally (Source: CRISIL Report). As we operate in the food industry, our business is significantly impacted by any change in consumer preferences or consumption trends. The seafood industry, and in particular the shrimp industry, is impacted by consumer preferences and consumption trends that may vary from time to time, depending on evolving taste preferences for any particular cuisine, availability and cost of shrimp, ease of cooking, perception of nutritional parameters associated with seafood and shrimp, as well as related health advisories affecting consumer preference. Any significant change in consumer preference and consumption trends associated with shrimp and shrimp products in our key markets, particularly in the United States, will likely have a material impact on our business prospects and financial performance.

Volume and product mix

Our results of operations and profitability is dependent on the volume of shrimp products processed and sold by us, the relevant export or domestic market, the size of shrimp as well as nature of shrimp products sold (*i.e.*, the level of value-addition to such products), as well as the associated price and related profit margins. An increase in sales volume, in particular sales of higher value-added or premium products that command higher prices, favourably affects our results of operations as it enables us to benefit from economies of scale in procurement and processing resulting in improved operating margins by leveraging our fixed cost base. Our principal products include shell-on products, peeled products, cooked products and breaded and other products. A higher percentage of value-added product sales that command premium prices and higher profit margins than other products directly affects our results of operations and profitability. In the nine months ended December 31, 2017, value-added products such as peeled products, cooked products as well as breaded and other products exported by us to the United States accounted for 92.94% of our total revenue from operations. Value-added products generally command premium pricing and benefit from relatively lower volatility in sale prices, thereby ensuring more predictable realizations. For example, our cooked products command higher prices and superior realization compared to our other products. Our realization per MT (*i.e.*, our revenue from operations divided by volume of products sold) from sale of shell-on products, peeled products and cooked products to the United States was US\$ 10,496.12, US\$ 11,523.99 and US\$ 12,920.71 in calendar year 2017. Realization per MT from overall export of similar products to the United States was US\$ 9,661, US\$ 9,899 and US\$ 11,248, respectively, in such period. (Source: CRISIL Report)

Customer mix

We primarily cater to three customer segments; packaged food, distributors catering to retail and food service. We have direct relationships with packaged food players such as Rich Products Corporation, High Liner Foods and King & Prince Seafood. We are also the exclusive supplier from India to Rich Products Corporation and have been selected as a strategic supplier for Rich Products Corporation for a period of five years commencing in 2018. We are also one of the largest shrimp suppliers from India to High Liner Foods Incorporated for the past five years and a key partner for their aquaculture business. In the retail segment, Eastern Fish Company has been our customer for 15 years through which we supply to leading supermarkets in the United States and Europe. In the food services segment, we were the largest supplier in 2016 and 2017 from India to Arista Industries Inc. and have been packing shrimp products for its various brands, including Portico Bounty. In India, we have entered into a strategic arrangement with Barbeque Nation Hospitality Limited to act as an exclusive supplier of processed frozen shrimp in India until 2020. In Fiscal 2017 and in the nine months ended December 31, 2017, our top five customers contributed 64.01% and 62.07%, respectively, of our revenue from operations in such periods, while our single largest customer contributed 28.24% and 25.68%, respectively, of our revenue from operations in such periods. Our customers typically do not enter into any long-term supply agreements with us. We deliver our shrimp products to our customers based on purchase orders raised by customers from time to time depending on their requirements.

Several of our key customers cater to premium end-consumers in these segments, which is generally reflected in the higher premium that our products command over market prices for similar products exported from India. The realization per MT from overall shrimp imports by the United States was US\$ 9,287, US\$ 9,432 and US\$ 9,839 for 2015, 2016 and 2017, respectively (*Source: CRISIL Report*). Our realization per MT from the export of our products to the United States was US\$ 10,647.10, US\$ 11,181.19 and US\$ 11,596.74 for 2015, 2016 and 2017 respectively. Our relationship with our customers is to a large extent dependent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, consistent product quality and maintain quality standards. In addition, our customers require that our processing facilities and operations are certified and accredited, including with accreditations from independent third party agencies such as Best Aquaculture Practices, the Aquaculture Stewardship Council, the British Retail Consortium and the International Feature Standard. In the event we are unable to meet our customer requirements or the quality standards, our results of operations may be adversely impacted. Our profitability depends on our ability to maintain and leverage our relationships with such customers to grow our market share.

Foreign exchange fluctuation

Almost all of our revenue from operations is generated from the export of processed shrimp products to customers in international markets, including, in particular, to the United States. However, our financial information is presented in Indian Rupees. Our results of operations are therefore, significantly impacted by exchange rate fluctuations, in particular with respect to the US Dollar. The exchange rate between the Indian Rupee and the US Dollar and other foreign currencies has changed considerably in recent years and may further fluctuate in the future. Such fluctuations in currency exchange rates may impact our results of operations. For these reasons, our financial condition and results of operations are influenced by fluctuations in the relative values of the relevant currencies, especially between the Indian Rupee and the U.S. Dollar. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted, as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect on depreciation of the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other operational variables impacting our business and results of operations during the same period. Further, we are exposed to risks that arise due to any movements in exchange rates in the period between when a purchase order is placed by a customer on us to the time settlement is done of the Indian Rupee equivalent of the relevant foreign currency amount. While we selectively enter into hedging transactions by entering into forward exchange contracts, steps taken by us to hedge the foreign exchange fluctuation risks may not adequately hedge against any losses we incur due to such fluctuations.

Availability and price of raw material and cost of production

Our business operations are primarily dependent on the supply of quality raw shrimp for the manufacture of our products. Our raw material procurement model involves sourcing of raw shrimp from aquaculture farmers. In Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017, total cost of goods sold which mainly comprises of fresh shrimps represented 74.37%, 78.61%, 73.61% and 71.49% respectively, of our revenue from operations in such periods. While we operate certain shrimp farms, most of our raw shrimp supply is sourced from such third party suppliers, including aquaculture resources and local shrimp farmers. We are also dependent on third party hatcheries and purchase shrimp in the open market at spot rates. We do not enter into any supply contracts with such farmers, whether long-term or otherwise. Absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials. Our inability to procure raw material at terms that are commercially viable could affect our financial condition, results of operation and prospects.

Raw shrimp supply may also be affected by supply disruption, industry trends and relative consumer demand, regulatory developments, as well as environmental factors, and natural disasters beyond our control. Shrimp are also susceptible to disease and contamination by pathogens that may result in product liability claims from end-consumers, distributors and government agencies. In addition, we do not have control over the farming operations of shrimp farmers. We may not be able to determine compliance by such farmers with applicable regulatory standards and quality standards required by our customers, relating to procurement of shrimp from third party hatcheries, or their shrimp farming operations.

Manufacturing expense forms a key component which includes processing charges involved in the processing of raw shrimp, consumption of packaging materials and cost of power and fuel. Manufacturing expense constituted 7.93%,

7.70%, 9.48% and 7.76%, of our total expenses in Fiscal 2015, 2016 and 2017 and in the nine months ended December 31, 2017. In addition, we operate in a labour intensive industry and accordingly, employee costs also form a significant portion of our manufacturing expenses.

Capacity utilization

In order to address customer requirements, we have increased our total installed processing plant capacity (comprising block frozen and IQF and cooked) from 60.00 MT per day as of March 31, 2015 to 110.40 MT per day as of December 31, 2017. Our installed processing plant capacity as of December 31, 2017 increased due to the commencement of operations of our processing facility located at J Thimmapuram in July 2016. We further plan to increase our processing plant capacity by commissioning another processing facility at Kothapatnam, Nellore, with an installed processing capability of 50.00 MT per day comprising block freezing and IQF in Fiscal 2019. For information on our installed capacity and capacity utilization, see “*Our Business – Processing Facilities*” and “*Our Business – Capacity and Capacity Utilization*” on pages 150 and 151, respectively. Following the expansion of our processing capacity, we believe we will be able to handle larger volumes and increase our revenue generation capacity. To remain profitable we must maintain optimum levels of capacity utilization at our processing facilities. Attaining and maintaining such levels of utilization requires considerable planning and expenditure. Our optimum capacity utilization is focussed on value added products such as peeled products, cooked products as well as breaded and other products while meeting customer requirements for our shell-on products. In Fiscal 2017 and in the nine months ended December 31, 2017, our peeled products, cooked products as well as breaded and other products collectively accounted for 90.29% and 89.68%, respectively, of our revenue from operations. If we are unable to achieve and maintain optimum levels of capacity utilization at our processing facilities in the future, our financial condition and results of operations may be adversely affected.

Regulatory environment

We are currently entitled to certain export benefits including duty drawback received from the Government of India under export promotion schemes like the Duty Drawback Scheme and the Merchandise Exports from India Scheme (MEIS). Under the Duty Drawback Scheme, we are entitled to a refund of excise duty paid on the inputs used in the products manufactured by us. This allows us to neutralize the duty impact of the goods exported. The MEIS enables us to claim import credit for the value of goods exported. We are allowed to transfer such claims for which we believe there is sufficient demand and liquidity. Changes in regulations or withdrawal of such incentives and schemes could impact our revenues. We are also subject to the regulatory framework of the various international markets where we export our products. The markets where we export our products to may become inaccessible or less accessible as a result of trade embargoes, import restrictions, quotas, anti-dumping duties, tariffs or other forms of trade barriers introduced by countries where we export our products, in particular, the United States, sales to which market represents a significant majority of our total revenues from operations.

Significant Accounting Policies

Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the us and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the Incoterms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and discount.

Export incentives/ benefits

Incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licences are accounted on due basis on the FOB value of the exports recognized during the year.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, we estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when our right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

Property, plant and equipment and capital work in progress

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. We have elected to continue to measure the property, plant and equipment at their previous GAAP values. Hence, no fair valuation or retrospective application of Ind AS 16 is required.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, we depreciate them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairment if any.

Revenue expenses and revenue receipts incurred in connection with project implementation in so far as such expense relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalised.

All material/ significant components have been identified for the plant and have been accounted separately. The useful life of such components is analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components is considered for calculation of depreciation.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Properties held to earn rentals and/or capital appreciation are classified as Investment property and are measured and reported at cost, including transaction cost.

Depreciation on property, plant and equipment

Depreciation is provided on the basis of useful life of the asset, as estimated by the management, based on technical evaluation, on written down value method. Additions to fixed assets, costing ₹ 5,000 each or less are fully charged off to profit and loss. Depreciation on additions to fixed assets and sale of fixed assets are provided on pro-rata basis.

The useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Estimated useful life (in years)
Buildings	
Factory buildings	30
Other buildings	60
Plant and Machinery	15
Electrical Equipment	10
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of inventories is determined using the first in first out (FIFO) method and includes freight, taxes and duties, net of duty credits wherever applicable.

In respect of finished goods and work in progress cost includes all direct costs and applicable manufacturing overheads incurred in bringing them to their present location and condition.

Biological asset

A biological asset is a living animal or plant. Biological transformation comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.

The aquaculture carried out by us is in the nature of consumable biological asset, which is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for the case described in paragraph 30 of Ind AS 41 where the fair value cannot be measured reliably.

The aquaculture produce harvested from our consumable biological assets are captively consumed and are measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying Ind AS 2 Inventories or another applicable Standard.

Foreign currency transactions and translations

Our financial statements are presented in Indian Rupees, which is also our functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by us at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses the rate that approximates exchange rates or an average rate.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants related to assets, including non-monetary grants at fair value, is presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. We have no obligation, other than the contribution payable to the provident fund. We recognize contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

As per our policy, the compensated absences are not entitled to be carried forward to the subsequent financial year and lapse at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

We operate a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Leases

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

For arrangements entered into prior to April 1, 2011, we have determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to us is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with our general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Impairment of non-financial assets

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

Provisions

General

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Necessary provision for doubtful debts, claims, etc., is made if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond our control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, we disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Commitments

Commitments are future liabilities for contractual expenditure. These are classified and disclosed as i) estimated number of contracts remaining to be executed on capital account, but not provided for; b) uncalled liability on shares and other investments partly paid; c) funding related commitment to subsidiary, associate and JV companies and d) other non-cancellable commitments if any.

Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that we commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

We classify a debt instrument as at amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

We classify a debt instrument at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, we recognize interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

We classify all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where we make an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- We have transferred our rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, we apply expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- Financial assets that are debt instruments and are measured at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

We follow 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require us to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, we determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, we do not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, we combine financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by us that are not designated as hedging instruments in hedge relationships as defined by

Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, we may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of Financial Assets

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Earnings per Share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

Principal Components of Income and Expenditure

Income

Our income comprises revenue from operations and other income.

Revenue from Operations

Revenue from operations comprises of revenue from the sale of products and other operating revenue. Sale of products includes proceeds from the export and sale of processed shrimp products. In Fiscal 2016 and 2015 it also comprised sale of ice blocks. Other operating revenue includes income from export incentives/ benefits available for exports such as duty draw back, DEPB/ MEIS licences that are accounted on due basis on the freight on board value of the exports recognized during the relevant Fiscal.

Other Income

Other income includes, among others, interest income, any gain from forward contracts, any capital gains and any gains on account of foreign exchange fluctuation.

Expenditure

Our expenditure include cost of materials consumed, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefit expenses, depreciation and amortization expenses, other expenses, finance costs and tax expenses.

Cost of Materials Consumed

Cost of materials consumer comprises purchases of raw material, which primarily comprises of raw shrimp, shrimp feed and packaging material.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress represents the net increase or decrease in inventories at the beginning of the year and end of the year.

Total Cost of Goods Sold

Includes cost of materials consumed and changes in inventories of finished goods, stock-in-trade and work-in-progress.

Employee Benefit Expense

Employee benefit expenses comprises salaries, wages and other benefits, contribution to provident and other funds including the employee state insurance scheme, staff welfare expenses and gratuity.

Depreciation and Amortization Expenses

Depreciation and amortization comprises depreciation on tangible assets comprising of buildings, furniture and fixtures, plant and machinery, computers and vehicles.

Other Expenses

Other expenses comprise (i) manufacturing expenses that include processing charges, expenses incurred towards packaging material, consumption of power and fuel, freight and carriage charges, vehicle and plant maintenance; (ii) selling and distribution expenses that include freight and forwarding charges, duties, cess business promotion expenses, sales commission and advertisement expenses; and (iii) establishment expenses that include bank charges, expenses toward CSR activities, insurance, directors remuneration and rates and taxes.

Finance Cost

Finance cost primarily comprises interest on term loans, interest on working capital, interest on other borrowings and other bank charges.

Results of Operations

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the periods indicated:

Particulars	Nine Months Ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income								
Revenue from operations	10,747.60	98.99%	8,302.07	98.81%	7,741.50	99.28%	6,860.94	98.84%
Other income	109.27	1.01%	99.57	1.19%	56.13	0.72%	80.31	1.16%
Total Income	10,856.87	100.00%	8,401.64	100.00%	7,797.63	100.00%	6,941.25	100.00%
Expenses								
Cost of material consumed	7,716.81	71.08%	7,211.34	85.83%	5,652.75	72.49%	5,624.44	81.03%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(33.87)	(0.31)%	(1,100.55)	(13.10)%	433.01	5.55%	(521.88)	(7.52)%
Employee benefit expenses	55.99	0.52%	43.72	0.52%	35.06	0.45%	21.57	0.31%
Depreciation and amortization	151.06	1.39%	142.48	1.70%	48.65	0.62%	45.68	0.66%
Other expenses	1,314.80	12.11%	1,302.57	15.50%	1,120.11	14.36%	1,002.50	14.44%
Finance costs	83.31	0.77%	76.42	0.91%	48.39	0.62%	43.64	0.63%
Total expenses	9,287.38	85.54%	7,675.98	91.36%	7,337.97	94.11%	6,215.95	89.55%
Profit before	1,569.49	14.46%	725.66	8.64%	459.66	5.89%	725.30	10.45%

Particulars	Nine Months Ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
exceptional items and tax								
Exceptional items	-	-	-	-	-	-	-	-
Profit before tax from continuing operations	1,569.49	14.46%	725.66	8.64%	459.66	5.89%	725.30	10.45%
Income tax expense								
- Current tax	350.97	3.23%	181.12	2.16%	204.97	2.63%	201.11	2.90%
- Deferred tax charge (credit)	48.89	0.45%	(7.64)	(0.09)%	(41.96)	(0.54)%	48.64	0.70%
Profit for the year	1,169.63	10.77%	552.18	6.57%	296.65	3.80%	475.55	6.85%
Share of loss from associates accounting for using equity method	14.23	0.13%	(0.03)	(0.00)%	(0.87)	0.01%	(1.43)	(0.02)%
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Remeasurement of post employment benefit obligation	(2.44)	(0.02)%	(1.72)	(0.02)%	0.62	0.01%	(0.58)	(0.01)%
Income tax relating to these items	0.84	0.01%	0.60	0.01%	(0.21)	0.00%	-	-
Restated profit/(loss) for the year	1,182.26	10.89%	551.03	6.56%	296.19	3.80%	473.54	6.82%

The following table sets forth certain information with respect to our Earnings Before Interest, Taxes, Depreciation and Amortization Expenses (“EBITDA”) for the periods indicated:

Particulars	Nine Months Ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)	(₹ million)	Percentage of revenue from operations (%)
EBITDA	1,817.33	16.74%	944.01	11.24%	556.03	7.13%	812.61	11.71%

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

Reconciliation of EBITDA margin to restated profit for the Year

Particulars	Nine Months Ended December 31, 2017	For the year ended at March 31,				
		2017	2016	2015	2014	2013
		(₹million, except percentages)				
Total Comprehensive Income for the Year	1,182.26	551.03	296.19	473.54	328.01	116.78
Add: Exception Items	-	-	-	-	-	-

Particulars	Nine Months Ended December 31, 2017	For the year ended at March 31,				
		2017	2016	2015	2014	2013
		(₹million, except percentages)				
Add: Total tax expenses	400.7	174.08	162.8	249.75	172.46	62.22
Add: Finance Cost	83.31	76.42	48.39	43.64	32.10	20.64
Add: Depreciation and Amortisation expenses	151.06	142.48	48.65	45.68	35.62	28.50
Total Adjustments [B]	635.07	392.98	259.84	339.07	240.18	111.36
EBITDA [A+B]	1,817.33	944.01	556.03	812.61	568.19	228.14
Revenue from Operations	10,856.87	8,401.64	7,797.63	6,941.25	5,870.61	3,001.21
EBITDA margin (EBITDA/Revenue from Operations in %)	16.74%	11.24%	7.13%	11.71%	9.68%	7.60%

Nine Months ended December 31, 2017

During the nine months ended December 31, 2017, our processing facility at J Thimmapuram was operational fully. As a result, our aggregate processing capacity (comprising block frozen and IQF and cooked) has increased from 60 MT per day as of March 31, 2016 to 110.40 MT as of December 31, 2017.

Income

Revenue from Operations

Revenue from operations were ₹ 10,747.60 million in the nine months ended December 31, 2017. Revenue from sale of products represented 98.99% of our total income while other operating revenue represented 1.01% of our total income in the nine months ended December 31, 2017.

Other Income

Other income was ₹ 109.27 million in the nine months ended December 31, 2017 primarily relating to mark-to-market gain on forward contracts, government grants received, gain on fair value of investments and interest from deposits and other sources. As a percentage of our total income, other income was 1.01% for the nine months ended December 31, 2017.

Expenses

Total expenses in the nine months ended December 31, 2017 was ₹ 9,287.38 million. As a percentage of total income, total expenses was 85.54% in the nine months ended December 31, 2017.

Cost of Materials Consumed

Cost of materials consumed was ₹ 7,716.81 million in the nine months ended December 31, 2017. As a percentage of total income, cost of materials consumed was 71.08% in the nine months ended December 31, 2017.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Inventories of finished goods, stock-in-trade and work-in-progress decreased ₹ 33.87 million in the nine months ended December 31, 2017.

Total Cost of Goods Sold

Total cost of goods sold was ₹ 7,682.94 million in the nine months ended December 31, 2017.

Employee Benefit Expenses

Employee benefit expenses were ₹ 55.99 million in the nine months ended December 31, 2017. As a percentage of total income, employee benefit expenses was 0.52% in the nine months ended December 31, 2017.

Salaries, wages and bonus was ₹ 44.26 million in the nine months ended December 31, 2017, while contribution to funds was ₹ 10.63 million in the nine months ended December 31, 2017. Staff welfare expenses were ₹ 1.10 million in the nine months ended December 31, 2017.

Depreciation and Amortization Expense

Depreciation and amortization expenses in the nine months ended December 31, 2017 were ₹ 151.06 million comprising of depreciation of property, plant and equipment. As a percentage of total income, depreciation and amortization expense was 1.39% in the nine months ended December 31, 2017.

Other Expenses

Other expenses were ₹ 1,314.80 million in the nine months ended December 31, 2017. As a percentage of total income, other expenses were 12.11% in the nine months ended December 31, 2017.

In the nine months ended December 31, 2017, other expenses primarily included manufacturing expenses, selling and distribution expenses, establishment expenses and payment to auditors. Manufacturing expenses were ₹ 720.35 million, selling and distribution expenses were ₹ 458.98 million, establishment expenses were ₹ 134.75 million and payment to auditors was ₹ 0.90 million.

Finance Costs

Finance costs were ₹ 83.31 million in the nine months ended December 31, 2017. In the nine months ended December 31, 2017, finance costs included primarily interest on borrowings of ₹ 69.28 million and interest paid towards other instruments of ₹ 14.03 million. As a percentage of total income, finance costs was 0.77% in the nine months ended December 31, 2017.

Profit before Exceptional Items and Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 1,569.49 million in the nine months ended December 31, 2017.

Tax Expense

Current tax expenses was ₹ 350.97 million in the nine months ended December 31, 2017. Deferred tax charge was ₹ 48.89 million in the nine months ended December 31, 2017.

Profit for the Year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit for the year of ₹ 1,169.63 million in the nine months ended December 31, 2017.

Share of Loss from Associates Accounted for using Equity Method

We recorded ₹ 14.23 million share of profit from associates in the nine months ended December 31, 2017.

Restated Profit for the Year

For the various reasons discussed above, our restated profit for the period was ₹ 1,182.26 million in the nine months ended December 31, 2017.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 1,817.33 million in the nine months ended December 31, 2017. EBITDA margin (EBITDA as a percentage of our revenue from operations) was 16.74% in the nine months ended December 31, 2017.

Fiscal 2017 compared to Fiscal 2016

Income

Total income increased by 7.75% from ₹ 7,797.63 million in Fiscal 2016 to ₹ 8,401.64 million in Fiscal 2017.

Revenue from Operations

Revenues from operations increased by 7.24% from ₹ 7,741.50 million in Fiscal 2016 to ₹ 8,302.07 million in Fiscal 2017, primarily due to an increase in sale of our products particularly processed shrimp.

Other Income

Other income significantly increased by 77.39%, from ₹ 56.13 million in Fiscal 2016 to ₹ 99.57 million in Fiscal 2017, relating to increase in grants received from the government of Andhra Pradesh for our proposed processing facility at Kothapatnam, Nellore that is expected to be operational by July 2018 and gains on account of foreign currency fluctuations.

Expenses

Total expenses increased by 4.61% from ₹ 7,337.97 million in Fiscal 2016 to ₹ 7,675.98 million in Fiscal 2017, primarily due to increase in other expenses and depreciation and amortization expenses. Increase in expenses was primarily on costs incurred in operationalizing the new processing facility at J Thimmapuram which commenced operations in July 2016.

Cost of Materials Consumed

Cost of materials consumed increased by 27.57% from ₹ 5,652.75 million in Fiscal 2016 to ₹ 7,211.34 million in Fiscal 2017.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Inventories of finished goods, stock-in-trade and work-in-progress decreased from ₹ 433.01 million in Fiscal 2016 to ₹ (1,100.55) million in Fiscal 2017.

Total Cost of Goods Sold

There was a moderate increase in the total cost of goods sold of 0.41% over Fiscal 2016 although volumes grew by 1.06%. This was primarily due to increased value added products and lower raw material prices in Fiscal 2017 compared to Fiscal 2016.

Employee Benefit Expenses

Employee benefit expense increased by 24.70%, from ₹ 35.06 million in Fiscal 2016 to ₹ 43.72 million in Fiscal 2017, primarily due to increases in employees' salaries, wages and bonus, contribution to provident and other fund. Salaries, wages and bonus increased from ₹ 26.60 million in Fiscal 2016 to ₹ 34.49 million in Fiscal 2017, while contribution to funds increased from ₹ 5.66 million in Fiscal 2016 to ₹ 7.83 million in Fiscal 2017.

Depreciation and Amortization Expense

Depreciation and amortisation expense significantly increased from ₹ 48.65 million in Fiscal 2016 to ₹ 142.48 million in Fiscal 2017, primarily due to additions of fixed assets such as, property, plant and equipment at the new processing facility at J Thimmapuram.

Other Expenses

Other expenses increased by 16.29%, from ₹ 1,120.11 million in Fiscal 2016 to ₹ 1,302.57 million in Fiscal 2017, primarily due to costs incurred towards operationalizing the new processing facility at J Thimmapuram. Our plant repairs and maintenance costs increased from ₹ 77.20 million in Fiscal 2016 to ₹ 131.12 million in Fiscal 2017 due to an increase in consumables such as caps, aprons, shoes and tools for peeling. We also witnessed an increase in consumption of packaging materials from ₹ 115.43 million in Fiscal 2016 to ₹ 181.33 million in Fiscal 2017 largely on account of stabilization issues typically involved in operationalizing a new facility. In addition, consumption of stores and spare parts increased from ₹ 30.37 million in Fiscal 2016 to ₹ 41.97 million in Fiscal 2017. The increase was partially offset by a decrease in processing charges from ₹ 206.36 million to ₹ 189.59 million which was due to utilization of our own processing facilities in Fiscal 2017 as compared to contract arrangements in Fiscal 2016.

Finance Costs

Finance costs increased by 57.93% from ₹ 48.39 million in Fiscal 2016 to ₹ 76.42 million in Fiscal 2017, primarily due to an increase in interest expenses as a result of increase in borrowings by our Company

Profit before Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 725.66 million in Fiscal 2017 compared to ₹ 459.66 million in Fiscal 2016.

Tax Expense

Current tax expenses decreased from ₹ 204.97 million in Fiscal 2016 to ₹ 181.12 million in Fiscal 2017, primarily on account of tax incentives relating to our new processing facility at J Thimmapuram. Deferred tax credit also decreased from ₹ 41.96 million in Fiscal 2016 to ₹ 7.64 million in Fiscal 2017.

Profit for the Year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit for the year of ₹ 552.18 million in Fiscal 2017 compared to ₹ 296.65 million in Fiscal 2016.

Share of Loss from Associates Accounted for using Equity Method

We recorded ₹ 0.87 million share of loss from associates in Fiscal 2016 as compared to ₹ 0.03 million in Fiscal 2017.

Restated Profit for the Year

For the various reasons discussed above, our restated profit for the year was ₹ 551.03 million in Fiscal 2017 compared to ₹ 269.19 million in Fiscal 2016.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 944.01 million in Fiscal 2017 compared to EBITDA of ₹ 556.03 million in Fiscal 2016, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 11.24% in Fiscal 2017 compared to 7.13% in Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Income

Total income increased by 12.34% from ₹ 6,941.25 million in Fiscal 2015 to ₹ 7,797.63 million in Fiscal 2016

Revenue from Operations

Revenues from operations increased by 12.83% from ₹ 6,860.94 million in Fiscal 2015 to ₹ 7,741.50 million in Fiscal 2016, primarily due to an increase in sale of our products particularly processed shrimp. Although volume of sales increased by 40.48% from 7,569 MT in Fiscal 2015 to 10,603 MT in Fiscal 2016, revenue growth was subdued at 12.34%. The decline in realization was largely due to a loss of key orders on account of decline in processing capacity as a result of termination of the contract manufacturing arrangement entered into by our Company. In addition, lower raw material prices in Fiscal 2016 also led to consequent decline in price of our products and accordingly a decline in realizations.

Other Income

Other income decreased by 30.11% from ₹ 80.31 million in Fiscal 2015 to ₹ 56.13 million in Fiscal 2016, primarily due to a decrease on account of surrender value of keyman insurance from ₹ 68.46 million in Fiscal 2015 to ₹ 22.02 million in Fiscal 2016.

Expenses

Total expenses increased by 18.05% from ₹ 6,215.95 million in Fiscal 2015 to ₹ 7,337.97 million in Fiscal 2016, primarily due to an increase in total cost of goods sold. Increases in other expenses, employee benefits expenses, depreciation and amortization expenses and finance costs were largely in line with the increase in revenue from operations.

Cost of Materials Consumed

Cost of materials consumed increased from ₹ 5,624.44 million in Fiscal 2015 to ₹ 5,652.75 million in Fiscal 2016.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress increased from ₹ (521.88) million in Fiscal 2015 to ₹ 433.01 million in Fiscal 2016.

Total Cost of Goods Sold

Total cost of goods sold increased from ₹ 5,102.56 million in Fiscal 2015 to ₹ 6,085.76 million in Fiscal 2016 with year-on-year growth of 19.27% compared to growth in revenues of 12.83%. The increase was largely on account of growth in volumes by 40.08%

Employee Benefit Expenses

Employee benefit expense significantly increased by 62.54% from ₹ 21.57 million in Fiscal 2015 to ₹ 35.06 million in Fiscal 2016, primarily due to increases in employees' salaries, wages and bonus, contribution to provident and other fund. Salaries, wages and bonus increased from ₹ 16.49 million in Fiscal 2015 to ₹ 26.60 million in Fiscal 2016, while contribution to funds increased from ₹ 4.04 million in Fiscal 2015 to ₹ 5.66 million in Fiscal 2016.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 6.50% from ₹ 45.68 million in Fiscal 2015 to ₹ 48.65 million in Fiscal 2016, primarily due to additions of fixed assets such as, property, plant and equipment.

Other Expenses

Other expenses increased by 11.73% from ₹ 1,002.50 million in Fiscal 2015 to ₹ 1,120.11 million in Fiscal 2016, largely in line with the increase in our revenues. We witnessed an increase in processing costs from ₹ 164.77 million in Fiscal 2015 to ₹ 206.36 million in Fiscal 2016 as we had to outsource certain parts of production to third party facilities as we faced capacity constraints at our own processing facilities. Consumption of stores and spare parts

increased from ₹ 23.28 million in Fiscal 2015 to ₹ 30.37 million in Fiscal 2016 due to an increase in processing volumes.

Finance Costs

Finance costs increased by 10.88% from ₹ 43.64 million in Fiscal 2015 to ₹ 48.39 million in Fiscal 2016, primarily due to an increase in interest expenses as a result of increased in borrowings by our Company and other finance costs.

Profit before Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 725.30 million in Fiscal 2015 compared to ₹ 459.66 million in Fiscal 2016.

Tax Expense

Current tax expenses increased from ₹ 201.11 million in Fiscal 2015 to ₹ 204.97 million in Fiscal 2016, primarily on account of increased accrued profits. Deferred tax expenses decreased from ₹ 48.64 million in Fiscal 2015 to a deferred tax credit of ₹ 41.96 million in Fiscal 2016.

Profit for the Year

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit for the year of ₹ 296.65 million in Fiscal 2016 compared to ₹ 475.55 million in Fiscal 2015.

Share of Loss from Associates Accounted for using Equity Method

We recorded ₹ 1.43 million share of loss from associates in Fiscal 2015 as compared to ₹ 0.87 million in Fiscal 2016.

Restated Profit for the Year

For the various reasons discussed above, our restated profit for the year was ₹ 296.19 million in Fiscal 2016 compared to ₹ 473.54 million in Fiscal 2015.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 556.03 million in Fiscal 2016 compared to EBITDA of ₹ 812.61 million in Fiscal 2015, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 7.13% in Fiscal 2016 compared to 11.71% in Fiscal 2015.

Liquidity and Capital Resources

We have historically financed our working capital requirements and the expansion of our business and operations primarily through funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Nine Months Ended December 31, 2017	Fiscal		
		2017	2016	2015
		(₹ million)		
Net cash flow from / (used in) from operating activities	421.99	(175.30)	545.35	403.77

Particulars	Nine Months Ended December 31, 2017	Fiscal		
		2017	2016	2015
		(₹ million)		
Net cash flow from / (used in) investing activities	(221.67)	(443.50)	(570.73)	(13.85)
Net cash flow from / (used in) the financing activities	(167.30)	710.09	39.17	(402.85)
Net increase/(decrease) in cash and cash equivalents	33.02	91.29	13.79	(12.93)

Operating Activities

Nine Months ended December 31, 2017

In the nine months ended December 31, 2017, net cash from operating activities was ₹ 421.99 million and the profit before income tax and working capital adjustments was ₹ 1,569.49 million and ₹ 1,731.64 million respectively. The main working capital adjustments was an increase in increase in trade receivables of ₹ 812.79 million and increase in other assets of ₹ 426.73 million led by growth in revenues from operations in the nine months ended December 31, 2017.

Fiscal 2017

In Fiscal 2017, net cash used in operating activities was ₹ 175.30 million and the profit before income tax and working capital changes was ₹ 725.66 million and ₹ 904.76 million, respectively. The main working capital adjustments in Fiscal 2017 was increase in inventories of ₹ 1,119.89 million which was largely due to increased finished goods in transit on account of high growth in revenues in the period of February 2017 to March 2017 as compared to the corresponding period in Fiscal 2016.

Fiscal 2016

In Fiscal 2016, net cash from operating activities was ₹ 545.35 million and the profit before income tax and working capital changes was ₹ 459.66 million and ₹ 528.28 million, respectively. The main working capital adjustments was a decrease in finished goods inventories and trade payables of ₹ 389.40 million and ₹ 120.81 million due to subdued manufacturing activity on account of capacity constraints in Fiscal 2016.

Fiscal 2015

In Fiscal 2015, net cash from operating activities was ₹ 403.77 million and the profit before income tax and working capital changes was ₹ 725.30 million and ₹ 806.30 million, respectively. The main working capital adjustments was increase in inventories of ₹ 519.19 million and decrease of trade receivables of ₹ 531.48 million in Fiscal 2015.

Investing Activities

Nine Months ended December 31, 2017

Net cash used in investing activities was ₹ 221.67 million in the nine months ended December 31, 2017, primarily on account of purchase of property, plant and equipment of ₹ 467.22 million towards setting-up of the proposed new processing facility at Kothapatnam, Nellore. This was significantly offset by proceeds from disposal of investments of ₹ 228.29 million.

Fiscal 2017

Net cash used in investing activities was ₹ 443.50 million in Fiscal 2017, primarily on account of purchase of property, plant and equipment of ₹ 554.41 million largely towards the setting-up on the processing facility at J Thimmapuram. This was partly offset by non-controlling interests of ₹ 88.94 million and interest income of ₹ 26.87 million.

Fiscal 2016

Net cash used in investing activities was ₹ 570.73 million in Fiscal 2016, primarily on account of purchase of property, plant and equipment of ₹ 541.22 million largely towards capacity addition and renovation of the existing facilities at Marikavalasa and Ethakota and proceeds from purchase of investments of ₹ 39.81 million. This was partly offset by interest income of ₹ 25.94 million.

Fiscal 2015

Net cash used in investing activities was ₹ 13.85 million in Fiscal 2016, primarily on account of purchase of property, plant and equipment of ₹ 55.83 million. This was significantly offset by proceeds from disposal of investments of ₹ 43.60 million.

Financing Activities

Nine Months ended December 31, 2017

Net cash used in financing activities was ₹ 167.30 million, primarily due to repayment of short-term borrowings of ₹ 227.55 million and finance costs of ₹ 83.31 million. This was significantly offset by proceeds from long-term borrowings of ₹ 120.00 million.

Fiscal 2017

Net cash from financing activities was ₹ 710.09 million, primarily due to proceeds from short-term borrowings of ₹ 809.50 million. This was partly offset by finance costs of ₹ 76.42 million.

Fiscal 2016

Net cash from financing activities was ₹ 39.17 million, primarily due to proceeds from short-term borrowings of ₹ 63.20 million and proceeds from long-term borrowings of ₹ 30.00 million. This was significantly offset by finance costs of ₹ 48.39 million.

Fiscal 2015

Net cash used in financing activities was ₹ 402.85 million, primarily due to repayment of short-term borrowings of ₹ 360.91 million and finance costs of ₹ 43.64 million. This was partly offset by MTM gain on forward contract of ₹ 6.45 million.

Indebtedness

As of December 31, 2017, our total indebtedness was ₹ 952.06 million (with long-term borrowings of ₹ 120.00 million and short term borrowings of ₹ 832.06 million) representing a debt to equity ratio of 0.04. For further information regarding our indebtedness, see “*Financial Statements*” and “*Financial Indebtedness*” on pages 196 and 379, respectively.

The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2017, and our repayment obligations in the periods indicated:

Particulars	As of December 31, 2017				
	Payment due by period				
	(₹ million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Long Term Borrowings					

Particulars	As of December 31, 2017				
	Payment due by period				
	(` million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Non-Convertible Debentures	-	-	-	-	-
-Secured and partly paid-up	-	-	-	-	-
-Unsecured	-	-	-	-	-
Compulsorily convertible debentures (unsecured)	-	-	-	-	-
Term loans (secured)	120.00	-	10.20	45.60	64.20
Term loans (unsecured)	-	-	-	-	-
Deferred value added tax (unsecured)	-	-	-	-	-
Total long term borrowings	120.00	-	10.20	45.60	64.20
Short Term Borrowings					
Secured	832.06	832.06	-	-	-
Unsecured	-	-	-	-	-
Total Short Term Borrowings	832.06	832.06	-	-	-
Total Borrowings	952.06	832.06	10.20	45.60	64.20

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. Specifically, we require consent for changes in our capital structure, change in our shareholding, incurring further indebtedness and undertaking capital expenditure.

Contingent Liabilities and Off-Balance Sheet Arrangements

As of December 31, 2017, our contingent liabilities as per Ind AS-37 that have not been provided for were as follows:

Particulars	Amount
	(` million)
Stand by Letter of Credit	132.09
Claims against the Company not acknowledged as debt	31.17
Bank guarantee	0.72
Corporate guarantee	8.20
Total	172.18

For further information on our contingent liabilities, see Note 40 of our Restated Consolidated Financial Statements on page 322.

Except as disclosed in our Restated Standalone Financial Statements or our Restated Consolidated Financial Statements or otherwise in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

In order to minimize any adverse effects on our financial performance, we use derivative financial instruments, such as foreign exchange forward contracts to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. For information, see Note 52 of our Restated Consolidated Financial Statements on page 334.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of December 31, 2017, aggregated by type of contractual obligation:

Particulars	As of December 31, 2017				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹ million)				
Contractual obligations (Works Contract)	210.07	210.07	-	-	-
Capital (Finance) Lease obligations	-	-	-	-	-
Operating Lease obligations	54.15	10.95	24.60	18.60	-
Other long term liabilities	-	-	-	-	-
Total Contractual Obligations	264.22	221.02	24.60	18.60	-

Capital Expenditures

As of March 31, 2015, 2016, 2017 and as of December 31, 2017, our capital expenditure towards additions to fixed assets (property, plant and equipments and intangible assets) were ₹ 55.83 million, ₹ 541.22 million, ₹ 554.41 million and ₹ 467.22 million, respectively. The following table sets forth our fixed assets as of March 31, 2015, 2016 and 2017 and as of December 31, 2017:

Particulars	Fiscal			Nine Months ended December 31, 2017
	2015	2016	2017	
	(₹ million)			
Property, plant and equipments	245.24	257.36	950.47	921.92
Intangible Assets	-	-	1.78	2.48
Capital Work in Progress	3.60	429.99	43.64	202.54
Intangible assets under development	-	-	-	-
Total	248.84	687.35	995.89	1,126.94

We expect to meet our capital expenditure in the next three Fiscals through a mix of internal accruals and funding from financial institutions.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily these transactions include raw material purchases from M/s. Srinivasa Marines which formed less than 1.00% of our overall raw material purchase in the last three years. For further information relating to our related party transactions, see Note 51 of our Restated Consolidated Financial Statements on page 333.

Changes in Accounting Policies

We have historically prepared our financial statements in accordance with Indian GAAP. As required under applicable law, our Company transitioned from Indian GAAP to Ind AS and for the purposes of the transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First Time Adoption of Indian Accounting Standards with April 1, 2011 being the transition date. For information relating to transition from Indian GAAP to Ind AS, see Annexure VI – Notes to Restated Consolidated Financial Statements – Note 1: First Time Adoption of Ind AS on page 294. Except as disclosed in this Draft Red Herring Prospectus, there have been no changes in our accounting policies in the last five fiscal years/ periods.

Auditor Observations

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their audit reports on the audited consolidated and unconsolidated financial statements for the last five Fiscals preceding the date of this Draft Red Herring Prospectus. In addition, our Statutory Auditors have made no reservations/ qualifications/ adverse remarks/ matters of emphasis in their examination reports on the Restated Financial Statements included in this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, liquidity risk, credit risk and inflation risk and in the normal course of our business.

Commodity Risk

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect our business and results of operations. We do not currently engage in any hedging activities against commodity price risk.

Foreign Exchange Risk

We are exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. Products that we export are paid for in foreign currency. Any appreciation in the value of the Rupee against U.S. dollar or other foreign currencies would decrease the realization of Rupee value of our products. The exchange rate between the Rupee and each of the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. Adverse movements in foreign exchange rates may adversely affect our results of operations and financial condition. Further, we are exposed to risks that arise due to any movements in exchange rates in the period between when a purchase order is placed by a customer on us to the time settlement is done of the Indian Rupee equivalent of the relevant foreign currency amount.

Liquidity Risk

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

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms of 10 days to 20 days with our customers. As of March 31, 2015, 2016 and 2017 and December 31, 2017, our trade receivables were ₹ 34.81 million, ₹ 177.76 million, ₹ 167.43 million and ₹ 980.43 million, respectively.

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a certain extent by borrowings and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current loan facilities carry interest at variable rates as well as fixed rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service term loans and to finance development of new projects, all of which in turn may adversely affect our results of operations. We do not have a policy to enter into hedging arrangements against interest rate fluctuations.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Total Turnover of each Major Industry Segment in which the Company Operated

We have one primary business activity and operate in one industry segment, which is ‘processing and export of shrimp and other seafood products’.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly in the sections “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17 and 349, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

New Products or Business Segments

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.

Future Relationship between Cost and Income

Other than as described elsewhere in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 139 and 349, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of Business

Our business exhibits seasonality of limited nature with first half generally stronger compared to the second half of the financial year.

Significant Dependence on a Single or Few Customers or Suppliers

Other than as described in this Draft Red Herring Prospectus, particularly in sections “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17 and 349, respectively, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Competitive Conditions

We operate in a competitive environment. See sections, “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 139, 115 and 17, respectively.

Significant Developments after December 31, 2017 that may affect our Future Results of Operations

Except as disclosed in this section including under “– *Significant Factors Affecting Our Results of Operations and Financial Condition*”, “*Our Business*” and “*History and Certain Corporate Matters*” on pages 352, 139 and 163, respectively, to our knowledge no circumstances have arisen since December 31, 2017, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, subject to applicable laws, our Board is authorised to borrow sums of money for the purpose of our Company, with or without security, upon such terms and conditions as the Board may think fit.

Pursuant to a resolution of the shareholders of our Company passed at the EGM held on November 23, 2017 and board resolution passed on October 26, 2017, our Board has been authorised to borrow, from time to time, any sum or sums of money, which together with the monies already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and its free reserves, provided that the total outstanding amount so borrowed shall not at any time exceed ₹ 10,000 million.

Our Company avails loans in the ordinary course of our businesses and for funding working capital requirements. In respect of the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure or change in its shareholding pattern.

Facilities availed by us

As on February 28, 2018, our Company has availed secured borrowings of ₹ 2,587.10 million on a consolidated basis. Set forth below is a brief summary of our aggregate outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on February 28, 2018:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on February 28, 2018
Term loans	337.10	140.00
Working Credit Facilities		
Fund-based working capital limits	2,000.00	188.76
Non-fund based working capital limits	250.00	33.79
Total	2,587.10	362.55

Principal terms of our borrowings availed by our Company:

Some of the principal terms of the borrowings availed by our Company on standalone basis are as follows:

- Interest:** The interest rate for our facilities is typically the base rate of a specified lender and plus a specified spread per annum, subject to a minimum interest rate. The spread varies among different loans and ranges from 0.55% to 1.60%.
- Tenor:** The tenor of the facilities availed by us ranges from 12 months to 84 months.
- Security:** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:
 - create a charge on the current assets of the Company;
 - create a charge on the fixed assets including creation of equitable mortgage on our Company's immovable properties consisting of certain land and buildings including our processing facilities; and
 - create charge on certain personal immovable properties of the Promoters.

In addition to the above, some of our Promoters, Directors and Key Management Personnel, namely Nekkanti Seetha Ramachandra Murty, Nekkanti Venkata Lakshmi, Nekkanti Subba Rayudu and Nekkanti Venkat Rao, and a director of our Subsidiary has provided personal guarantees in relation to the facilities availed by us. Also, our Company has provided corporate guarantee for a term loan facility availed by Nekkanti Mega Food Park Private Limited.

Additionally, 8,895,000* Equity shares held by one of our Promoters, namely, Nekkanti Seetha Ramachandra Murty have been pledged for securing the loans availed by our Company from SBI. Furthermore, 30% shares of

our Subsidiary, namely Nekkanti Mega Food Park Private Limited is required to be pledged in dematerialised form for securing the loans availed from Yes Bank Limited, with a non-disposal undertaking on the balance shareholding.

** Through its letter dated March 1, 2018, the SBI has, among other things, indicated that 355,800 equity shares of our Company having a face value of ₹ 10 each were pledged in its favour. SBI has further indicated that such pledged equity shares would amount to 1,779,000 Equity Shares (having a face value of ₹ 2 each), in light of the split in the face value of the equity shares of our Company. Taking into account the bonus issue of Equity Shares dated December 31, 2017, the number of the aforesaid pledged Equity Shares should increase to 8,895,000 Equity Shares. For details of the split in face value of the Company's equity shares and the subsequent bonus issue, see “- History of equity share capital of our Company.” on page 82.*

4. **Repayment:** The working capital and the term loan facilities availed by us, are repayable on demand of the lender and in quarterly instalments, respectively.
5. **Pre-payment:** The term loan availed by us has a prepayment provision which allows for prepayment, subject to a prepayment penalty of 2.0% of the facility amount if the amount is pre-paid from sources other than internal accruals.
6. **Penalty:** The working capital facility availed by us contains a provision prescribing a penalty for, *inter-lia*, overdue interest/instalment and, non-submission of stock statement and audited balance sheet within a specified period mentioned in the facility.
7. **Events of Default:** The term loan facility availed by us contain a provision wherein the bank has a right to recall and/or reprice the facility in case of downward revision in external rating below investment grade, withdrawal of external rating or external rating is below investment grade during the tenure of the facility.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and Subsidiaries. We are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by us, are not triggered.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, Promoters or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, Promoters or Group Companies; (iii) claims related to direct or indirect tax involving our Company, Subsidiaries, Directors, Promoters or Group Companies (disclosed in a consolidated manner giving the total number of claims and total amounts involved); or (iv) other pending litigations involving our Company, Subsidiaries, Directors, Promoters or Group Companies, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated against our Company for economic offences; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus; (v) prosecutions filed against (whether pending or not); fines imposed against; or compounding of offences under the Companies Act done by our Company and our Subsidiaries, in the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus; (vi) litigation or legal action, pending or taken against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the date of this Draft Red Herring Prospectus; (vii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy, in accordance with the SEBI ICDR Regulations; and (viii) outstanding dues to small scale undertaking and other creditors; (ix) overdues or defaults to banks or financial institutions by our Company; and (x) litigation involving any other person whose outcome could have material adverse effect on the position of our Company.

Our Board, in its meeting held on March 7, 2018 has adopted the Materiality Policy for the purposes of disclosure in the DRHP, the RHP and Prospectus in accordance with the SEBI ICDR Regulations. In terms of the Materiality Policy, all pending litigation involving our Company, Subsidiaries, Directors, Promoters and Group Companies, other than criminal proceedings (which are to be disclosed individually), statutory or regulatory actions and taxation matters (which would be disclosed in consolidated manner in accordance with the SEBI ICDR Regulations), would be considered 'material' for the purposes of disclosure in this Draft Red Herring Prospectus if: (i) the aggregate monetary amount of claim involved, whether by or against the Company, its Directors, Promoters, Group Companies and Subsidiaries, in any such pending litigation is in excess of 2% of consolidated profit after tax of the Company, as per the last annual restated audited consolidated financial statements of the Company or (ii) such pending litigation is material from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation.

Further, in terms of the Materiality Policy, our Company considers creditors to whom the amount due exceeds 10% of the trade payables of our Company as per the last annual restated audited consolidated financial statements of the Company, as 'material' creditors for the purpose of disclosures in this Draft Red Herring Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, Subsidiaries, Directors, Promoters or Group Companies shall not be considered as litigation until such time that our Company or any of its Subsidiaries, Directors, Promoters or Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or government authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings initiated against our Company

The following criminal proceeding has been initiated and are pending against certain of our Director or

employees, in their respective official capacities:

1. Pursuant to an enquiry by the Inspector of Factories, Rajahmundry and Andhra Pradesh Pollution Control Board, in connection with the alleged suffocation of workers in our J. Thimmapuram unit who were subsequently hospitalised, a show cause notice was issued to Vundavallu Gopi Chand, manager of J. Thimmapuram unit of our Company and Nekkanti Seetha Ramachandra Murty, one of our Promoters in his capacity as the occupier of the factory premises. Our Company has responded to the Inspector of Factories, Kakinada, stating *inter alia*, that our Company had adhered to the instructions of the Joint Collector, East Godavari. Subsequent to the response, Inspector of Factories, Kakinada issued summons dated January 11, 2018 to Vundavallu Gopi Chand, manager of J. Thimmapuram unit of our Company and our Promoter Nekkanti Seetha Ramachandra Murty for seeking his appearance before the court of Additional Judicial First Class Magistrate, Peddapuram under section 62 of Criminal Procedural Code, 1973. The matter is currently pending.

Criminal proceedings initiated by our Company

As on date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

B. Pending action by statutory or regulatory authorities against our Company

1. A show cause notice dated November 9, 2017 (“**Notice**”) was issued by the Andhra Pradesh Pollution Control Board, Zonal Office, Vishakhapatnam (“**Board**”) to our Company in relation to a complaint filed by Shri Shanti Signature Block, A&B Flat Owners Welfare Association (“**Complainant**”) under the provisions of the Water (Prevention and Control of Pollution) (Amendment) Act, 1988 and the Air (Prevention and Control of Pollution) Amendment Act, 1987 alleging the pollution caused by our Marikavalasa processing facility which is located near the apartment of Complainant. The Board had issued certain directions to our Company based on the findings of External Advisory Committee (task force) requiring us to, *inter alia*, (i) restrict to consented quantity and not manufacture more than the consented quantity i.e., 4 tons/day at any point of time; (ii) transport the shrimp heads to the re-processing units immediately i.e., on the day of generation and the unit and not to store the heads more than a day in the premises and to take all necessary preventive measures with regard to storage of shrimp head waste until its final disposal; (iii) implement odour control systems to control odour nuisance problem to the surrounding area. Our Company has replied to the Notice by its letter dated February 18, 2018 and has requested the Board to exempt our Company from task force directions as mentioned above. No further communication has been received by our Company in relation to this Notice.
2. A show cause notice dated February 9, 2018 (“**Notice**”) was issued by Andhra Pradesh Pollution Control Board, Zonal Office, Vishakhapatnam (“**Board**”) to our Company, in connection with the Ethakota facility for alleged non- compliance with the CFO conditions and not meeting Board standards, under the provisions of Water (Prevention and Control of Pollution) (Amendment) Act, 1988 and the Air (Prevention and Control of Pollution) (Amendment Act), 1987. The Board issued certain directions to our Company, *inter alia*, requiring us to, (i) to regularly operate the ETP and ensure the ETP outlet shall meet the Board standards; (ii) maintain sludge drying beds in working conditions; and (iii) maintain log books for flow meters provided at raw water intake and at the ETP inlet and outlet. Our Company has replied to the Notice by its letter dated February 14, 2018 and has requested the Board to exempt our Company from task force directions. No further communication has been received by our Company in relation to this Notice.
3. A show cause notice dated October 29, 2016 (“**Notice**”) was issued by Office of the Deputy Chief Inspector of Factories, Kakinada, Factories Department, Government of Andhra Pradesh (“**Department**”) to our Company, Nekkanti Seetha Ramachandra Murty one of our Promoters in his capacity as the occupier and Vundavallu Gopi Chand, the manager of our J. Thimmapuram unit pursuant to the inspection of our factory in J. Thimmapuram on October, 2016 by the Department along with Inspector of Factories, Rajahmundry. The Notice alleged non- compliance with the provisions of the Factories Act and the rules thereunder, for *inter alia*, (i) our failure to provide sufficient air circulation, exhaust system which led to various workers of our factory suffering with suffocation while working in pre-processing hall and which resulted as anoxia and hospitalisation of workers; (ii) factory premises been taken into use with additional

construction and installation without obtaining previous permission in writing approving the plans from Director of Factories, Hyderabad; (iii) compressor room ventilators provided with RCC mesh instead of keeping it open for air circulation. Our Company has replied to the Notice by its letter dated November 14, 2016 and has requested the Deputy Chief Inspector of Factories to reconsider the matter. No further communication has been received by our Company in relation to this Notice.

C. *Tax proceedings against our Company*

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (in ₹ million)*
Direct Tax		
Income Tax	5	37.34
Sub-total (A)	5	37.34
Indirect Tax		
Service Tax	1	0.73
Sub-total (B)	1	0.73
Total (A+B)	6	38.07

* Does not include any penalty or interest that may be levied.

D. *Material outstanding litigation involving our Company*

Material civil litigation initiated against our Company

Based on the Materiality Policy, as on date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Company.

Material civil litigation initiated by our Company

Based on the Materiality Policy, as on date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Company.

E. *Proceedings initiated against our Company for economic offences*

As on date of this Draft Red Herring Prospectus, there are no proceedings initiated against our Company for economic offences.

F. *Default and non – payment of statutory dues*

There are no pending defaults and non – payment of statutory dues by our Company.

G. *Material frauds against our Company*

As on date of this Draft Red Herring Prospectus, there are no acts of material frauds committed against our Company during the past five years.

H. *Details of any inquiry, inspection or investigation initiated or conducted, prosecutions filed (whether pending or not), fines imposed or compounding of offences done under the Companies Act, 2013 or the Companies Act, 1956*

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company, nor have any prosecutions been filed, fines imposed, or compounding of offences done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus.

I. *Outstanding litigation against any other persons whose outcome could have an adverse effect on our Company.*

There are no outstanding litigation against any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

J. *Outstanding dues to small scale undertakings or any other creditors*

As of December 31, 2017, our Company owed outstanding dues of ₹ 334.76 million (including year-end provisions amounting to ₹ 33.48 million) to a total of 437 creditors.

The details pertaining to amounts due towards creditors as on December 31, 2017 are available on the website of our Company at the link: www.nekkantiseafoods.com/investors-creditors

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.nekkantiseafoods.com, would be doing so at their own risk.

In terms of the Materiality Policy, our Company has one material creditor as of December 31, 2017 as outlined below:

Name of creditor	Amount (₹million)
Navayuga Engineering Company Limited	47.52

Further based on available information regarding status of the creditors as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as of December 31, 2017, our Company did not owe any dues to any small scale undertakings. Further, our Company has not received any intimation from any of our creditors regarding their status as micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. With respect to other creditors apart from as disclosed above, as of December 31, 2017.

II. *Litigation involving our Subsidiaries*

A. *Outstanding criminal proceedings involving our Subsidiaries*

As on date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings involving our Subsidiaries.

B. *Pending action by statutory or regulatory authorities against our Subsidiaries*

As on date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Subsidiaries.

C. *Tax proceedings against our Subsidiaries*

As on date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against our Subsidiaries.

D. *Material outstanding litigation involving our Subsidiaries*

Based on the Materiality Policy, as on date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations involving our Subsidiaries.

E. *Details of any inquiry, inspection or investigation initiated or conducted, prosecutions filed (whether pending or not), fines imposed or compounding of offences done under the Companies Act, 2013 or the Companies Act, 1956 or any other material compounding*

In the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Subsidiaries, nor have any prosecutions been filed, fines imposed, or compounding of offences done by our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956. Further, no other material compounding of offences has been done by our Subsidiaries.

III. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

For details of outstanding criminal proceedings against Nekkanti Seetha Ramachandra Murty, our Chairman and Whole-time Director see “- Pending action by statutory or regulatory authorities against our Company” and “- Criminal proceedings initiated against our Company” on pages 382 and 381, respectively.

B. Pending action by statutory or regulatory authorities against our Directors

Except as described in “- Pending action by statutory or regulatory authorities against our Company” and “- Criminal proceedings initiated against our Company” on pages 382 and 381, respectively, there are no pending action by statutory or regulatory authorities against our Directors.

C. Tax proceedings against our Directors

As on date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against our Directors.

D. Material outstanding litigation involving our Directors

Material civil litigations initiated against our Directors

As on date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Directors.

Material civil litigations initiated by our Directors

As on date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Directors.

IV. Litigation involving our Promoters

A. Outstanding criminal proceedings involving our Promoters

Except as described in “- Pending action by statutory or regulatory authorities against our Company” and “- Criminal proceedings initiated against our Company” on pages 382 and 381, respectively, there are no outstanding criminal proceedings involving our Promoters.

B. Pending action by statutory or regulatory authorities against our Promoters

Except as described in “- Pending action by statutory or regulatory authorities against our Company” and “- Criminal proceedings initiated against our Company” on pages 382 and 381, respectively, there are no outstanding action by statutory or regulatory authorities against our Promoters.

C. Tax proceedings against our Promoters

As on date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against our Promoters.

D. *Material outstanding litigation involving our Promoters*

As on date of this Draft Red Herring Prospectus, there are no material civil litigations involving our Promoters.

E. *Litigation or legal action by the Government of India or any statutory authority involving our Promoters in last five years*

1. A show cause notice dated May 30, 2015 (“**Notice**”) was issued by Office of the Deputy Chief Inspector of Factories, Kakinada, Factories Department, Government of Andhra Pradesh (“**Department**”) to our Company, Nekkanti Seetha Ramachandra Murty, one of our Promoters in his capacity as the occupier and Narayan Nagarajan, the manager of our Ethakota facility, in relation to alleged accidental leakage of cooling coils in the factory which resulted in injuries to three workers. Our Company replied to this Notice stating the compliances that had been made in the facility and *inter alia*, paid the penalty of ₹0.6 million to the family of the employees.

Also, see “- Pending action by statutory or regulatory authorities against our Company” and “- Criminal proceedings initiated against our Company” on pages 382 and 381, respectively.

V. *Litigation involving our Group Companies*

A. *Outstanding criminal proceedings involving our Group Companies*

As on date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings involving our Group Companies.

B. *Pending action by statutory or regulatory authorities against our Group Companies*

As on date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Group Companies.

C. *Tax proceedings against our Group Companies*

As on date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against our Group Companies.

D. *Material outstanding litigation involving our Group Companies*

As on date of this Draft Red Herring Prospectus, there are no material outstanding litigation involving our Group Companies.

VI. *Material developments since the last balance sheet date*

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after December 31, 2017 that may affect our Future Results of Operations*” on page 378, there have been no developments subsequent to December 31, 2017 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the material approvals listed below, our Company can undertake the Offer, and our Company and Subsidiaries, as mentioned below, can respectively undertake their current business activities. Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details of the regulatory and legal framework within which we operate, see “*Regulations and Policies*” on page 157.

A. Approvals relating to the Offer

For the approvals and authorisations obtained by our Company, see “*Other Regulatory and Statutory Disclosures – Authority for this Offer*” on page 389.

B. Corporate Approvals

1. Initial certificate of incorporation dated September 14, 1983, issued by the then Registrar of Companies, Andhra Pradesh to our Company in the name of ‘Nekkanti Sea Foods Private Limited’ and fresh certificate of incorporation dated March 21, 1986, issued by the then Registrar of Companies, Andhra Pradesh, pursuant to change of name of our Company to ‘Nekkanti Sea Foods Limited’.
2. Corporate identity number – U05005AP1983PLC004128.
3. Permanent account number – AAACN4664J, issued by the Income Tax Department, Government of India.
4. Tax deduction account number – HYDN00058C, issued by the Income Tax Department, Government of India.
5. GST identification number – 37AAACN4664J1Z7.

C. Business and Operations related Approvals

We are involved in the business of processing of shrimp in the facilities owned by us. For details, see “*Our Business - Overview*” on page 139.

In view of our business model, our Company and Subsidiaries are required to obtain various approvals, licenses and registrations in relation to our business. Such approvals, licenses and registrations may differ on the basis of location, as well the nature of facilities, provided at each of our processing facilities. The material approvals typically required for the operation of our business are:

Business-related approvals

- (i) *Registration under the Factories Act:* For our processing facilities, we are required to obtain and maintain a license to operate a factory under the Factories Act and rules framed thereunder by relevant state governments. The terms of this license typically provide for the maximum number of persons that may be employed in a facility on a daily basis and the maximum motive power that may be utilised in a facility (on a regular or standby basis). This license is generally valid for until it is cancelled.
- (ii) *Registration under the MPEDA Act:* We are required to obtain certificates of registrations for each of our processing plants, peeling sheds and storage premises, forming part of our processing facilities and a certificate of registration as an exporter under the MPEDA Act and required to obtain a registration-cum-membership certificate from the Marine Products Export Development Authority. We need to comply with the conditions laid down in the MPEDA Act, the MPEDA Rules and such conditions as may be specified in the certificates of registrations. Such registrations are granted for a period mentioned therein, beyond which an application must be made for renewal.

- (iii) *Approval under the EQCI Act:* We are required to obtain a certificate of approval under the EQCI Act read with Export of Fresh, Frozen and Processed Fish and Fishery Products (Quality Control, Inspection and Monitoring) Rules for each of our processing facilities involved in the activities related to freezing and processing of fish and fishery products. A license once granted, is typically valid for two years. Also, we are also required to have a technologist, duly approved by the Export Inspection Agency, at each of our processing facilities.
- (iv) *Licensing and Registration under FSS Act:* We are required to obtain a licence under the FSS Act read with Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations for each of our processing facilities to carry on our food businesses. We are required to ensure compliance with all relevant provisions of the FSS Act and regulations, as applicable.
- (v) *Environmental approvals -* We are required to obtain consents/ authorisations under the Water Act, Air Act, Hazardous Waste(s) Rules, from the relevant state pollution control boards where such processing facilities are situated. These consents/ authorisations may also prescribe additional conditions that would need to be complied with. Such authorisations are valid for the period mentioned therein, subject to renewals, as applicable.
- (vi) *Building and fire-safety related approvals:* We are required to obtain building plan approvals and occupancy certificates from local authorities, as applicable, for our processing facilities. Further, we are also required to obtain no-objection certificates for our processing facilities from relevant fire services departments, as applicable. Such no-objection certificates are valid for a period of one-year.

We currently hold all the aforementioned material approvals, as applicable, for each of our processing facilities, except for a no-objection certificate from the concerned fire services department for our processing facility situated at Ethakota, Andhra Pradesh, for which an application dated February 28, 2018 has been made by our Company and is currently pending.

D. Registrations under Employment and Labour Laws:

Our Company has obtained the necessary registrations and approvals, as applicable, for our processing facilities and offices under various labour laws including those governing employee provident funds, employee state insurance and certificate of registration of establishment under the Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returned under various Labour Laws by certain Establishments) Act, 2015. Some of these registrations are one-time registrations while certain others are valid for a fixed period, as specified therein in the registration certificates. Currently, all such registrations are valid and subsisting.

E. Foreign trade related approvals:

Our Company has obtained importer-exporter code number 2688000179, issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India on April 1, 1988.

F. Intellectual Property related approvals

For details of trademarks applied by our Company, see “*Our Business – Intellectual Property Rights*” on page 155.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- Our Board has authorised the Offer pursuant to its resolution dated January 19, 2018;
- The shareholders of our Company have authorised the Offer by a special resolution at the EGM held on February 14, 2018 and authorised the Board and the IPO Committee to take decisions in relation to the Offer.
- The Offer for Sale has been authorised by the Selling Shareholders as set forth in “*The Offer*” on page 71.
- The Board has taken on record the Offer for Sale pursuant to its resolution dated March 7, 2018.
- The Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated March 7, 2018 and the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolution dated March 12, 2018.
- In-principle approval for the listing of our Equity Shares from NSE dated [●].
- In-principle approval for the listing of our Equity Shares from BSE dated [●].

Prohibition by SEBI or other Authorities

We confirm that our Company, Promoters, members of our Promoter Group, Directors and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any authorities. Each Selling Shareholder confirms in respect of itself that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market in any manner, including with any securities market related business. No actions have been initiated by SEBI against our Directors or entities with which our Directors are involved in as promoters and/ or directors.

Prohibition with respect to wilful defaulters

None of our Company, the Selling Shareholders, our Directors, our Promoters, relatives of our Promoters (as defined in the Companies Act, 2013), members of our Promoter Group, Subsidiaries or Group Companies have been identified as wilful defaulters as defined under the SEBI ICDR Regulations. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations, which states as follows:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), 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 restated and consolidated basis during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same Fiscal Year in terms of issue size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding Fiscal Year; and
- Our Company did not change its name in the last one year.

The Company's net worth, net tangible assets, monetary assets and average pre-tax operating profit derived from our Restated Standalone Financial Statements, as at and for the preceding five Fiscal Years are as stated below:

(In ₹ million, except percentage values)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net worth ⁽¹⁾	2,161.63	1,616.17	1,327.23	857.02	531.72
Net tangible assets ⁽²⁾	2,212.96	1,677.52	1,430.33	911.48	551.31
Monetary assets ⁽³⁾	60.65	55.08	26.10	35.43	13.27
Monetary assets as a % of net tangible assets	2.7%	3.3%	1.8%	3.9%	2.4%
Pre-Tax Operating Profit ⁽⁴⁾	706.81	462.61	693.57	527.42	169.08

Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2017, 2015 and 2014) out of the immediately preceding five years is ₹ 642.60 million.

(1) 'Net Worth' means aggregate of Equity Share capital and other equity.

(2) 'Net tangible assets' means the restated non-current assets (excluding the intangible assets) plus the current assets and deferred tax liability as reduced by the sum of non-current liabilities and current liabilities.

(3) 'Monetary assets' is the aggregate of cash on hand and balance with banks (including the bank deposits and interest accrued thereon).

(4) 'Pre-tax operating profit' is the aggregate of profit / (loss) before tax as restated, finance costs, other income, forex loss, derivative loss, donations and CSR expense, loss on sale of assets.

The Company's net worth, net tangible assets, monetary assets and average pre-tax operating profit derived from our Restated Consolidated Financial Statements, as at and for the preceding five Fiscal Years are as stated below:

(In ₹ million, except percentage values)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net worth ⁽¹⁾	2,145.87	1,601.97	1,313.90	845.12	520.27
Net tangible assets ⁽²⁾	2,286.18	1,663.36	1,417.00	899.58	539.86
Monetary assets ⁽³⁾	133.86	55.57	26.10	35.43	13.27
Monetary assets as a % of net tangible assets	5.9%	3.3%	1.8%	3.9%	2.5%
Pre-Tax Operating Profit ⁽⁴⁾	704.16	462.61	693.57	527.42	169.08

Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2017, 2015 and 2014) out of the immediately preceding five years is ₹ 641.72 million.

(1) 'Net Worth' means aggregate of Equity Share capital and other equity.

(2) 'Net tangible assets' means the restated non-current assets (excluding the intangible assets) plus the current assets and deferred tax liability as reduced by the sum of non-current liabilities and current liabilities.

(3) 'Monetary assets' is the aggregate of cash on hand and balance with banks (including the bank deposits and interest accrued thereon).

(4) 'Pre-tax operating profit' is the aggregate of profit / (loss) before tax as restated, finance costs, other income, forex loss, derivative loss, donations and CSR expense, loss on sale of assets.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be refunded. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company is in compliance with the conditions specified under Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

The working capital requirements under our Objects will be met through the Net Proceeds to the extent of ₹ 1,850 million, internal accruals and bank finance. Accordingly, we confirm that we are in compliance with the 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 Net Proceeds.

DISCLAIMER CLAUSE OF 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 TO MEAN 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 BOOK RUNNING LEAD MANAGER, BEING MOTILAL OSWAL INVESTMENT ADVISORS 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, AND THE SELLING SHAREHOLDERS WILL BE SEVERALLY AND NOT JOINTLY RESPONSIBLE ONLY FOR THE STATEMENTS EXPRESSLY MADE OR CONFIRMED BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND FOR THEIR RESPECTIVE PORTIONS OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, BEING MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 12, 2018, WHICH READS AS FOLLOWS:

WE, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, AS THE BOOK RUNNING LEAD MANAGER TO OFFER (“BRLM”), 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 IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS DATED MARCH 12, 2018 (“DRHP”) PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
 - (A) THE DRHP FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD**

OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (“SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID. – COMPLIED WITH AND NOTED FOR COMPLIANCE.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP. – COMPLIED WITH.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS’ CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP. – COMPLIED WITH AND NOTED FOR COMPLIANCE.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS’ CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT 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 OFFER FALL WITHIN THE ‘MAIN OBJECTS’ (AND OBJECTS ANCILLARY TO 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 MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH 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 OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT, AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013, AS NOTIFIED.**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR**

PHYSICAL MODE. - NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL HAVE TO BE ISSUED ONLY IN DEMATERIALIZED FORM.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – **COMPLIED WITH AND 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 THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – **COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH IND AS 24 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS, AS CERTIFIED BY, J V S L & ASSOCIATES, CHARTERED ACCOUNTANTS, PURSUANT TO ITS CERTIFICATE DATED MARCH 7, 2018.**
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). **NOT APPLICABLE.**

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. 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, THE RED HERRING PROSPECTUS AND THE PROSPECTUS. THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT ABSOLVE THE SELLING SHAREHOLDERS FROM ANY LIABILITIES TO THE EXTENT OF THE STATEMENTS EXPRESSLY MADE OR CONFIRMED BY EACH OF THEM IN THIS DRAFT RED HERRING PROSPECTUS, IN RELATION TO ITSELF AS A SELLING

SHAREHOLDER AND THE EQUITY SHARES OFFERED BY SUCH SELLING SHAREHOLDER THROUGH THE OFFER FOR SALE UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Our Company is in compliance with the following conditions specified under Regulations 4(2) and 4(5)(a) of the SEBI ICDR Regulations:

- (i) Our Company, the Selling Shareholders, our Promoters (including the persons in control of our Company), the members of our Promoter Group, and our Directors are not debarred from accessing the capital markets;
- (ii) The companies with which our Promoters (including the persons in control of our Company), and our Directors are or were involved as promoter, or director or as persons in control are not debarred from accessing capital markets under any order or direction passed by SEBI;
- (iii) Our Company has applied to the BSE and the NSE for obtaining their in-principle approvals for listing of the Equity Shares under this Offer and has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, pursuant to a resolution of our Board/ IPO Committee dated [●], the [●] shall be the Designated Stock Exchange;
- (iv) Our Company along with the Registrar to the Offer has entered into tripartite agreements dated February 16, 2018 and February 22, 2018 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
- (v) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus; and
- (vi) None of our Company, our Promoter and Directors is a Wilful Defaulter (as defined in the SEBI ICDR Regulations).

Price information of past issues handled by the BRLM

A. Motilal Oswal Investment Advisors Limited

1. Price information of past public issues handled by Motilal Oswal Investment Advisors Limited (during current financial year and two financial years preceding the current fiscal year):

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % 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.	MAS Financial Services Limited	4,600.42	459.00	18-Oct-17	660.00	28.45% [+0.71%]	35.80% [4.79%]	NA
2.	Dixon Technologies (India) Limited	5,992.79	1766.00	18-Sep-17	2,725.00	50.78% [+0.57%]	80.93% [+1.77%]	NA
3.	AU Small Finance Bank Limited	19,125.14	358.00	10-July-17	530.00	53.60% [+1.40%]	71.80% [+2.14%]	95.38% [+8.06%]
4.	GTPL Hathway Limited	4,848.00	170.00	4-July-17	170.00	-13.32% [+4.16%]	-19.09% [+1.82%]	-2.94% [+9.54%]
5.	PSP Projects Limited	2,116.80	210.00	29-May-17	190.00	21.67% [-1.18%]	68.37% [+2.63%]	103.21% [+8.17%]
6.	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	152.94% [+0.16%]	166.35% [+5.88%]	263.80% [+10.57%]
7.	BSE Limited	12,434.32	806.00	3-Feb-17	1,085.00	10.51% [+1.79%]	24.21% [+7.08%]	32.41% [+15.34%]
8.	S.P. Apparels Limited	2,391.20	268.00	12-Aug-16	275.00	27.33% [+2.24%]	17.09% [-0.54%]	51.94% [+1.11%]
9.	Parag Milk Foods Limited	7,505.37	215.00	19-May-16	217.50	17.07% [+4.97%]	48.67% [+11.04%]	38.93% [+6.59%]
10.	Pennar Engineered Building Systems Limited	1,561.87	178.00	10-Sep-15	177.95	-5.93% [+5.16%]	-11.26% [-1.11%]	-16.71% [-3.89%]
11.	Power Mech Projects Limited	2,732.20	640.00	26-Aug-15	600.00	-9.36% [+ 0.98%]	-4.63% [+0.74%]	-10.65% [- 7.15%]

Source: www.nseindia.com

Notes:

- The S&P CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
- In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹203 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹227 per equity share.

2. Summary statement of price information of past public issues handled by Motilal Oswal Investment Advisors Limited:

Fiscal Year	Total no. of IPOs	Total funds raised (in ₹million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017 – date *	5	36,683.15	NA	NA	1	2	1	1	NA	NA	1	2	NA	NA
2016-2017	4	41,000.89	NA	NA	NA	1	1	2	NA	NA	NA	2	2	NA
2015-2016	2	4,294.07	NA	NA	2	NA	NA	NA	NA	NA	2	NA	NA	NA

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 Motilal Oswal Investment Advisors Limited, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the website of Motilal Oswal Investment Advisors Limited at www.motilaloswalgroup.com.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLM

Our Company, the Selling Shareholders, our Directors 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. Each Selling Shareholder, its respective directors, affiliates, associates and officers express no opinion and accept/ undertake no responsibility for any statements, undertakings or disclosures made by the Company or any other person, including any other Selling Shareholder whether or not relating to the Company, their respective businesses, the Promoters or any financial information, other than those expressly made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered by such Selling Shareholder through the Offer for Sale. Anyone placing reliance on any other source of information, including our Company's website (www.nekkantiseafoods.com) or the respective websites of any of our Promoters, Promoter Group, Subsidiaries, Group Companies or of any affiliate of our Company and the Selling Shareholders, would be doing so at his or her own risk.

Caution

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent applicable to such Selling Shareholder) and the BRLM to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall 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, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its respective associates and affiliates may engage in transactions with, and perform services for our Company, the Selling Shareholders, Promoters, members of our Promoter Group, Group Companies, Subsidiaries, or their respective 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, Selling Shareholders, Promoters, members of our Promoter Group, Group Companies, Subsidiaries or their respective directors, affiliates or associates, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs and other eligible foreign

investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe Equity 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 him or herself about, and to observe, any such restrictions.

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 has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby 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 and the Selling Shareholders from the date thereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act, “Rule 144A”) in reliance on the exemption from registration requirements of the U.S. Securities Act provided by Rule 144A, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be 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 its filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be 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 its filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. Further, the BRLM has

also made an online filing of this Draft Red Herring Prospectus through SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular number (SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at 2nd Floor, Corporate Bhawan, GSI Post, Tattianaram Nagole, Bandlaguda, Hyderabad - 500 068.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be Allotted in the Offer. The [●] 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, with or without interest, as applicable, in accordance with applicable law.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest the application money, failing which interest shall be paid to the Bidders for the delayed period in accordance with applicable law. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend such support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officers, the BRLM, Auditors, legal counsel appointed for the Offer, banker to our Company, lenders to our Company, CRISIL, our Statutory Auditors and the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Bank(s) and Refund Bank(s) 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 Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Expert to the Offer

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

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Auditors namely J V S L & Associates, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports, both dated March 7, 2018 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, and (b) report dated March 7, 2018 on the statement of tax benefits available to the Company and its shareholders, which have been included in this Draft Red Herring Prospectus.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include fees payable to the BRLM and legal counsel, underwriting commission, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses, listing fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than listing fees, which will be paid by the Company, all other Offer related expenses shall be shared amongst the Company and the Selling Shareholders, in proportion to their respective proportion of the Equity Shares offered in the Offer, upon successful completion of the Offer. Any payments made by our Company in relation to the Offer on behalf of the Selling Shareholders shall be reimbursed by the Selling Shareholders to our Company on a pro-rata basis, in proportion to their respective proportion of the Offered Shares.

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 expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For details of the Offer related expenses, see "*Objects of the Offer*" on page 101.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer*" on page 101.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer shall 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 Offer to enable it to send refund orders or Allotment advice by registered post or speed post.

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 securities otherwise than for cash

Except as disclosed in the "*Capital Structure*" on page 82, our Company has not issued any specified securities for consideration otherwise than for cash.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue during the last ten years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply.

Performance vis-à-vis objects – Last issue of Group Companies or Subsidiaries

Neither our Subsidiaries nor our Group Companies have undertaken any public or rights issue in the ten years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Subsidiaries, Associate or our Group Companies.

Commission or brokerage on previous issues of Equity Shares

Since this is an initial public offer 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.

Previous capital issue during the previous three years by listed Group Companies and Subsidiaries

None of our Subsidiaries or Group Companies is listed on any stock exchange in India or overseas. Accordingly, the requirement to disclose details of previous issues by listed Group Companies or Subsidiaries does not apply.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as on the date of this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of 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 and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked. Investors may contact the BRLM for any complaints pertaining to the Offer.

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

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

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders Relationship Committee comprising Malineni Sobha as the chairman, Nekkanti Venkat Rao and Nekkanti Mahesh as members. For details, see “*Our Management*” on page 171.

Our Company has appointed Chandra Kanta Nayak as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Nekkanti Sea Foods Limited
D.No.15-1-37/6, G-1, Jayaprada Apartments
Nowroji Road, Maharanipecta
Visakhapatnam – 530 002
Tel.: +91 891 252 6971
Fax: +91 891 256 7504
E-mail: cs@nekkantiseafoods.com

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints against our Company. Our Company has not received any investor complaints in the three years preceding the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Red Herring Prospectus, none of the companies under the same management as that of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Changes in Auditors

Except as stated below, there have been no changes in the statutory auditors of our Company during the last three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of the statutory auditor	Date of appointment	Date of cessation	Reason for change
M/s Pendyala Sarvani & Co., Chartered Accountants	July 31, 2015	January 10, 2018	Resignation
J V S L & Associates	February 14, 2018	-	Appointment

Capitalisation of Reserves or Profits

Except for issuance of Equity Shares pursuant to bonus issues, as disclosed in “*Capital Structure*” on page 82, our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the five years preceding the date of this Draft Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice, the SEBI Listing Regulations and other terms and conditions as may be incorporated in other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Subject to applicable law, our Company and the Selling Shareholders shall bear the Offer-related costs and expenses in such manner as may be mutually agreed among them.

Ranking of the Equity Shares

The Equity Shares being offered and transferred in the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association, our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of the Articles of Association*” on page 461.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 195 and 461, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 2 each and the Offer Price is ₹ [●] per Equity Share. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band and minimum Bid lot size for the Offer, will be decided by our Company in consultation with the BRLM, and advertised in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office is located), each with wide circulation, respectively, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. 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 at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable 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 provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 461.

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. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. The Equity Shares will be traded on the dematerialised segment of the Stock Exchanges.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See "*Offer Procedure – Part B – General Information Document for Investing in Public Issues - Allotment Procedure and Basis of Allotment*" on page 449.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 409.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer equivalent to the minimum number of securities as required to comply with Rule 19(2)(b) of the SCRR), including devolvement of Underwriters as applicable, within sixty (60) days from the date of Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the 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.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the minimum Promoters' contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 82 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 461.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A) in reliance on the exemption from registration requirements of the U.S. Securities Act provided by Rule 144A, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLM, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million, comprising of a Fresh Issue of up to [●] Equity Shares by our Company aggregating up to ₹ 2,500 million and an Offer for Sale up to 8,000,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer constitutes [●]% of the post-Offer paid up Equity Share capital of our Company.

Our Company, in consultation with the BRLM, and subject to the approval of our shareholders, is considering a private placement of up to 4,500,000 Equity Shares for cash consideration aggregating up to ₹ 2,500 million, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to a minimum Offer size of 10% of the post-Offer paid-up Equity Share capital of our Company being offered to the public.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation ⁽²⁾	[●] Equity Shares.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Offer size available for Allotment/allocation	Not more than 50% of the Offer shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed ⁽³⁾	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Our Company, in consultation with the BRLM, may allocate up to 60% of	Proportionate.	In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (" Maximum RII Allottees "). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: In the event the number of Retail Individual Bidders who have submitted valid Bids in the

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.		<p>Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid lot).</p> <p>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For further details, see “Offer Procedure” on page 412.</p>
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares, such that the Bid Amount does not exceed ₹ 200,000.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Shares.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Shares.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion.
Trading Lot	One Equity Share.		
Who can Apply ⁽³⁾	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.		
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Anchor Investor Application Form by Anchor Investors ⁽⁴⁾ . In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

⁽¹⁾ Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" beginning on page 412.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer 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 Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

⁽³⁾ In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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⁾ Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Application Form, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in date as mentioned in the CAN. In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.

Bid/Offer Programme*

FOR ALL BIDDERS	OFFER OPENS ON [●]
FOR QIBs**	OFFER CLOSES ON [●]
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	OFFER CLOSES ON [●]

*Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

*** Our Company may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative 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 the Equity Shares to depository accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchanges	[•]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLM. While our Company and Selling Shareholders 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/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delays 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. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend such support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form except that:

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);
- (ii) on the Bid/Offer Closing Date:
 - (a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
 - (b) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120%

of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 issued by SEBI ("General Information Document") included below under the sub-section titled "– 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 various enactments and regulations as well as amendments to existing regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

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 the General Information Document 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 Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs subject to valid Bids being received at or above the Offer Price. Further not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer 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 Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The Equity Shares, upon listing, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Offered 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 accounts, including DP ID, Client ID and PAN, shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

All Bidders (other than Anchor Investors) are required to mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered Office. Electronic copies of the ASBA Forms will also be available for download on the websites of the Stock Exchanges, namely, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLM at least one day prior to the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall ensure that their Bids are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Bidding centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis **	White
Non-Residents including Eligible NRIs, FVCIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis **	Blue
Anchor Investors***	[●]

* Excluding electronic Bid cum Application Forms.

** Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and 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 ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled “– Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 428, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A) in reliance on the exemption from registration requirements of the U.S. Securities Act provided by Rule 144A, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the

U.S. Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and 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.

The BRLM and any persons related to the BRLM (other than mutual funds sponsored by entities related to the BRLM), the Syndicate Members, our Promoters, Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. 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 ASBA Forms from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorised by the RBI under the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2000. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their NRE or FCNR accounts for the full Bid Amount, while Eligible NRIs Bidding on a non-repatriation basis should authorise their SCSB to block their NRO accounts for the full Bid Amount.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form for non-residents, while Eligible NRIs Bidding on a non-repatriation basis are advised to use the ASBA Form for residents.

Bids by FPIs

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") pursuant to which the existing classes of portfolio investors, namely,

Foreign Institutional Investors and Qualified Foreign Investors were subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

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) is not permitted to exceed 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. For calculating the aggregate holding of FPIs in our company, holding of all registered FPIs shall be included. In terms of the above-mentioned provisions of the FEMA Regulations, the existing individual and aggregate investment limits for FPIs in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments in our Company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. 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 FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of ODIs is made by, or on behalf of it subject to the following conditions:

- (a) such ODIs are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the ODIs are to be transferred to are pre-approved by the FPI.

Bids by 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 and the Selling Shareholders reserve the right to reject any Bid without assigning any reason therefor.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, SEBI FVCI Regulations and the SEBI AIF Regulations, *inter alia*, prescribe the

investment restrictions on VCFs, FVCIs and AIFs registered with SEBI.

Accordingly, the holding in any company by any individual VCF or FVCI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to initial public offerings.

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 VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme or increase the targeted corpus of the fund or scheme after the notification of the SEBI AIF Regulations.

All Non-Resident Bidders including Eligible NRIs and FVCIs should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation. Our Company or the BRLM will not be responsible for loss, if any, incurred by any Bidder on account of conversion of foreign currency.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs, category II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing of a draft offer document with SEBI.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 are broadly set forth below:

- (i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;
- (ii) 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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, 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 (i), (ii) or (iii) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

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, the Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor 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/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (v) Our Company, in consultation with the BRLM will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. 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/Offer 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 Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer 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 Offer 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, our Promoters, members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) 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 “*Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment – Allotment to Anchor Investor*” on page 450.

Payment by Anchor Investors into the Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) for payment of their Bid Amounts in the Escrow Account in favour of:

- (i) In case of resident Anchor Investors: [●]
- (ii) In case of non-resident Anchor Investors: [●]

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from Anchor Investors.

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 and 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 Reserve Bank of India Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. 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 SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA Bids.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), Systemically Important

Non-Banking Financial Companies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company, in consultation with the BRLM, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that the Company and the BRLM deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Pursuant to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement in [●] editions of [●], an English daily newspaper, [●] editions of [●], a Hindi daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language in the state where our Registered Office is located), each with wide circulation, respectively. In the pre- Offer advertisement, we shall state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

The above information is given for the benefit of Bidders. Our Company and the Selling Shareholders, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits or maximum number of the Equity Shares that can be held by them under laws or regulations. OCBs cannot participate in the Offer.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled “– Part B – General Information Document for Investing in Public Issues” on page 426, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.
2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholders, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000. The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. In case the Bid Amount for any Bid under the Retail Portion exceeds ₹ 200,000, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Offered Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
4. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at the Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.
5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

In addition to the information provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Interest and Refunds*” on page 452.

Signing of the Underwriting Agreement and the RoC Filing

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 426, Bidders are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, 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 the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time.
6. With respect to the ASBA Bids, ensure that the ASBA Form is signed by the account holder in case the applicant is not the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
9. Ensure that you request for and receive a stamped Acknowledgement Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process for any other purpose;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a 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 Income Tax 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
17. Ensure that you tick the correct investor category and the investor status, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that for Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID and PAN available in the Depository database;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).
23. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and
24. In relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

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 or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stockinvest;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;

6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Anchor Investors should not Bid through the ASBA process;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
11. Do not submit the General Index Registration (“GIR”) number instead of the PAN;
12. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
14. 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;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
16. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;
17. 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);
18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
19. Do not submit more than five ASBA Forms per ASBA Account;
20. Do not submit ASBA Bids to a Designated Intermediary at a location other than the Bidding Centres;
21. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filling the Bid cum Application Form/ Application Form*” on page 429, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. ASBA Bids must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs or FPIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Designated Date and Allotment

- (a) Our Company will ensure that the Allotment and credit to the successful Bidder’s depository account will be

completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/Offer Closing Date or such other period as may be prescribed.

- (b) Equity Shares will be Allotted only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” on page 446, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;
2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled “ – *Who can Bid?*” on page 413;
5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
6. Bids submitted without the signature of the First Bidder or sole Bidder;
7. With respect to ASBA Bids, the ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
9. GIR number furnished instead of PAN;
10. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids by Bidders (who are not Anchor Investors) accompanied by cheques or demand drafts;
13. Bids accompanied by stockinvest, money order, postal order or cash;
14. Bids by persons in the United States; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this

context, two agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 16, 2018 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated February 22, 2018 among CDSL, the Company and Registrar to the Offer.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if the Company and/or any of the Selling Shareholders does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- That if our Company and/or the Selling Shareholders withdraw the entire or portion of the Offer after the Bid/Offer Closing Date, our Company shall be required to file an updated offer document or a fresh offer document with the RoC/ SEBI, as the case may be, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer;
- That it shall not have recourse to the Net Proceeds until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- That the complaints received in respect of the Offer shall be attended to by the Company expeditiously and satisfactorily;
- That 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/Offer Closing Date or such other period as may be prescribed by SEBI;
- if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders as per applicable laws;
- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
- That the certificates of the securities or refund orders to Eligible NRIs shall be despatched within specified time;
- That except for the Pre-IPO Placement, if any and the Fresh Issue, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- That adequate arrangement shall be made to collect all Bid cum Application Forms; and
- That we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

Each Selling Shareholder, severally and not jointly, undertakes the following:

- That it is the legal and beneficial owner of its respective portion of the Offered Shares;
- That its respective portion of the Offered Shares (a) have been held by it for a minimum period in compliance with in Regulation 26(6) of the SEBI ICDR Regulations; and (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialised form at the time of transfer;
- That it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- That it shall extend all reasonable cooperation as requested by the Company in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Equity Shares offered by them pursuant to the Offer;
- That it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- That it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law; and
- That it has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares and it shall extend reasonable cooperation to our Company and BRLM in the regard.

Utilisation of Offer proceeds

The Company and the Selling Shareholders specifically confirm and declare that all monies received out of this Offer shall be 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, as amended or replaced by the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the 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 are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the abridged prospectus of the Issuer in which they are proposing to invest through the 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 BRLMs to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. 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, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, 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

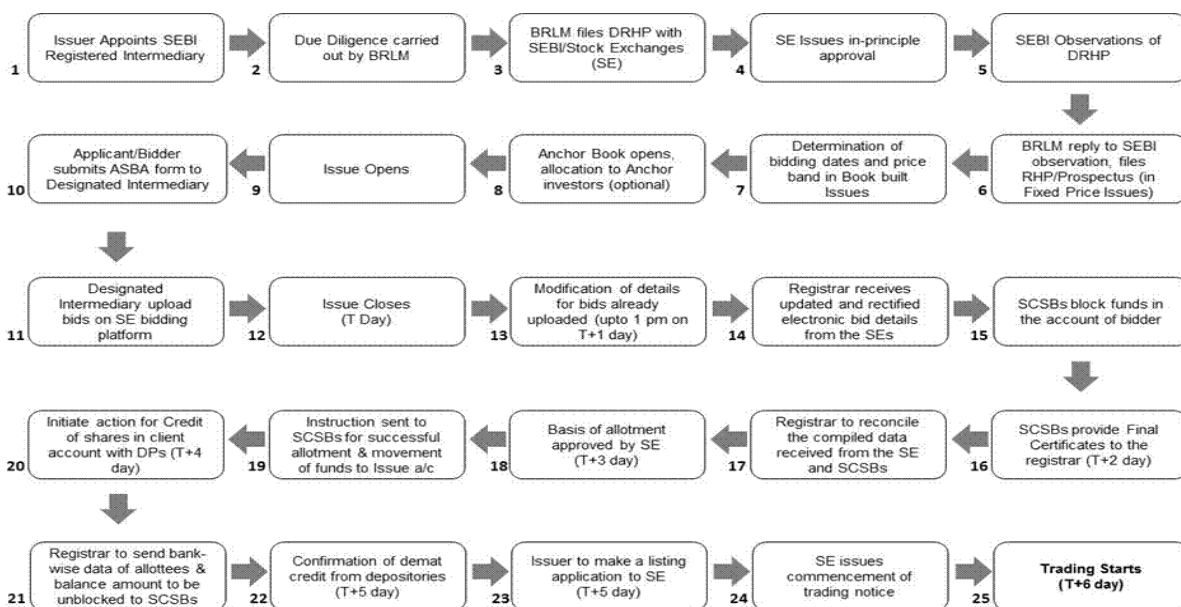
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and abridged prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of 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 BRLM(s), 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 Built 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.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to 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);
- Scientific and/or research organisations authorised in India to invest in the Equity Shares;
- FPIs (other than Category III FPIs) bidding under the QIBs category;
- Category III FPIs bidding under the Non-Institutional Bidders category;
- 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; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (*i.e.*, in case of Anchor Investors, the Anchor Investor Application Form, and in case of Bidders other than Anchor Investors, the ASBA Forms) either bearing the stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ 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 cum Bid cum Application Form, bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs and FPIs	Blue
Anchor Investors (where applicable)	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised 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:

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COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS
	Address : _____ Contact Details : _____ CIN No. _____	

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE	Bid cum Application Form No. _____
		ISEN : _____	

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Tel. No. (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROKER BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation bids) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
5. CATEGORY		

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Amount paid (₹ in figures) _____ (₹ in words) _____			
ASBA Bank A/c No. _____			
Bank Name & Branch _____			

IA. SIGNATURE OF SOLE / FIRST BIDDER	IB. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	IC. BROKER / SCSB / DP / RTA STAMP (Acknowledging option do f Bid in the Exchange system)
	1) _____ 2) _____ 3) _____	

PLEASE FILL IN BLOCK LETTERS

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 _____	Stamp & Signature of SCSB Branch
ASBA Bank A/c No. _____	
Received from Mr./Ms. _____	
Telephone / Mobile _____ Email _____	

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No. _____ Bank & Branch _____				Acknowledgement Slip for Bidder	
				Bid cum Application Form No. _____	

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COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FPIs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS
	Address : _____	Contact Details : _____	

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE	Bid cum Application Form No. _____
		ISIN : _____	

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROKER/ BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS
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")						5. CATEGORY
Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)	
Option 1						<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
OR) Option 2						
OR) Option 3						

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
Amount paid (₹ in figures) _____ (₹ in words) _____	

ASBA	
Bank A/c No.	
Bank Name & Branch	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE CIRCULAR INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (CIDI) 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)
	I/We authorize the SCSB to debit A/c as per necessary to make the Application in the line		
	1) _____		
	2) _____		

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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	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr/Ms			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				Acknowledgement Slip for Bidder
	ASBA Bank A/c No.				
Bank & Branch				Bid cum Application Form No. _____	

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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 and the Designated Intermediaries only for correspondence(s) related to the Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialised 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 NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market

irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders 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 DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the 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 unblocking of ASBA Account or for other correspondence(s) related to the 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 Investors 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 NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer and the Selling Shareholders on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII 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 Investors, 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.

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.

- (b) 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.
- (c) Bids by QIBs and NIIs 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. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders 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 Portion 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 Bidding Date and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN.

In case the Anchor Investor Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Anchor Investor Offer 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 Bids at three 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, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - (i) 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.
 - (ii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - (iii) 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 RIIs, NIIs and QIBs.
- (b) Upto 60% of the QIB Category can be allocated by the Issuer and the Selling Shareholders, 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 the 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 on the basis of the authorization in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked accordingly 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) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) are required to Bid through the ASBA process.
- (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 BRLM.
- (b) Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT.
- (c) The Escrow Collection Bank 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 authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - (iii) in physical mode to any Designated Intermediary.
- (b) ASBA Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at a Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) ASBA Bidders bidding through a Designated Intermediary other than an SCSB should note that the ASBA Forms submitted to the Designated Intermediary may not be accepted by the Designated Intermediary, 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 Bid cum Application Forms.
- (h) **ASBA 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 on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application 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 ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA 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 Bid cum Application 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 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII 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 Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

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 RII 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 ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, 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 relevant Designated Intermediary for submission of the ASBA Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.
 - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - (iii) In case of queries relating to uploading of Bids by a Designated Intermediary other than an SCSB, the Bidders/Applicants should contact the relevant Designated Intermediary.
 - (iv) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLMs in case of any other complaints in relation to the Offer.
- (d) The following details (as applicable) should be quoted while making any queries –
 - (i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.
 - (ii) name and address of the Designated Intermediary where the Bid was submitted; and
 - (iii) The ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

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 NIIs, 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) RII may revise or withdraw their bids till closure of the bidding period.
- (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.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
Address : _____ Contact Details : _____ CIN No. _____		Bid cum Application Form No. _____			
LOGO TO: THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : _____			
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Mr./Ms. _____	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		Address _____	
				Tel. No (with STD code) / Mobile _____	
				2. PAN OF SOLE / FIRST BIDDER _____	
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS _____	
				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 (Bid 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)	
		8 7 6 5 4 3 2 1		Bid Price Retail Discount Net Price "Cut-off" (Please tick)	
Option 1		1 1 1 1 1 1 1 1			
(OR) Option 2					
(OR) Option 3					
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid as "Cut-off")					
Bid Options		No. of Equity Shares; Bid (Bid 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)	
		8 7 6 5 4 3 2 1		Bid Price Retail Discount Net Price "Cut-off" (Please tick)	
Option 1		1 1 1 1 1 1 1 1			
(OR) Option 2					
(OR) Option 3					
6. PAYMENT DETAILS					
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 THIS BID REVISION FORM AND THE APPLICABLE APPLICANT'S PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC OFFER (GIDIP) AND HEREBY AGREE AND CONSENT THE BROKERS UNDERTAKING AS GIVEN OVERLEAF 4/NO (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVER LEAF 4/NO.					
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. 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 line: 1) _____ 2) _____ 3) _____			
TEAR HERE					
LOGO		XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Acknowledgement Slip for Broker/SCSB/DP/RTA	
DPID / CLID		FAN of Sole / First Bidder		Bid cum Application Form No. _____	
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.		Received from Mr./Ms.			
Telephone / Mobile		Email			
TEAR HERE					
XYZ LIMITED - INITIAL PUBLIC ISSUE - R		Option 1 Option 2 Option 3		Stamp & Signature of Broker / SCSB / DP / RTA	
No. of Equity Shares		Bid Price		Name of Sole / First Bidder	
Additional Amount Paid (₹)		ASBA Bank A/c No.		Acknowledgement Slip for Bidder	
Bank & Branch		Bid cum Application Form No.			

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:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND 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 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) 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.

- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, 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 RIIs, 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.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII 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 shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs 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 finalisation of the basis of allotment.

4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked in the ASBA Accounts. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, 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 finalisation of the basis of allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the Lead Managers to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the 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, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - (ii) For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - (i) 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.

- (ii) Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII'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 the 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 through cheques and demand drafts or in cash, through money order or through postal order or through stock invest.

4.3.5.1 Payment instructions for ASBA Applicants

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2.1 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.2 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may authorise blocking of an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION 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
Application by Anchor Investors	To the Book Running Lead Managers at the locations specified in the Anchor Investor Application Form
Applications by other Bidders	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres, or the RTA at the Designated RTA Location or the DP at the Designated CDP Locations. (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.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (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.
- (d) 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 Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 **SUBMISSION OF BIDS**

- (a) During the Bid/ Issue Period, Bidders/Applicants may approach the Designated Intermediaries to submit and register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers to register their Bids.
- (b) In case of Bidders/Applicants (excluding NIIs 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).
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 **ELECTRONIC REGISTRATION OF BIDS**

- (a) The Designated Intermediaries 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 online facilities for Book Building on a regular basis before the closure of the Issue.

- (b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus and the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given up to one day after 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 for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ 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.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until the Bid/ Issue Closing Date. In case a RII 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 finalisation of the basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to
 - (i) the Bids accepted by the Designated Intermediaries,
 - (ii) the Bids uploaded by the Designated Intermediaries, or
 - (iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the 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) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the

right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

- (e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to 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, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Applications accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;
- (b) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (i) PAN not mentioned in the Bid cum Application Form/Application Form 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;
- (j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (n) The amounts mentioned in the Bid cum Application Form/Application Form do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- (p) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (q) Bids not uploaded in the Stock Exchanges bidding system
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by Bidders (other than Anchor Investors) that are not submitted through ASBA process;
- (x) ASBA Bids/Applications submitted to a Designated Intermediary at locations other than the Bidding Centres, submitted 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;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) 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 the 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 for the QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the 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 at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
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 BRLMs may 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. RIIs, NIIs 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 Issue. 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 a Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to 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 Issue, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; 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 the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors 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 Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor 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 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 RIIs

Bids received from the RIIs 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 RIIs 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 RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs 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 RIIs 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 RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (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 NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs 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 NIIs 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 BRLMs, subject to compliance with the following requirements:
- (i) not more than 60% of the QIB Portion 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 ₹ 10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Anchor Investor Issue Price is higher than the Anchor Investor Allocation 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 Anchor Investor Issue Price and the Anchor Investor Allocation 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.
- (d) **In the event the Anchor Investor Issue Price is lower than the Anchor Investor Allocation 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) AND NIIs 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 categorised 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 Bank 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 also 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 unblock 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 AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with the Depositories, and dispatch the Allotment Advice within six Working Days of the Bid/ Offer Closing Date.

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 rates prescribed under applicable law.

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) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees 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 fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for 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 the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all subscription amounts received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

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.

8.2.3 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 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 of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date may dispatch refunds 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/Applicants' 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 DPs. Failure to do so may result in delays in dispatch of 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 Selling Shareholders, the Registrar to the Issue, the Escrow Collection Bank, 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.
- (d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic modes of making refunds to Anchor Investors

The payment of refund to Anchor Investors, if any, may be done through various modes as mentioned below:

- (a) **NACH**—Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- (b) **NEFT**— Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor's bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped

with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) **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; and
- (d) **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; and

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc., Anchor Investors may refer to RHP/Prospectus.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted by the Anchor Investor to the Escrow Collection Bank.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Draft Red Herring Prospectus, the description as ascribed to such term in the Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
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
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Allotment in terms of the Red Herring Prospectus and Prospectus.
Escrow Account	An account opened with the Escrow Collection Bank 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
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by	An application, whether physical or electronic, used by ASBA Bidders/Applicants to make a

Term	Description
Blocked Amount/ (ASBA)/ASBA	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 from, 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/Applicant
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
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 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 Bidding Date 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. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
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. Applicants/bidders 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 Bidders/Applicants (other than Anchor Investors) 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. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid 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/Applicant should be construed to mean an Bidder/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 Bid cum Application Forms/Application Form 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.
Book Running Lead Managers/ BRLMs/ Book Running Lead Managers/ Lead Managers/ LMs	The Book Running Lead Managers/ Book Running Lead Managers 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 Managers should be construed to mean the Lead Managers or LMs
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	Note or intimation of allocation of Equity Shares sent to each Anchor Investor who has been allocated Equity Shares after the Anchor Investor Bidding Date.

Term	Description
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
Category III FPI	FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Collecting Depository Participant(s) or CDP(s)	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.
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as the context requires.
Cut-off Price	Issue Price, finalised by the Issuer, in consultation with the Book Running Lead Managers, which can be any price within the Price Band. Only RIIs, 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 (other than Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations 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), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account in terms of the Red Herring Prospectus or the amounts blocked by the SCSBs are transferred from the ASBA Accounts of successful Allottees to the Public Issue Account, following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.
Designated Intermediaries	The Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations 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 promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Managers, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and 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

Term	Description
	Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009
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
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Managers.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs 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 Portion (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
NACH	National Automated Clearing House, a consolidated system of ECS.
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
Non-Institutional Investors or NIIs	All Bidders/Applicants, including Category III FPIs, 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 NIIs 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, FVCIs registered with SEBI and FPIs
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
Offer 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 Offer Price. The Offer Price may be decided by the Issuer, in consultation with the Book Running Lead Managers
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer, in consultation with the Book Running Lead Managers 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

Term	Description
	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 Managers, 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 Portion	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the 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 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.
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate.
Registrar to the Issue /RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	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 RIIs which shall not be less than the minimum bid lot, subject to availability in RII 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 indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Managers and the Syndicate Member(s)
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 Managers 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	Working Day” means all days, other than the second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business;

Term	Description
	provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/ Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, 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, “Working Day” 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

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed by the provisions of the FEMA Regulations. 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 DIPP makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA Regulations. In case of any conflict, the FEMA Regulations prevail. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued the consolidated FDI policy circular of 2017 (“**FDI Circular**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force and effect as on August 28, 2017.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the Government of India or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act, “Rule 144A”) in reliance on the exemption from registration requirements of the U.S. Securities Act provided by Rule 144A, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and 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 the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of our Articles of Association relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/ or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles of Association and capitalized/defined terms herein have the same meaning as given to them in our Articles of Association.

Article	Particulars
SHARE CAPITAL	
3.	<p>(i) The Authorized Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such terms as Board may from time to time think fit.</p> <p>(ii) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in 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 for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.</p> <p>(iii) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:</p> <p>(a) Equity share capital:</p> <ol style="list-style-type: none"> 1) with voting rights; and / or 2) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and <p>(b) Preference share capital</p>
ISSUE OF CERTIFICATE	
4.	<p>(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within such period as prescribed under the Act and Rules made thereunder and applicable regulations issued by Securities and Exchange Board of India after the application for the registration of transfer or transmission or within such other period as the conditions of issue, such person shall be provided—</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of prescribed fees or such charges as may be fixed by the Board for each certificate after the first.</p> <p>(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transferor in case of sub-division or consolidation of share certificates, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of prescribed fee as may be prescribed under the applicable law.</p> <p>(iv) The provisions of foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to any other securities including debentures (except where the Act otherwise requires) of the company.</p> <p>(v) Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>

Article	Particulars
VARIATION OF MEMBERS' RIGHTS	
6.	<p>(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p> <p>(iii) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.</p>
JOINT HOLDERS	
7.	<p>(i) Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:</p> <p>(ii) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.</p> <p>(iii) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</p> <p>(iv) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</p> <p>(v) 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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</p> <p>(vi) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.</p> <p>(vii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p> <p>(viii) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.</p>
FURTHER ISSUE OF SHARES	
8.	<p>(i) Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p> <p>(ii) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –</p> <p>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or</p> <p>(b) employees under any scheme of employees' stock option; or such other schemes as may be allowed under the Act.</p>

Article	Particulars
	<p>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</p> <p>(iii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p> <p>(iv) The company shall have a right to issue any instrument, including Global Depositary Receipt (GDR) or American Depositary Receipt (ADR).</p>
DEMATERIALISATION OF SECURITIES	
9.	<p>(i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company or its authorised agents shall further be entitled to maintain a Register of Members/ beneficial owners/ Debenture holders/ other Security holders with the details of members/Debenture holders/ other security holders holding shares, debentures or other securities both in materialised and dematerialised form in any media as permitted by the Act and the Depositories Act.</p> <p>(ii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.</p> <p>(iii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any Benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.</p> <p>(iv) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof ("Depositories Act"), shall apply.</p> <p>(v) Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, relevant provisions of Section 9 of the Depositories Act, 1996 shall apply so far as applicable.</p> <p>(vi) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.</p> <p>(vii) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject to however to the provisions of the Depositories Act, 1996.</p> <p>(viii) Provided that, nothing contained in Article 19 shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the record of the Depository.</p>
LIEN	
10.	<p>(i) The Company shall not have a lien on fully paid shares on any account whatsoever, and shall have first and paramount lien upon all partly paid up shares registered in the name of each member (whether solely or jointly with others), which shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p> <p>No member shall exercise voting rights in respect of any shares registered in his name on which calls or other sums presently payable by him, have not been paid or in regard to which the Company has exercised a right of lien</p> <p>For the purpose of enforcing such lien the Directors may sell the shares thereto in such manner as they think fit, but no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount</p>

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	<p>in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p> <p>(ii) The net proceeds of any such sale shall be applied by the Company in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p> <p>(iii) Upon any sale after forfeiture or surrender or for enforcing a lien in purported exercise for the powers herein before given, the Directors may cause the purchaser's name to be entered, in the register of members in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered, in the register 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.</p>
TRANSFER OF SHARES	
12.	<p>(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>
POWER TO DECLINE SHARES	
13.	<p>The right of members or debenture holders to transfer their shares or debentures shall be subject to the provisions of the Act. The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p> <p>Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever.</p>
TRANSMISSION OF SHARES	
15.	<p>(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.</p> <p>(ii) Nothing in clause (i) above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p> <p>Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(iii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> <p>(iv) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(v) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(vi) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p> <p>(vii) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>(viii) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.</p>

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FOREITURE OF SHARES	
16.	<p>(i) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p> <p>(ii) The notice aforesaid shall—</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p> <p>(iii) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p> <p>(iv) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(v) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> <p>(vi) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>(vii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p> <p>(viii) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ix) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(x) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(xi) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p> <p>(xii) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
ALTERATION OF CAPITAL	
17.	<p>(i) The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.</p> <p>(ii) Subject to the provisions of section 61, the company may, by ordinary resolution, —</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) sub-divide/split its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> <p>(iii) The company, by requisite resolution, and subject to the provisions of the Act and other applicable laws, may reduce:</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account;</p> <p>(c) any securities premium account; or</p> <p>(d) any other reserve in the nature of share capital.</p> <p>(iv) Where shares are converted into stock:</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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</p>

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	<p>minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</p> <p>(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.</p>
BUY-BACK OF SHARES	
19.	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.
GENERAL MEETINGS	
20.	<p>(i) All general meetings other than annual general meeting shall be called extra ordinary general meeting.</p> <p>(ii) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(iii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extra ordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>
PROCEEDINGS AT GENERAL MEETINGS	
21.	<p>(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p> <p>(ii) A general meeting may be called after giving shorter notice if consent in writing or by electronic mode, is accorded thereto-</p> <p>(a) in the case of an annual general meeting, by not less than ninety-five per cent. of the members entitled to vote thereat; and</p> <p>(b) in the case of any other general meeting, by majority in number of members entitled to vote and who represent not less than ninety-five per cent of such part of the paid-up share capital of the company as gives a right to vote at the meeting.</p> <p>Provided further that where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this sub section in respect of the former resolution or resolutions and not in respect of the latter</p> <p>(iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.</p> <p>(iv) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.</p> <p>(v) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting. The Chairperson’s decision shall be final about the proceedings of the meetings. He shall be the sole judge of the validity of every vote tendered at meetings. The Chairperson of the General Meetings, who is also the member of the Company, will have second or casting vote in case of tie.</p>
ADJOURNMENT OF MEETING	
22.	<p>(i) The Chairperson may in accordance with the applicable law, <i>suo moto</i>, adjourn the meeting from time to time and from place to place.</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the</p>

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	case of an original meeting.
(iv)	Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
PROXY	
23.	(i) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
	(ii) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
	(iii) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
	(iv) Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
BOARD OF DIRECTORS	
24.	(i) The number of Directors shall not be less than three and be not more than fifteen. The Company may, however, appoint more than 15 (fifteen) directors on the Board after passing a special resolution in a General Meeting. Directors are not required to hold any share in the company as qualification shares.
	(ii) The persons hereinafter named shall be the first Directors of the company. <ol style="list-style-type: none"> 1. Sri Nekkanti Seetha Ramachandra Murty 2. Sri Atluri Subba Rao 3. Dr. Kaza Lakshmi Narayana 4. Sri Atluri Sreeramulu Madhusudhana Rao
	(iii) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day and such remuneration shall be subject to the provisions of the Act.
	(iv) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company. (c) The Board may pay all expenses incurred in getting up and registering the company.
	(v) The company may exercise the powers conferred on it by section 88 with regard to the keeping in any country outside India a branch Register of beneficial owners residing outside India/ foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.
	(vi) All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
	(vii) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
	(viii) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
	(ix) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

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(x) (xi) (xii) (xiii) (xiv) (xv) (xvi) (xvii)	<p>The Managing Director or Managing Directors and/or Executive Director/Additional Director/Alternate Directors /Nominee Directors nominated by lenders/investors may be appointed by the Board for such period and with such powers and with such remuneration (whether by way of salary, perquisites, commission or participation in profits or partly in one way and partly in another) as may be determined by the board.</p> <p>The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> <p>An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p> <p>If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p> <p>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, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p> <p>The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p> <p>If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.</p> <p>Any deed for securing loans by the Company from financial corporation’s may be so arranged to provide for the appointment from time to time by the lending financial corporation of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re-appoint any Director so appointed. A Director appointed under this Article is herein referred as “Nominee Director” and the term “Nominee Director” means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending corporation and all such provisions shall have effect notwithstanding any of the other provisions herein contained.</p>
PROCEEDINGS OF THE BOARD	
26.	<p>(i) Subject to the provisions of the Act, the Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.</p> <p>(iii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p> <p>(iv) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>(v) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. 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.</p> <p>(vi) Quorum for Board of Directors meeting shall be two Directors or one-third of the total strength, any fractions contained in that one third being rounded as one, whichever be higher.</p> <p>(vii) 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</p>

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	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.
(viii)	(a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (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 directors present may choose one of their member to be Chairperson of the meeting.
(ix)	(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. (c) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
(x)	A committee may elect a Chairperson of its meetings.
(xi)	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.
(xii)	(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.
RETIREMENT AND ROTATION OF DIRECTORS	
27.	(i) All the Directors, excluding Independent Directors, Nominee Directors, will be the Directors who are liable to retire by rotation (hereinafter called "the Rotational Directors"). (ii) At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office. (iii) The Company may appoint a Managing or a Whole-time Director, or any other Executive Director, as Rotational Director. The terms of appointment of such Director may provide that, where the General Meeting at which such Rotational Director comes for reappointment and re-appoints at the General Meeting, his position as Managing Director or a Whole-time Director, or any other Executive Director shall continue without any break. (iv) A retiring Director shall be eligible for re-appointment. (v) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. (vi) Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held. (vii) The board may from time to time at their discretion, subject to the provisions of the Act, raise or borrow money either from the bankers, Directors or from elsewhere and secure the payment of any such sum or sums of money for the purposes of the Company. (viii) The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit, and in particular, the issue of bonds perpetual or redeemable, debentures, or any mortgage, charge or other security on the under-taking or the whole or any part of the

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	<p>property of the company (both present and future) including its uncalled capital for the time being.</p> <p>(ix) Subject to the provisions of the Act, —</p> <p>(a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of the resolution of the Board;</p> <p>(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>
EXERCISE OF VOTING RIGHTS INCLUDING ELECTRONIC MEANS	
28.	<p>(i) Subject to any rights or restrictions for the time being attached to any class or classes of shares, —</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll or on e-voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p> <p>(ii) Where a poll is to be taken the Chairperson of the meeting shall appoint one or more scrutinizers to scrutinize the votes given on the poll and to report thereon to him/her. The Chairperson shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of the scrutinizers arising from such removal or from any other cause.</p> <p>(iii) Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.</p> <p>(iv) Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.</p> <p>(v) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.</p> <p>(vi) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.</p> <p>(a) 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.</p> <p>(b) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p> <p>(vii) 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.</p> <p>(viii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> <p>(ix) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.</p>

Article	Particulars
	<p>(x) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (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 duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.</p> <p>(xi) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll</p> <p>(xii) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.</p> <p>(xiii) A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.</p> <p>(xiv) Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.</p>
DIVIDENDS AND RESERVE	
30.	<p>(i) The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p> <p>(ii) 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.</p> <p>(iii) (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.</p> <p>(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> <p>(iv) (a) 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.</p> <p>(b) 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.</p> <p>(c) 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.</p> <p>(v) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.</p> <p>(vi) (a) Any dividend, interest or other monies payable in cash in respect of shares maybe paid through electronic mode or 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.</p> <p>(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>

Article	Particulars
	<p>(vii) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.</p> <p>(viii) 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.</p> <p>(ix) No dividend shall bear interest against the company.</p> <p>(x) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.</p>
BORROWING POWERS	
31.	<p>(i) Subject to the provisions of the Act and regulations made thereunder, the Board of Directors shall have the power, from time to time and in their discretion, to borrow, raise or secure payment of any sum of money, for the purpose of the Company in such manner and upon such terms and conditions as they think fit and through the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future.</p>
ACCOUNTS	
32.	<p>(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
WINDING UP	
33.	<p>(i) Subject to the provisions of the Act and the provisions of Insolvency and Bankruptcy Code 2016 ("Code"), to the extent applicable, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities according to the order of priority as mentioned under the Code, any surplus be distributed among the members according to their rights and interests in the Company.</p> <p>(ii) 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 and Code, 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.</p> <p>(iii) 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.</p> <p>(iv) 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.</p>
INDEMNITY	
34.	<p>(i) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(ii) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p> <p>(iii) The Company may obtain insurance to cover its directors, key managerial personnel or any other officer for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>

Article	Particulars
POWERS OF THE BOARD/SHAREHOLDERS AND AUTHORIZATIONS	
35.	<p>(i) Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein.</p> <p>(ii) If pursuant to the approval of these Articles, if the Act requires any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.</p>

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus), which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement dated March 12, 2018 amongst our Company, the Selling Shareholders and the BRLM.
2. Registrar Agreement dated March 9, 2018, amongst our Company, the Selling Shareholders and Registrar to the Offer.
3. Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLM, the Escrow Collection Banks and the Registrar to the Offer.
4. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLM and the Syndicate Members.
5. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLM and the Syndicate Members.
6. Agreement dated February 16, 2018 amongst NSDL, our Company and the Registrar to the Offer.
7. Agreement dated February 22, 2018 amongst CDSL, our Company and the Registrar to the Offer.
8. Share Escrow Agreement dated [●], amongst the Company, the Selling Shareholders and the Share Escrow Agent.

Material Documents

1. Certified copies of our Memorandum and Articles of Association, as amended till date.
2. Certified copies of the certificates of incorporation dated September 14, 1983 and March 21, 1986.
3. Resolution of our Board dated January 19, 2018, authorising the Offer.
4. Resolution of our shareholders dated February 14, 2018, under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.
5. Resolution of our Board dated March 7, 2018 approving this Draft Red Herring Prospectus.
6. Resolution of our IPO Committee dated March 12, 2018 approving this Draft Red Herring Prospectus.
7. Consent letters of the Selling Shareholders for participation in the Offer for Sale, as detailed in “*The Offer*” on page 71.
8. Copies of auditors’ reports of our Company for Fiscal Years 2013, 2014, 2015, 2016 and 2017 and the nine month period ended December 31, 2017.

9. Examination reports of the Auditors, J V S L & Associates, dated March 7, 2018 on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus.
10. Statement of Special Tax Benefits from J V S L & Associates dated March 7, 2018.
11. Industry report titled "*Shrimp Processing Industry in India*" dated February, 2018, prepared by CRISIL.
12. Written consent of the Auditors, J V S L & Associates, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports, both dated March 7, 2018, on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, and (b) report dated March 7, 2018 on the statement of tax benefits available to the Company and its shareholders, which have been included in this Draft Red Herring Prospectus.
13. Consents of the Banker to our Company, BRLM, Syndicate Members, Registrar to the Offer, Escrow Collection Bank(s), Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officers, Statutory Auditors, CRISIL, legal counsel, Refund Bank as referred to, in their respective capacities.
14. Share subscription agreement dated September 29, 2016 entered into amongst our Company, RVR Projects Private Limited and Nekkanti Mega Food Park Private Limited.
15. Shareholders' agreement dated March 8, 2018, entered into amongst Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty, Nekkanti Seetha Ramachandra Murty (HUF), Atluri Sreeram, Nekkanti Venkat Rao, Nekkanti Rajeswari, Atluri Sirisha, Nekkanti Subba Rayadu, Nekkanti Mahesh, Atluri Murali Krishna, Nekkanti Anjana, Meka Durga, and Atluri Venkata Lakshmi.
16. Sanction letter dated October 17, 2016 and as amended on March 30, 2017, issued by the SBI pursuant to which a personal guarantee has been provided by Nekkanti Venkata Lakshmi and the Supplemental deed of guarantee dated April 27, 2017 executed by Nekkanti Venkata Lakshmi, Nekkanti Seetha Ramachandra Murty, Nekkanti Subba Rayadu, Nekkanti Venkat Rao and Nekkanti Rajeswari in favour of SBI.
17. In-principle listing approvals dated [●] and [●] received from BSE and NSE, respectively.
18. Due diligence certificate dated March 12, 2018 to SEBI from the BRLM.
19. SEBI observation letter [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules, guidelines, or regulations issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, 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, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Nekkanti Seetha Ramachandra Murty (Chairman and Whole-time Director)	
Nekkanti Venkat Rao (Managing Director and Chief Executive Officer)	
Nekkanti Mahesh (Joint Managing Director and Whole-time Director)	
Motamarri Nagesh (Chief Financial Officer and Whole-time Director)	
Kolli Venkateswara Rao (Independent Director)	
Dinesh Bahl (Independent Director)	
Popuri Adeyya Chowdary (Independent Director)	
Malineni Sobha (Independent Director)	

Place: Visakhapatnam

Date: March 12, 2018

DECLARATION BY NEKKANTI VENKATA LAKSHMI, AS A SELLING SHAREHOLDER

I confirm that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself as a Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct.

Signed

Name: Nekkanti Venkata Lakshmi

Date: March 12, 2018

**DECLARATION BY NEKKANTI SEETHA RAMACHANDRA MURTY (HUF), AS A SELLING
SHAREHOLDER**

Nekkanti Seetha Ramachandra Murty (HUF) confirms that all statements and undertakings made or confirmed by itself in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct.

Signed

Name: Nekkanti Seetha Ramachandra Murty, Karta

Date: March 12, 2018

DECLARATION BY THE OTHER SELLING SHAREHOLDERS

Each Other Selling Shareholder confirms that all statements and undertakings made or confirmed by the respective Other Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct.

SIGNED BY AND ON BEHALF OF

Name of the Other Selling Shareholder	Signature
Atluri Sreeram	<hr/> <i>(acting through power of attorney holder Atluri Venkata Lakshmi)</i>
Nekkanti Venkat Rao	<hr/> <i>(acting through self)</i>
Nekkanti Rajeswari	<hr/> <i>(acting through self)</i>
Atluri Sirisha	<hr/> <i>(acting through power of attorney holder Nekkanti Subba Rayudu)</i>
Nekkanti Subba Rayudu	<hr/> <i>(acting through self)</i>
Nekkanti Mahesh	<hr/> <i>(acting through self)</i>
Atluri Murali Krishna	<hr/> <i>(acting through power of attorney holder Atluri Venkata Lakshmi)</i>
Nekkanti Anjana	<hr/> <i>(acting through power of attorney holder Nekkanti Subba Rayudu)</i>
Meka Durga	<hr/> <i>(acting through power of attorney holder Nekkanti Mahesh)</i>
Atluri Venkata Lakshmi	<hr/> <i>(acting through self)</i>

Date: March 12, 2018